

# Scottish Labour's National Recovery Plan for Jobs

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Without bold action, Scotland faces an unemployment crisis that will become a national emergency.

The scale of the problem that confronts us requires a response equally as ambitious as our initial response to the pandemic.

That is why we are proposing the most ambitious jobs creation plan in the history of devolution - as anything short would not meet the needs of Scotland's recovery.

Taking decisive action now can protect people's incomes and wellbeing, save a generation of young people from being permanently disadvantaged in the labour market, and kickstart our economy. Scottish Labour has an ambitious plan to tackle the crisis head on.

Covid-19 has left the Scottish economy fragile: GDP has declined by 9.6% already, business confidence remains low, and certain sectors face significant decline and vulnerability.

As furlough unwinds, businesses collapsing, job losses and redundancies are likely, particularly in the hardest hit accommodation, arts and physical retail sectors. Scotland faces an unemployment crisis at levels not seen since 2008 - already at a five year high of 4.1%,<sup>[1]</sup> forecasts predict a rise to 7.6% by mid 2021,<sup>[2]</sup> representing over 200,000 people. The impact is being acutely felt by young people, risking a 'lost generation'. The result of inaction: widening inequality, long term unemployment, and a proliferation of 'in work poverty'.

Scotland's economy also faces challenges beyond the pandemic; in 10 years' time the Scottish economy will look entirely different, the pandemic having accelerated structural changes and threatening existing ways of working. Without a just transition for the move to a low carbon economy, hundreds of thousands of jobs will be threatened, while we are already seeing the challenges of increased automation and e-commerce across our high-streets and manufacturing sites. Businesses also face post-Brexit challenges, with new barriers and restrictions. There is a clear need for re-skilling our workforce towards the new economic reality.

We cannot risk anyone being left behind. It is Scottish Labour's first national mission to ensure that everyone who wants a job can have a job.

This demands a collective effort from the government, the wider public sector, the private sector and the trade unions to focus Scotland on action in this area.

**This Jobs Recovery plan focuses on the initiatives and actions needed to achieve this national mission by proposing the following, across five key areas:**

## 1. Jobs for Recovery

### Providing good work for those who need it

- The Scottish public sector will guarantee that those not benefitting from other jobs schemes can apply to join the public sector for an average of six months.
- The scheme will be open to every person under 25 who does not have a job, everyone over 25 who has been long term unemployed, and every disabled person who does not have a job.
- A Training Guarantee will be provided while on the scheme, with an expected 20% of the time allocated for developing skills and seeking employment beyond the scheme.
- We will also establish a mechanism whereby charities and the private sector can apply to 'host' these scheme applicants at a reduced cost to employer for the duration of their placement.
- The scheme learns lessons from the success of the 2009 UK Future Jobs Fund, which as part of the Young Person's Guarantee offered a job, training or work experience to all young job seekers, focusing primarily on those aged 18-24 who had been in receipt of Jobseeker's Allowance.

## 2. Train the workforce of the future

A comprehensive plan to up-skill Scotland's workforce towards the new, long term reality

### The New Scottish Skills Benefit

- Those who are unemployed, or currently on furlough to receive £500 to up-skill or retrain while guaranteed furlough / Universal Credit benefits. The unemployed will receive a further £750 in income support, to reflect tuition and study time and amounting to c.80 hours at Living Wage.
- In the future, those in the sectors hardest hit by ongoing structural changes in Scotland's economy - including Retail and Oil & Gas - would become eligible for the programme to help meet the cost of retraining whilst in work.
- We will work with training providers to produce courses that are accessible to all with a range of part time, evening and online courses available.

### A Scottish Work Experience Guarantee

- A National Work Experience Scheme will be introduced for school age and further education age students, with subsidies to be given to remove financial barriers of completion. It will require the creation of a work experience component for S4 pupils and within Further Education / Higher Education courses.
- A National Online CV and Careers Course will become part of the curriculum from S4.
- Secondary schools and colleges to be given additional funding to act as ongoing hubs for career support, so leavers can access employment support for up to two years afterwards.

## Targeted Training Funds for Key Public Sector Professions

- We will establish core training funds for key, in demand public sector careers, subsidising the cost to enter and train (both initially and as part of continued development) across nursing and health, care and engineering.

## 3. Support Job Creation

Substantial private sector incentives to provide additional employment opportunities that reduce inequalities and support equal access for young people and those at greater risk of unemployment

### Kick-Starting 'Kickstart'

- We will provide additional funding for the UK led 'Kickstart Scheme' to include a further six month subsidisation of wages as 'top up' funding', incentivising job hiring for young people on Jobseeker's Allowance / Employment Support Allowance.
- We will commit to ensuring that our refreshed Kickstart runs at least until the end of Summer 2022, matching and committing to our funding additions for Kickstart if the UK wide scheme does not extend beyond its current end date of December 2021.

### Apprenticeships with Ambition

- We will reinvigorate apprenticeships across Scotland, targeting 5,000 new places in the next financial year, to be subsidised for the first 12 months, provided employers contribute to keeping them on.
- We will work with local authorities to establish a 'Share an Apprentice Scheme' across sectors.

### Equal Access Careers

- We will create a National Programme to support individuals disadvantaged within the labour market with specific targeted career support, training and placements, and will extend the Job Start Grant to all Young Disabled People and double the grant to £500 for the young disabled and care leavers.

## 4. A Public Sector for Public Good

Using the power of the public sector supports Scottish jobs and Good Work principles

### Committing to ending Zero Hours Contracts within Public Sector Procurement, and Advocating for a 'Better Business Scotland'

- We pledge to ensuring no publicly procured contract uses zero hours based labour.
- We will establish a 'Better Business Scotland' certification scheme for businesses that can ensure they meet certain criteria. Recognition will be given if businesses separately meet each of the following (1) no zero hour contracts, (2) meeting the Scottish living wage and (3) a clear carbon reduction plan / commitment to net zero.

## 5. Invest in the Scotland of Tomorrow

Ensuring that Scotland's economy is leveraging our advantages for jobs in the long-term

### **Advantaging Local Procurement for Fabrication and Decommissioning in the North Sea, and Renewable Technology**

- Within the UK Continental Shelf region, we will advance Scottish interests by ensuring that the oil conglomerates have to use a certain proportion of Scottish fabricators and decommissioners and advocate for further incentivisation.
- As part of our green transition for the future, we will also support the development of the Scottish supply chain for renewable technology development and fabrication, with conditions on job creation in Scotland.
- We will also create, financially support and actively promote a Scottish-led decommissioning export strategy.
- Commitment to Regular Round-Tables with all relevant Stakeholders on Current and Future Industrial Policy
- Regular round-tables are to be held with all relevant stakeholders on Scottish Industrial Policy, to inform our ongoing strategy on our priority 'industries of the future', with implications for wider policy areas and job creation.

### **Acceleration and Growth of the Scottish Investment Bank (SNIB)**

- Restructure and grow the Scottish Investment Bank (SNIB) into three core pillars:
- Scottish Government Early Investment - prioritising seed investment into new ideas and start ups.
- Scottish Growth Fund - part funded by Scottish Government, part by low cost private capital for wider 'capital for good' projects requiring venture capital investment.
- Scottish Transition Fund - fully government funded investment fund supporting business transition towards greener and more digital futures.
- Advance the issuance of bonds and capital borrowing to increase the amount of funds available upfront for investment across the entire Investment Bank.
- Provide a guarantee that all government investment recipients will meet strict criteria for Scottish fair job creation, carbon reduction and social responsibility.

## Costing

- Scottish Skills Initiative: £250-£300 million initial, £100 million recurring
  - Work Experience: £30 million
  - Kickstart additions: £160 million initial, £100-110 million 2022 uplift (if required)
  - Apprenticeships: £50 million
  - Jobs for the Recovery: £500 million based
  - Total Jobs Recovery Plan costed initiatives: £1.2 billion - £1.35 billion
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[1]<https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2021/03/labour-market-trends-march-2021/documents/labour-market-trends-march-2021/labour-market-trends-march-2021/govscot%3Adocument/Labour%2BMarket%2B-EXTERNAL%2BOUTPUT.pdf>

[2]<https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2021/03/monthly-economic-brief-march-2021/documents/monthly-economic-brief-office-chief-economic-adviser/monthly-economic-brief-office-chief-economic-adviser/govscot%3Adocument/monthly-economic-brief-office-chief-economic-adviser.pdf>

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