

# ECONOMIC INACTIVITY IN SCOTLAND

The worst of both worlds



May 2024

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# About the CSJ Foundation

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The CSJ Foundation exists to support and magnify the fantastic work done by grassroots charities across the UK. Sitting in a unique position between frontline charities, philanthropists, and policymakers, the CSJ Foundation aims to revolutionise the way local grassroots charities are seen and funded.

We oversee an Alliance of 700+ grassroots charities and social enterprises spread across the UK. These charities have been vetted by our team and represent the very best small, community-based charities.

The insights we gain from these charities feed directly into the Centre for Social Justice's policy work, providing vital intelligence about the nature of poverty in the UK – and providing some of the best solutions to deep rooted social problems.

We have a growing network of regional offices that are embedded in their local community. Working in a specific region, dedicated CSJ Foundation staff build strong relationships with the most effective poverty-fighting charities and organisations.

Through these offices, we make sure frontline voices are heard loud and clear in national discussions about poverty. We make the case for forgotten regions, showcasing their innovations and successes, not just highlighting their problems. And we direct much-needed funding to frontline charities.

Our deep understanding of small, grassroots charities and the communities that rely on them, means we are able to provide practical and informed guidance to philanthropists seeking high impact giving. In our first two years, we have helped to direct over £8 million to frontline charities – through advising private donors and administering trusts and foundations. Each charity within the CSJ Alliance is reviewed and assessed by us to ensure their work is making a significant impact in tackling poverty. This means that a modest philanthropic investment will have a transformational impact on the lives of the poorest people in our society.

The CSJ Foundation was established by the [Centre for Social Justice](#), an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

# Foreword

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No one in Scotland relishes discussing Social Security. We have a complicated system that is quickly running up a bill that will soon become totally unmanageable. Tough decisions are coming if we are to continue with our current philosophy.

If we are to make our social safety net more sustainable, we have to look at ways to get as many people as possible out of the position of needing it.

The Centre for Social Justice has a proud history of both expertly diagnosing the root problems we face in our society and also proposing innovative and bold policy solutions. Given the tough economic landscape that we find ourselves in, their input is more valuable than ever. With the levels of economic inactivity on the rise in Scotland, it is crucial to understand the issue in a holistic way, including the root causes, drivers, and potential solutions. Considering its major contribution to the pressures exerted on our Social Security System, this paper is a timely intervention. The conversation that it will start is one that is much needed in Scotland, and I hope that all those in a position to make national policy decisions will take note.

Needless economic inactivity helps no one. The benefits of work are well established on a national economic level, but it also provides incredible benefits on a personal and social level. The fact that there are so many people who are able and willing to work without the ability to get a job should be ringing alarm bells in the ears of lawmakers. I hope that this paper can begin to set off that ringing.



**Jeremy R Balfour MSP**

Member of the Scottish Parliament for the Lothian Region &  
Member of the Social Justice and Social Security Committee

# Executive Summary

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This report contends that while many people will never be able to work for reasons of poor health, disability or caring responsibilities, it is a profound social injustice to effectively write off the many thousands who are on sickness benefits but want to participate in employment. The ONS Labour Force Survey estimates there are 138,500 Scots who are economically inactive but keen to work – trapped in the worst of both worlds. At a time of employment vacancies and labour shortages, failing to help this group take advantage of the opportunities in our economy is a dereliction of duty in any fair and just society.

The Covid-19 pandemic and war in Ukraine sent inflationary shockwaves throughout the global economy. With the price of energy and goods continuing to rise, and the pressure on household budgets emerging as the number one public concern, the cost of living crisis is set to shape the imminent General Election and Scottish Government elections in 2026. The recent convulsions in Holyrood are as much a reflection of the parlous financial state of the nation as they are the internal machinations within the SNP.

At the Centre for Social Justice we have long argued that work is the best route out of poverty. With Universal Credit at its core, Britain's welfare system is now one of the most advanced in the world – and successive governments have made progress in reversing the 'poverty trap' that people found themselves in under the old system, smoothing the journey from welfare into work for millions. But there is much more to do – and much more in Scotland where its devolved powers are struggling to halt the tide of those falling out of work and into welfare.

When looking at the Scottish labour market, MSPs often only report the headline unemployment figure – those who are out of work but actively looking for a job. This ignores the large number of people who are categorised as "economically inactive" with no requirement to seek work, often due to long-term sickness, caring responsibilities, or early retirement. For example, in Scotland in November 2023, the unemployment figure was 124,894 compared to the far higher economic inactivity figure of 755,000. High rates of economic inactivity are associated with higher rates of welfare expenditure, a loss of tax revenue and increased expenditure on support services such as the NHS. It is bad for the individual, their family and community too. It means thousands missing out on the social, financial and health benefits of employment. It means children growing up deprived of the advantages of a home-life shaped by parents going out to work. And it means the economy leaving the immeasurable potential in our communities untapped. In 2017 the Scottish Government developed a new programme to provide employment support for disabled people and those at risk of long-term unemployment. "No One Left Behind" (NOLB) aims to provide a more tailored approach to the needs of people who want help and support to find employment – including those with health conditions and disabilities. The scheme was designed to encourage Scottish and local government to work together with public, charity and private sector partners to respond to local needs.

But while there is welcome evidence to show that some of those on the scheme have benefited from the support it offers, the data also reveals its low take-up. In the four years from 2019, just 39,632 people have received support with only 10,745 helped out of economic inactivity. A recent evaluation of NOLB in August 2023 revealed problems with low awareness and funding for charity providers.

The Scottish Government urgently needs to reboot its strategy to help people who are economically inactive - yet wanting to work - find employment. Our recommendations include:

- Reverse the 24% cut to employability services in the 24/25 budget funding to NOLB
- Simplify childcare through the roll out of the FCSS Childcare app
- Pilot the "micro jobs" scheme
- From the £24M brought back into the budget, create a three year £24M fund for the Third Sector, to which match funding is sought from Foundations and Philanthropists. This fund to be used on strategic evidence backed work which gets people back into work.

# 138,500 People Who Want to Work

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Scotland's economy, like so many other nations, was hit hard by the Covid-19 pandemic, leading to the largest annual fall in Scottish GDP on record.<sup>1</sup> This led to 45,000 people leaving the labour market in 2020. Since then, the situation has worsened. For the period October 2022-September 2023, figures from the Office for National Statistics (ONS) Annual Population Survey reveal that Scotland's economically inactive population increased by approximately 0.7 per cent compared to the same period the year prior.<sup>2</sup> As a proportion of the total population, there are broadly similar percentages of economically inactive people in Scotland (22 per cent) as compared to the rest of the United Kingdom (21.9 per cent).<sup>3</sup> As of November 2023, there were 755,000 people considered economically inactive in Scotland, an inactivity rate of 22 per cent.<sup>4</sup>

Of the 755,000, 56 per cent are women. However, the number of economically inactive women has fallen consistently over time. It has fallen by 8 per cent since 2019, by 14 per cent since 2010, by 18 per cent since 2000, and by more than a quarter since the early-90s. The trajectory for economically inactive men has been the opposite, growing by 11 per cent since 2019, 10 per cent since 2010, 23 per cent since 2000, and by more than one-third since the early 1990s.

However, despite the disappointing situation in Scotland, there remains 138,500 (1 in 5) people who are out of work and considered economically inactive but who want to work.

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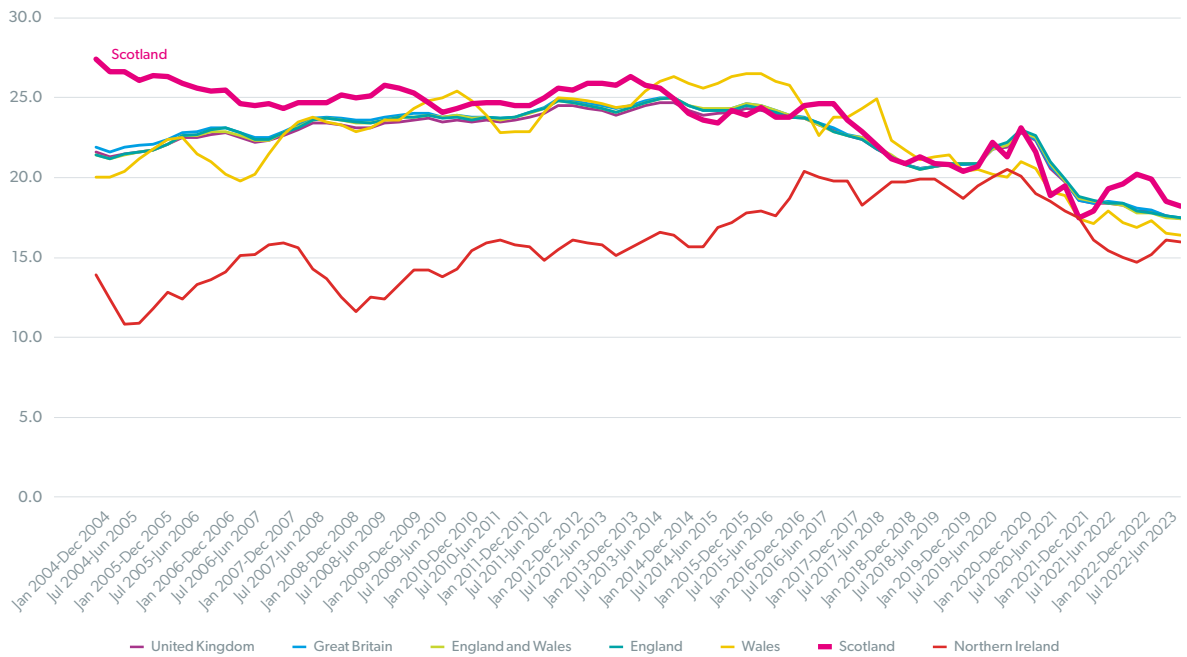
1 Annual GDP is now estimated to have fallen by 12.0% in 2020 and is then estimated to have grown by 9.2% in 2021. The latest figures show that Scotland's GDP contracted by 0.3% in Q2 2023. This follows growth of 0.2% in both Q1 2023 and Q4 2022.

2 [www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/timeseries/lf5k/lms](https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/timeseries/lf5k/lms)

3 [www.nomisweb.co.uk/reports/lmp/gor/2013265931/report.aspx#tabempocc](https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/report.aspx#tabempocc)

4 [www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/timeseries/lf5k/lms](https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/timeseries/lf5k/lms)

Figure 1: Percentage of economically inactive 16–64-year-olds that want to work by countries



As of 2021, the proportion of economically inactive men that want to work was 18.1 per cent, while for women it was 17.1 per cent.<sup>5</sup> Figure 1 illustrates the percentage of those economically inactive 16–64-year-olds that want to work in Scotland was the highest of all countries at the beginning of the time series (2004), at 27.4 per cent. As of 2023 this remains the case. The fall in the percentage of economically inactive people wanting to work is also observable in England and Wales, but not Northern Ireland.

Across the nations, there is also a small proportion of people reporting that they have been discouraged from work.<sup>6</sup>

5 [www.gov.scot/publications/scotlands-labour-market-people-places-regions-protected-characteristics-statistics-annual-population-survey-2021/pages/5](http://www.gov.scot/publications/scotlands-labour-market-people-places-regions-protected-characteristics-statistics-annual-population-survey-2021/pages/5)

6 Data reveals that from October 2022-September 2023, 700 economically inactive Scottish women reported being discouraged from working, as compared to 1600 men during the same period. The main economically inactive groups are: students, people looking after family and home, long-term sick and disabled, temporarily sick and disabled, retired people and discouraged workers. These could all be reasons for not wanting to work, but 'discouraged workers' are a small subgroup of the economically inactive population who said their main reason for not seeking work was because they believed there were no jobs available.

# What are the Drivers of Economic Inactivity?

Data shows that the rise in economic activity can be traced to 4 themes: ill health (both physical and mental), early retirement, Scottish women taking on more caring responsibilities, and finally a rise in higher education student numbers. For this report, we consider the first three.

Figure 2: Composition of those aged 16 to 64 who were economically inactive, Scotland, 2021





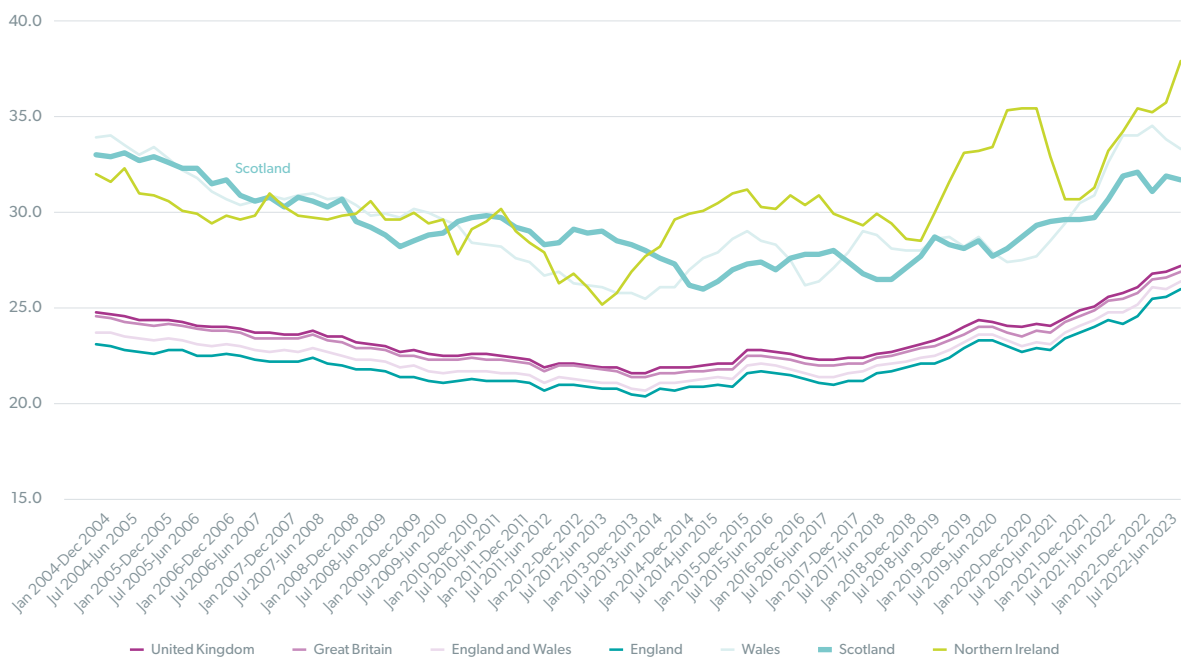
# 1. Chronic Illness and Economic Inactivity

The main reason given for being economically inactive in Scotland is long-term sickness, with 31.7 per cent of those people aged 16-64 citing it as their main reason for being inactive.<sup>7</sup> Long-term sickness is more prevalent as a percentage amongst men than women. The proportion of those with long-term sickness in Scotland is similar to the other Celtic nations, but is higher than in England, as shown in Figure 3.

Long-term illness is particularly concerning because it is associated with extended periods of worklessness. For example, over twice the share of working-age people who are inactive due to sickness are workless for at least two years, compared to those who are unemployed.<sup>8</sup> Across Scotland, levels of economic inactivity are high in the most deprived areas, meaning as people fall out of the labour market, so it becomes harder for them to re-enter due to a lack of job opportunities locally.

According to ONS figures, 187,000 people have self-reported long Covid in Scotland, which is approximately 3.5 per cent of the population.<sup>9</sup> Public Health Scotland has argued that lockdowns associated with the virus – leading to forced redundancies and early retirement – have contributed to a greater trend of ‘health anxiety’ amongst the Scottish population, a trend that is echoed amongst the wider UK population.<sup>10</sup> This is especially pertinent as the population that long Covid tends to affect are likely to have a pre-existing health condition. They are also more likely to live in social housing, to have been claiming benefits before the pandemic, and be in poverty.<sup>11</sup>

**Figure 3: Percentage of economically inactive 16–64-year-olds that are long-term sick by countries**



7 [www.gov.scot/publications/scotlands-labour-market-overview-december-2023/pages/economic-inactivity/#:~:text=Reasons%20for%20inactivity,%E2%80%9Clong%20term%20sick%E2%80%9D](http://www.gov.scot/publications/scotlands-labour-market-overview-december-2023/pages/economic-inactivity/#:~:text=Reasons%20for%20inactivity,%E2%80%9Clong%20term%20sick%E2%80%9D)

8 [www.resolutionfoundation.org/press-releases/britains-employment-gaps-are-falling-but-its-sickness-gaps-are-widening](http://www.resolutionfoundation.org/press-releases/britains-employment-gaps-are-falling-but-its-sickness-gaps-are-widening)

9 [www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-covid19-recovery-committee/business-items/long-covid](http://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-covid19-recovery-committee/business-items/long-covid)

10 [www.parliament.scot/-/media/files/committees/covid19-recovery-committee/summary-of-responses-to-the-call-for-views.pdf](http://www.parliament.scot/-/media/files/committees/covid19-recovery-committee/summary-of-responses-to-the-call-for-views.pdf)

11 [ifs.org.uk/publications/long-covid-and-labour-market#:~:text=The%20impact%20of%20long%20COVID,possibly%20to%20be%20in%20poverty](http://ifs.org.uk/publications/long-covid-and-labour-market#:~:text=The%20impact%20of%20long%20COVID,possibly%20to%20be%20in%20poverty)

## 2. Women and Caring Responsibilities

Women are more likely to be economically inactive than men and are three times more likely to cite caring responsibilities as a reason for inactivity. This trend is evident across different countries, higher rates of economic inactivity among women tend to reflect women's propensity to be primary caregivers for children, or to have unpaid caring roles for older or disabled people.<sup>12</sup>

Amongst the cohort of 25–49-year-old women in Scotland, looking after family/home and long-term sickness are the main reasons for economic inactivity.<sup>13</sup> For the period October 2022-September 2023, almost half of Scottish women gave the reason for economic inactivity to be 'looking after the family or home', at 45.9 per cent.

## 3. Early Retirement Trends

More Scots are choosing to retire earlier. More people are exiting the workforce than would ordinarily be anticipated. This can be attributed to several reasons, including lockdowns associated with Covid making older workers redundant earlier than they would like (particularly in hospitality), and these displaced older workers deciding not to look for further work.

Recent research by the Institute for Fiscal Studies (IFS) suggests that people taking early retirement were making a "lifestyle choice" reflecting changing priorities and preferences, with small numbers being forced out of work because of redundancy or long-term health problems.<sup>14</sup> However, this trend may also reflect a wider lack of flexibility in the labour market, with older workers struggling to find quality part-time or flexible work that enables them to work the number of hours they wish. Analysis by the IFS and the Fair Work Convention has also highlighted that remote working has made employment less appealing to some older workers with less access to the social interactions of the workplace. According to the Royal Society of Edinburgh, Scotland's ageing population is already a larger percentage of the population and growing at a faster rate than the rest of the UK, with rural and Island communities particularly vulnerable.<sup>15</sup> Their data suggests that significant numbers of those aged 65 years and above have recently returned to work because of the cost-of-living crisis, which includes factors such as higher inflation and growing energy bills. However, this data is fluid and evolving, and as such, more thorough analysis of the data and other relevant information for Scotland is required before moving to longer-term implications and policy conclusions.

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12 [www.closesthegap.org.uk/content/resources/Covid-19-Recovery-Committee-Inquiry-into-the-impact-of-the-pandemic-on-the-Scottish-labour-market--August-2022.pdf](http://www.closesthegap.org.uk/content/resources/Covid-19-Recovery-Committee-Inquiry-into-the-impact-of-the-pandemic-on-the-Scottish-labour-market--August-2022.pdf)

13 Retirement was the key driver for rising economic inactivity for older workers aged 50-69 years.

14 [ifs.org.uk/news/decisions-retire-early-are-driving-growing-economic-inactivity-among-people-their-50s-and-60s#:~:text=The%20evidence%20suggests%20that%20many,of%20leaving%20work%20for%20inactivity](https://ifs.org.uk/news/decisions-retire-early-are-driving-growing-economic-inactivity-among-people-their-50s-and-60s#:~:text=The%20evidence%20suggests%20that%20many,of%20leaving%20work%20for%20inactivity)

15 [rse.org.uk/wp-content/uploads/2022/10/RSE-AP-Road-to-recovery-impact-of-the-pandemic-on-the-Scottish-labour-market-2022.pdf](https://rse.org.uk/wp-content/uploads/2022/10/RSE-AP-Road-to-recovery-impact-of-the-pandemic-on-the-Scottish-labour-market-2022.pdf)

# What is the Scottish Government Doing?

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## Universal Credit in Scotland

Universal Credit (UC) was introduced across the UK in 2013 with the aim of providing greater fairness in the welfare system by making work more financially attractive and ensuring that people were better off in work than on benefits. The Scottish Government decided to delay the roll out of UC, however despite this initial delay it is interesting to note that as of November 2023, in Scotland 77 per cent of all work-related benefit claimants had now been migrated from the 6 legacy benefits to UC. This is comparable with Wales and the Northern regions of England.

## No One Left Behind (NOLB) and Fair Start Scotland (FSS)

Alongside reserved Jobcentre Plus, there are four main sources of employability support that fall within the competence of the Scottish parliament: Parental Employability Support Funding, Young Persons Guarantee, Fair Start Scotland (FSS) and No One Left Behind (NOLB). Following the 2014 Scottish independence referendum, the cross-party Smith Commission was established to propose new powers to be devolved. This included recommending – subsequently legislated for in the Scotland Act 2016 – that: "The Scottish parliament will have all powers over support for unemployed people through the employment programmes currently contracted by DWP."<sup>16</sup> As a result, two schemes delivered by DWP – Work Choice and the Work Programme – stopped taking new referrals in Scotland and the Scottish government introduced two new transitional programmes from April 2017. These were then replaced by the existing FSS service in April 2018. Most recently, the Scottish government in March 2024 stopped taking any new referrals on to FSS. Existing cases will still be supported but all new referrals now go to NOLB. Parental Employability Support Funding was stopped in financial year 24/25 and Young Persons Guarantee had its funding stopped in 22/23.

While both FSS and NOLB have supported people into work, a common concern from service providers has been one of lack of scale – of delivery, impact and funding – and the extent to which this does, or even can, meet the scale of the problem. For example, there have been 111,105 starts on either No One Left Behind FSS between April 2018 and September 2023. In relation to NOLB. The number of people receiving support has slowly increased over time from 2,749 in year 1 (2019/20) to 18,484 in year 4 (2022/23). **Over the period of 4 years only 10,745 (24 per cent) were helped out of the economically inactive category.**

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<sup>16</sup> The Smith Commission 2014: [webarchive.nationalarchives.gov.uk/ukgwa/20151202171059/http://www.smith-commission.scot/smith-commission-report](http://webarchive.nationalarchives.gov.uk/ukgwa/20151202171059/http://www.smith-commission.scot/smith-commission-report)

## This is not fast enough

The 2023 UK Government Autumn Statement introduced a doubling of Universal Support and introduction of a “Chance to Work Guarantee” in England & Wales, both longstanding CSJ recommendations. Extra funding of £53M was announced for Universal Support to help people into work in England and Wales. If this was a reserved element the Barnett Consequential of this (at 9.2 per cent) would be £4.9M of extra funding for Scotland. No such increase was announced by the Scottish Government<sup>17</sup> in fact a cut of 24.4% was announced in the Scottish Budget across the 4 employability schemes, equating to an annual amount of £24.6M. The purpose of Universal Support is to:

- Identify individuals in need of support with complex barriers to work, including physical or mental health conditions, disabilities, problem debt, social isolation, childhood trauma, housing issues, addiction, relationship problems, caring responsibilities and more.
- Refer them to a local authority assigned Key Worker who is independent of the Department for Work and Pensions, and is able to build a trusted relationship with vulnerable individuals.
- Provide a bespoke “wrap-around” support plan for vulnerable individuals and people distant from the labour market, including triage **and sign-posting to local organisations and community charities best able to help them overcome complex and overlapping barriers to work.**

Initial points of referral to Universal Support include the JobCentre Plus, GP surgeries, Citizens’ Advice, occupational health, Third Sector organisations such as debt charities, mental health and addiction support groups, local housing associations and council. Past estimates suggest Universal Support could deliver a return on investment of between £1.5 to £2 for every £1 invested, taking into account reductions in welfare, health and social costs. The thinking and set up behind NOLB is very similar to Universal Support. We therefore assume that the Scottish Third Sector providers of NOLB would also achieve similar returns on money spent via them, but in order to achieve this NOLB must be funded appropriately - see Recommendation 2.

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<sup>17</sup> <https://www.gov.scot/publications/scottish-budget-2024-25> Page 48 Table A2:17

# The Role of the Third Sector

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Policy makers in Scotland, faced with stubborn levels of economic inactivity, are bound by tighter fiscal conditions, lower rates of growth, a recent global economic downturn and higher interest rates. The capacity to spend large amounts of money are increasingly diminished. The demand on frontline services is more complex than ever, meaning public services are not best placed to help people who want to get back in to work. The Centre for Social Justice has long advocated for more emphasis to be placed on front line charities.

We see examples of good practice in the Third Sector in Scotland which should be expanded. With our UK wide view, we also see work done by the Third Sector in other parts of the UK which should be replicated in Scotland. Below we give some examples of both.

## 1. Charities working in chronic illness and long-term economic inactivity

Generally, charities working in this area offer a range of help across six broad categories of support:

- **Health:** Access to support the health concerns that people may have and to find useful links for local mental and physical support services. Some may provide therapeutic services themselves.
- **Skills:** Access in-house training teams, often offering accredited qualifications, and external tailored training courses.
- **Confidence & Motivation:** 1-to-1 support and courses to empower people to achieve their goals, feel more confident and improve self-esteem.
- **Wellbeing:** Access wellbeing services, tools and advice to improve mental, emotional and physical wellbeing.
- **Finance:** Guidance & support to access financial advice, including benefits calculations, budgeting & debt management support.
- **Support Network:** Advice and resources to improve people's support network, including local community groups and access to other support organisations.

Examples of excellent work being done in this area;

- Fife Employment Access Trust: FEAT
- LAMH (Lanarkshire Association for Mental Health) Recycle Project
- Glasgow Centre for Inclusive Living (GCIL)
- Flourish House and the Clubhouse Model
- Routes2Work Glasgow
- The Recruitment Junction (Newcastle)
- The Zink Project (Buxton, Derbyshire) : Microjobs
- We Mind the Gap (Wrexham)
- CatZero (Hull)

## Case Study 1: The Zink Project 'micro jobs'

The Zink Project empowers people and families to build a better future no matter what they've been through. When a crisis happens, Zink provides emergency food and advice to sort out the cause and plan a future. Zink's work coaches help people into work, education or training alongside a range of activities and interests that enable people to grow, learn and mix.

The key innovation on Inactivity that Zink offers are 4 hour per week "micro jobs". Micro jobs are small portions of paid work that act as a step between volunteering and mainstream work; targeting those who are long term unemployed and out of the routines of work. The results are very positive with 75 per cent of micro job holders moving into mainstream work within 6 months. Each week Zink works with over 400 people across their projects."

## 2. Charities working with women and their caring responsibilities

Charities working on this issue tend to offer the following:

- **Skills:** Access in-house training teams, often offering accredited qualifications, and external tailored training courses. Help in applying for jobs, CV's and interview skills. Some offer access to smart work clothes for interview and subsidised work wardrobes.
- **Confidence & Motivation:** 1-to-1 support and courses to empower people to achieve their goals, feel more confident and improve self-esteem.
- **Increasing childcare provision:** creating cost effective, flexible solutions to parents returning to the workplace.

Examples of excellent work being done in this area:

- Smart Works Scotland.
- Flexible Childcare Services Scotland (FCSS).

## Case Study 2: Flexible Childcare Services Scotland

Flexible Childcare Services Scotland (FCSS) is a national charity that runs 23 childcare settings across Scotland. They provide flexible, book by the hour, early learning and childcare in all of their nursery settings and also support children with Additional Support Needs (ASN) through their groups and holiday clubs.

The charity's childcare settings are located in areas of high deprivation and are actively supporting parents to return to work or education through their flexible delivery model.

FCSS has also developed an innovative App for use by nurseries and parents. It allows nurseries to offer free hours and for parents to buy extra hours when required. The App generates income for FCSS giving the charity sustainability. It also has significant impact for the parents, most of whom live in low-income neighbourhoods.

A recent evaluation report showed:

- 77 per cent said, "I can work more".
- 55 per cent said "flexible childcare saves me money on childcare".
- 13 per cent said "I can increase my other caring responsibilities".
- 48 per cent said their household income had increased by 0-£2K.
- 12 per cent said their household income had increased by £2-£5K.
- 21 per cent said their household income had increased by £5,000+ year.

## 3. Charities working with early retirement trends

Charities working on this issue tend to offer the following:

- **Skills:** Access in-house training teams, often offering accredited qualifications, and external tailored training courses. Help in applying for jobs, CV's and interview skills.
- **Confidence & Motivation:** 1-to-1 support and courses to empower people to achieve their goals, feel more confident and improve self-esteem.
- **Supporting people to stay in work longer:**
- **Decreasing loneliness both in work and in community.**
- **Increasing childcare provision:** by creating cost effective, flexible solutions for parents returning to the workplace, this frees grandparents from childcare commitments and frees them to seek part time employment.

Examples of excellent work being done in this area:

- Age at Work project, a partnership between Age Scotland and Business in the Community Scotland.
- Senior Centre Castlemilk.
- Centre for Ageing Better.

### Case Study 3: Age At Work

Age at Work supports older workers (50+) to remain in or return to work in order to help them have enough income, stay connected and have a fuller working life. The programme aims to:

- Raise awareness of the impact of an ageing workforce and the need for an age-inclusive agenda in government, business and wider society.
- Encourage and support businesses to be more age-inclusive in recruiting, retaining and retraining older workers.
- Support more older workers to remain or return to work.

All aspects of the Age at Work programme are free of charge to all businesses and individuals. The programme offers a range of resources and tools to help support businesses and individuals to become more age inclusive.

**Key activities:** As well as raising awareness of an ageing workforce, the Age at Work programme in Scotland offers support for both businesses and individuals who are over 50 years old.

**Offers for businesses:** Still Ready for Work Programme

Employers are supported in running online workshops to support individuals 50+ who wish to return to work or explore a role in a different business. Individuals have the opportunity to participate in short online workshops to increase confidence in exploring and preparing for the current job market.

**Support for individuals:** Still Ready for Work programme

Business in the Community Scotland's (BITC) programme of online workshops support individuals 50+ who wish to return to work or explore a role in a different business. Individuals have the opportunity to participate in short online workshops to increase confidence in exploring and preparing for the current job market. Online workshops cover the following topics – skills assessment, job search in the digital age, creating a social media profile (Linked In), CVs and applications and interview skills.

They also offer Coffee & Job Clubs where people aged 50+ who are facing redundancy, currently unemployed or looking at a new career are invited to join an informal, drop-in style online group where they can share experiences, learn from others and get tips, advice and support from BITC staff and others in the same boat. The club helps people seeking work to stay encouraged and confident to help them achieve their job goals.

## A message from these charities

We recently gathered 60 charity leaders together to listen to what they said were the key issues facing charities in Scotland. Their feedback was clear on how the Third Sector in Scotland was "Drowning and not Waving". This was the title of our report,<sup>18</sup> which highlighted that charities in Scotland felt the key issues they were facing were:

- Lack of sustained multiyear funding.
- Lack of funding for core costs.
- Lack of full cost recovery.
- Lack of opportunity to bid against large providers for public contracts.

Therefore, against the background of this feedback, to substantially increase the numbers of people supported by NOLB, charities working in this area need adequate, long-term funding to allow them to deliver the excellent services which will get people back into work and out of inactivity.

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<sup>18</sup> Drowning Not Waving (2024) The Centre for Social Justice <https://www.centreforsocialjustice.org.uk/library/drowning-not-waving>



# Policy Recommendations

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High rates of economic inactivity in Scotland will continue to constrain the economic and social growth of people trapped in inactivity. There are at least 138,500 people who could be in work but aren't. The Scottish Government should do everything it can to tackle worklessness. We propose making 5 changes that will empower Third Sector organisations to tackle the problem.

## 1. Scottish Government commitment on No One Left Behind

The Scottish Government should reverse the £24.6M cut in the employability budgets and instead set up a three year match fund with foundations and philanthropists to bring people into employment and out of poverty. For every £1 spent from this fund we anticipate £1.50 - £2.00 of saving on other budgets. An excellent example of Christie preventative spend.<sup>19</sup>

## 2. Increase No One Left Behind Funding

The Scottish Government should commit to fund innovative evidenced Third Sector work for a period of three years, to give the charities long term core funding. This funding to be awarded in the areas of long term unemployment, increasing parental employment and helping young people into work.

## 3. Simplify childcare

On a very practical note, one such project with evidenced outcomes which the Scottish Government should support is the roll out of the FCSS Childcare App across Scotland. This would allow more low income families to increase their income by taking advantage of flexible, reasonably priced childcare. Once proven successful, this provides an opportunity for Scotland to lead the UK by setting an example that others will follow. After roll-out in Scotland, we believe that the Westminster Government should trial and adopt this model in England.

## 4. Scotland should lead a 'Micro Jobs' revolution

Research from the University of Sheffield showed that the 'micro jobs' initiative pioneered by The Zink Project in Buxton boosted confidence of post holders in three areas: their own abilities, their ability to sell themselves in interviews, and their place in the labour market. Further, 75 per cent of microjob holders move into mainstream work within six months. The idea is simple: provide a small number of hours for entry-level employment through local community-based charities. We propose a series of pilot projects which sees the roll out of charity "Micro Jobs" at multiple locations across Scotland. These pilots are to be monitored over 3 years to test their effectiveness with a commitment to expand the pilot if they are found to have a positive effect at getting people into work.

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<sup>19</sup> The Christie Commission (2011): [www.gov.scot/publications/commission-future-delivery-public-services](http://www.gov.scot/publications/commission-future-delivery-public-services)



Kenneth Ferguson, Head of Scotland

 [Kenneth.Ferguson@centreforsocialjustice.org.uk](mailto:Kenneth.Ferguson@centreforsocialjustice.org.uk)

 [www.csjfoundation.org.uk](http://www.csjfoundation.org.uk)

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