



University of  
**Strathclyde**  
Glasgow



# Fraser of Allander Institute

Understanding local labour markets  
across Scotland

*May 2026*

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The Fraser of Allander Institute

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## Disclaimer

The analysis in this report has been conducted by the Fraser of Allander Institute (FAI) at the University of Strathclyde. The FAI is a leading academic research centre focused on the Scottish economy.

The report was commissioned by Joseph Rowntree Foundation.

The analysis and writing-up of the results was undertaken independently by the FAI. The FAI is committed to informing and encouraging public debate through the provision of the highest quality analytical advice and analysis. We are therefore happy to respond to requests for factual advice and analysis. Any technical errors or omissions are those of the FAI.

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# Executive Summary

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- The labour market is made up of both the supply side – those who Want to Work – and the demand side – employers that would like to hire workers. While employability policy is often focused on the supply side of the equation, understanding how these two sides of the labour market fit together is important for designing effective economic policy.
- This report brings these two sides together by looking at both the number of people in each local authority area who Want to Work and the availability of jobs. By going beyond traditional measures of unemployment, it provides a fuller understanding of local labour market pressures. This is particularly relevant under No One Left Behind, the approach to devolved employability support between Scottish and Local Government, where employability support is delivered locally.
- We focus on “People Who Want to Work” – a wider group than the usual measure of unemployment. It includes not only those who are unemployed, but also people who are economically inactive and say they would like a job. Looking at this broader group gives a more complete picture of Scotland’s potential labour supply, given the right circumstances and support.
- Throughout the report, we highlight that understanding these local differences depends on the quality of the data available. Despite ongoing survey response challenges, the Annual Population Survey (APS) from the Office for National Statistics remains important because it tells us directly whether people say they would like to work. But at local authority level, estimates have become increasingly uncertain because of small sample sizes and decreasing response rates.
- Alternative estimates using administrative data provide a more stable basis for comparing areas and identifying broad patterns. These administrative data-based estimates, while not perfect, provide a more stable and reliable picture of local labour markets than available survey data, particularly in recent years and when used alongside local knowledge.
- The findings show that there is no single labour market story across Scotland. The share of people out of work who Want to Work varies markedly between areas, from around 15% of the working-age population in Dundee City to around 3% in East Renfrewshire.
- Dundee City, and the wider Tayside region, stand out as facing the most acute labour market pressures. Dundee has both a high share of People Who Want to Work and the highest ratio of people wanting work to advertised jobs, at around 35 people per vacancy. This pattern remains even when looking across the wider Tayside labour market, where the ratio is still the highest in Scotland at around 11 to 1.
- Elsewhere, the nature of the challenge differs. Looking at broader labour market regions, rather than local authority boundaries alone, gives a more realistic picture of the job opportunities available to residents. In and around larger cities, access to a wider pool of jobs can reduce apparent local pressure. In more rural and island areas, labour markets are often more self-contained, meaning that local job availability and local barriers to work are especially important.

# Executive Summary

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- The report also highlights the need for locally tailored approaches to supporting parents into good work in the context of Scotland’s child poverty ambitions. While the share of parents wanting work is fairly similar across regions, parents make up a much larger share of the wider “Want to Work” group in some places than in others. For example, around 44% of the “Want to Work” group are parents in the North East compared to 19% of the “Want to Work” group are parents in the South of Scotland region. This suggests that the role of employment support for parents may differ across Scotland.
- This report shows that a place-based approach is important to employment policy. Local labour market challenges do not always align neatly with administrative boundaries, and vacancy numbers alone cannot explain why people are out of work. Factors such as transport, commuting patterns, caring responsibilities, health inequalities, job quality and the match between available jobs and people’s circumstances all shape local outcomes.
- Ultimately, improving employment outcomes requires a place-based approach – one that recognises both the diversity of local labour markets and the different circumstances of the people within them.

# Introduction

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Understanding local labour market opportunities and whether there are people who want to fill them is crucial to designing good employment policy. Under the [No One Left Behind](#) framework, which is Scotland's main employability structure and funding stream, employability services are devolved to local authorities (see our [blog explainer here](#)). This means that it is even more important that we have a local view of available jobs and potential workers, rather than just a broad, national overview.

This report compares numbers of available jobs to the number of people who are not working but would like to work. We start at the local authority level but explore broader regions as well. This is an important way of considering issues like commuting and labour markets that cross local authority boundaries.

Local understanding of the labour market has faced growing challenges in recent years. Since the onset of the Covid-19 pandemic, significant issues have emerged with the ONS's Annual Population Survey (APS), which is the main source of Scotland's official labour market data.

The [issues with labour market data is especially acute at local authority level](#), where, due to smaller sample sizes, official survey estimates are often uncertain and confidence intervals<sup>1</sup> are large. As a result, it has grown harder to say with confidence which areas have the greatest labour market pressures in Scotland.

This report draws on data from administrative sources like tax records to estimate the number of people who would like to work. We then compare to estimates from the APS and discuss how uncertainty around the survey estimates can be understood.

We also estimate how many parents are out of work but say they would like to work. Parents can face additional barriers to entering or returning to employment, including childcare responsibilities and the availability of flexible work. Understanding how many parents would like to work is especially important in the context of [Scotland's child poverty targets and the limited progress made towards meeting them](#), given the [central role that employment plays in tackling poverty](#).

We then turn to the demand side of the labour market by using online job adverts to understand how many job opportunities are available locally.

Bringing together both the supply of people who would like to work and available jobs provides a clearer picture of where the challenge faced by jobseekers is greatest across the country.

In some areas in particular, there are relatively large numbers of People Who Want to Work compared to number of jobs being advertised, which may make it harder for people to find work locally.

Understanding these local patterns matters for policy and practice. Local authorities, third sector organisations and government all need to know where labour market pressures may be greatest, and where the nature of the challenge may differ.

<sup>1</sup> For a straightforward guide to understanding confidence intervals and why they matter, see Appendix A.

The report is structured as follows:

- **Section 1** examines local authorities labour markets, looking at how many people Want to Work compared to how many jobs are available.
- **Section 2** looks at wider regional labour markets, recognising that people commute across areas for work, and looks at parents in these areas who Want to Work.
- **Section 3** provides a discussion on areas with the biggest labour market pressures lie and parental employment.

This report is accompanied by an interactive dashboard for exploring the findings in more detail, as well as a labour market guide and technical annex which explain the measures and methods used

# 1. Local Authorities' Labour Markets

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Local authorities lead Local Employability Partnerships, which are responsible for planning employability services in Scotland. Alongside the Scottish and UK Governments, local councils also contribute to policy on local economic development. These functions both require an understanding of local job opportunities and how many people who are not currently working would like a job.

This section looks at local labour market conditions across Scotland's 32 local authorities, bringing together both sides of the labour market:

- Labour supply: people who are not in work but would like to work.
- Labour demand: the number of jobs that employers are advertising

Looking at both sides of the labour market is important. Two areas may have similarly high numbers of People Who Want to Work, but local labour market challenges will look quite different if one has a notably higher volume of advertised jobs.

## Local labour supply: People who are out of work and Want to Work

First, it is important to understand how many people are not working but would like to work. Throughout this report, we focus on a group we refer to as **"People Who Want to Work."** This includes:

- People who are unemployed<sup>2</sup>, and
- People who are economically inactive<sup>3</sup> but say they would like a job.

This provides a broader view than unemployment alone, because it includes people who may enter or return to work if the right opportunities or support were available. For example, individuals may want to return to work but face barriers such as caring responsibilities, poor health or hold a perception that suitable jobs are not available.

However, it is important to note that this measure still may not capture everyone who would like to work. Some people may not report wanting a job if they feel it is not currently feasible given their circumstances. For example, a parent caring for a disabled child may Want to Work but be unable to do so without more flexible employment or support. This means the estimates may still understate the true level of potential labour supply.

<sup>2</sup> The International Labor Organization (ILO) defines a person as unemployed if they a) do not have a job, b) have actively looked for work in the last four weeks, and c) are available to start work in the next two weeks. People waiting to start a job within two weeks are also counted as unemployed.

<sup>3</sup> People aged 16+ who are neither employed nor unemployed under the ILO definition. Common reasons for being inactive include being a student, retired, having caring responsibilities, or for health-related reasons.

## Box 1: Alternative sources of labour market data

There are four figures which are needed to determine the number of people in Scotland who are not working. These figures and sources are

1. The size of the working age population – National Records of Scotland
2. The number of payrolled employees – HMRC (PAYE RTI (SA))
3. The number of self-employed people – HMRC via the Survey of Personal Incomes
4. The number of people in other forms of employment – APS

Essentially, we add up the number of people who are working, then subtract them from the population size. This gives us the number of people who are not working.

We then use percentages from the APS to understand how many non-working people Want to Work. These are:

5. The proportion of non-working people who are unemployed compared to inactive – APS
6. The proportion of inactive People Who Want to Work – APS

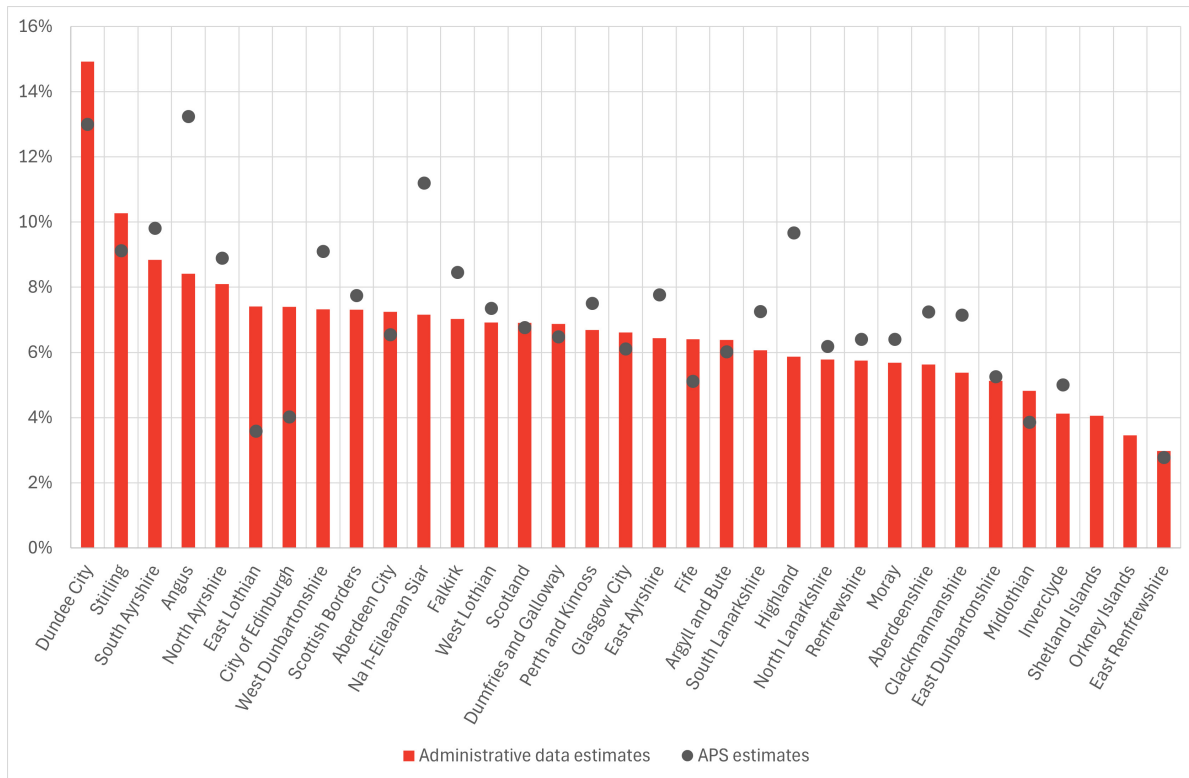
Because administrative data has better coverage and less uncertainty, these estimates provide a more stable and reliable view of local differences in how many people Want to Work compared to survey data. This comes with a trade-off, however. Unlike survey data, it is much harder to put a meaningful range on uncertainty around these estimates. See more on this in **Box 2**.

The proportion of the working age population (ages 16-64) that would like to work varies across local authorities (**Chart 1**). As of mid-2025, the proportion was highest in Dundee City (about 15%) and lowest in East Renfrewshire (3%).

Other local authorities with a high proportion of people who would like to work include Stirling (10%), South Ayrshire (9%), Angus, and North Ayrshire (both 8%). After East Renfrewshire, the lowest are Inverclyde, Shetland Islands, and Orkney Islands (3-4%).

It is worth noting that in some areas (such as Inverclyde) a lower proportion of people reporting that they would like to work may appear counterintuitive given wider economic challenges. This measure captures those who report that they would like to work, and may not fully reflect underlying labour market challenges such as higher levels of long-term ill health, differences in population structure, or people being less likely to report that they would like to work where barriers or perceived job opportunities are limited.

**Chart 1:** Percent of working age population who Want to Work, YE 2025 Q3



**Source:** FAI estimates using data from HMRC, NRS, SPI, Census, and APS

**Notes:** Estimates are averaged over the four quarters ending in 2025 Q3. Figures for Shetland and Orkney are based on the Scotland-wide (rather than local authority-specific) proportion of inactive people who say they Want to Work.

In **Chart 1**, the bars represent our estimates from administrative data whilst the dots represent estimates from the Annual Population Survey (APS).

About half of the want-to-work estimates from administrative data are within one percentage point of those derived directly from the APS. The ranking of local authorities is also broadly similar – for example, Dundee City is at the high end, which East Renfrewshire and Midlothian have some of the lowest values.

However, there are notable differences in some areas. In Angus, Na h-Eileanan Siar and Highland, the modelled estimates are noticeably lower than the APS estimates. This largely reflects that the administrative data counts a higher volume of employment in these areas compared to the APS, leaving a smaller number of people estimated to be out of work and wanting a job.

In Na h-Eileanan Siar and Highland in particular, these differences appear to reflect issues with the survey data, which shows a sharp fall in employment that is not seen in other sources. The alternative estimates therefore point to a more stable labour market in these areas than survey data would indicate.

On the other hand, in East Lothian and City of Edinburgh, the APS suggests that about 4% of the working-age population is out of work but wants work, whereas the modelled estimates are higher, at 7-8%. This is driven by a lower employment rate found in administrative data compared to the APS in these areas.

A small part of the differences also comes from how population is measured, with survey-based figures tending to slightly understate the size of the population, compared to the National Records of Scotland. More detail on why the two sets of estimates differ can be found in the Technical Appendix.

## Box 2: Parents who Want to Work across Scotland

Parental work is an important lever for reducing child poverty. The most recent child poverty delivery plan includes measures aimed at supporting parents into work, such as spending on Parental Employability Support and a Transport to Employment programme.

It is therefore important to understand the number of parents that are not working but would like to. We are not able to identify parents in administrative tax data, so we rely on regional estimates from the APS to understand how parents who Want to Work are distributed across Scotland.

Over **60,000 parents** in Scotland are not in work, but would like to work, representing around 30% of all People Who Want to Work and around 6% of all parents.

Due to data limitations, it is not possible to estimate these figures at local authority level. Instead, a regional breakdown parents who want to work is presented at a more aggregated regional level in Section 2.

## Box 3: Survey data and administrative data — what is the difference?

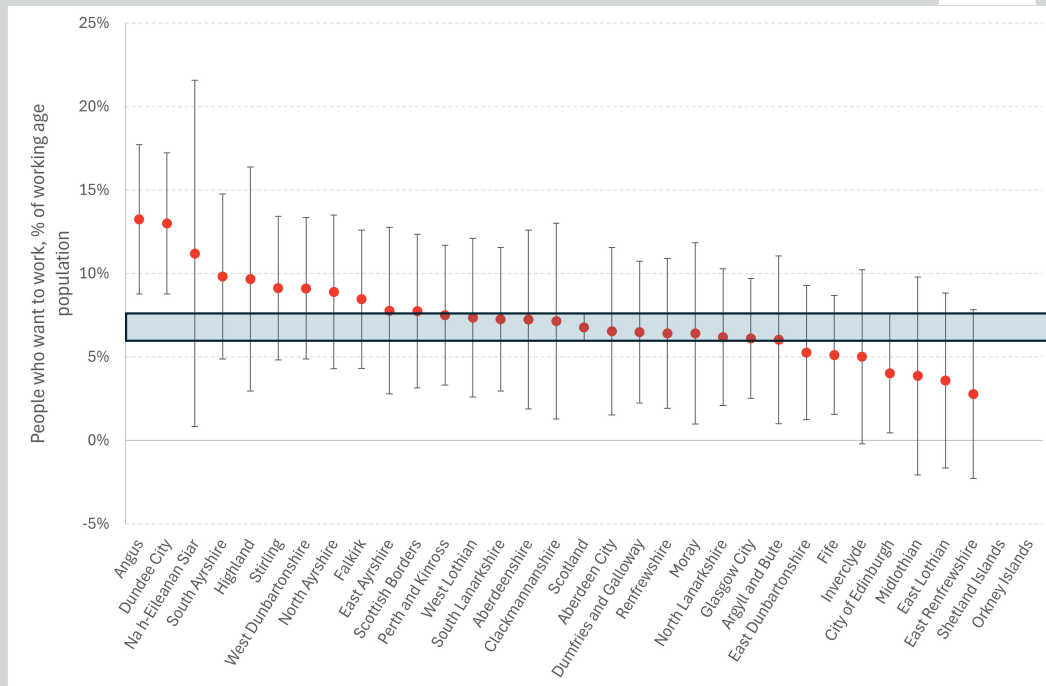
This report uses both **survey data** and **administrative data**. Each tells us something useful, but each also has limitations.

**Survey data** comes from asking a sample of people questions and then using their answers to estimate what is happening across the wider population. In this report, the main survey source is the Annual Population Survey (APS). Survey data is the traditional source of data for labour market statistics.

The main strength of using survey data is that is practical and cost-effective. If the sample is large and well-designed, it can produce accurate estimates. Another strength of survey data is that it captures people's circumstances and views directly. For example, it can tell us whether someone says they would like to work.

However, because the results are based on a sample, they are not exact. There is always some uncertainty around the headline number. At local authority level, with smaller sample sizes, this can sometimes lead to wide confidence intervals which means more uncertainty around the estimates (**Chart 2**). Since the Covid-19 pandemic, falling response rates have made some labour market survey estimates less reliable.

**Chart 2: Uncertainty around APS "Want to Work" estimates\***



\*Blue box is confidence interval for Scotland wide estimate.

Source: FAI analysis of APS data

Differences across local authorities should be treated with caution, as most confidence intervals overlap with the Scottish average, meaning we cannot be sure they are truly higher or lower. Some of the differences between areas may simply reflect normal variation in the sample data rather than real differences on the ground.

More generally, this kind of uncertainty in local data is not new. Even in earlier years, when survey quality was stronger, estimates for smaller areas were often uncertain—though this has become more pronounced in recent years (see Appendix B).

**Administrative data** is created through the normal operation of public services or systems, rather than through a survey. Examples include tax records, benefit data or official population estimates. These datasets usually cover more of the population of interest.

The main strength of administrative data is its scale and coverage, which can make it more stable and reliable for comparing outcomes. This is particularly true for comparing estimates for smaller areas.

However, administrative data does not always contain the same level of detail as a survey. In particular, it often cannot tell us directly about people's preferences, intentions or circumstances. For example, tax or benefits data may show whether someone is in work or claiming support, but not whether they want a job.

### Local labour demand: The number of available jobs

The other side of the labour market is labour demand, or how many workers employers want to hire. We use job advert data from Adzuna to understand the approximate number of jobs available in each area relative to the number of People Who Want to Work.

Adzuna is a job search platform that brings together job adverts from many sources, including employer websites, recruitment agencies and major job boards. In 2024, Adzuna captured 95% of the UK market in terms of published job ads.

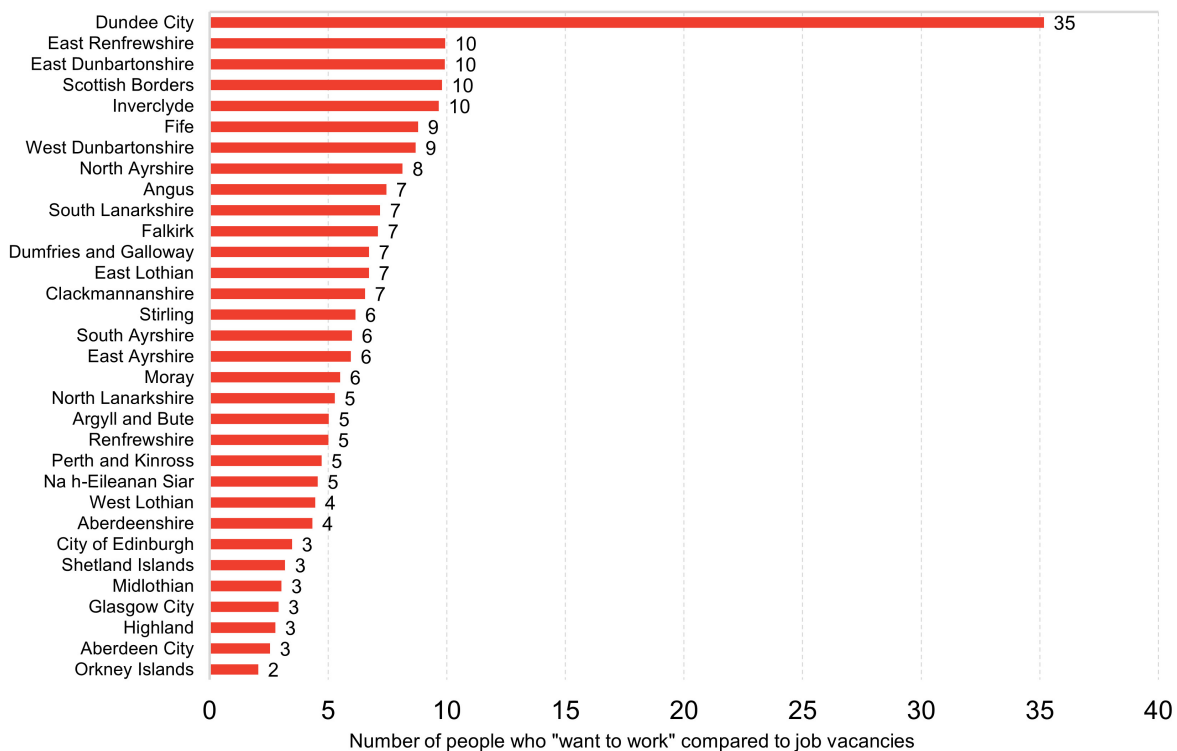
This allows us to compare the number of job adverts across local authorities. While online vacancy data does not capture every job (for instance, some jobs are filled through word-of-mouth or direct hiring), it provides a useful and timely picture of how advertised demand varies across places.

We focus on the number of advertised vacancies relative to the number of People Who Want to Work. This gives an indication of how tight or competitive the local labour market might be. A higher number suggests there are more People Who Want to Work for each job, whereas a lower number suggests fewer people competing for each job.

This measure does not tell us exactly who will get which job, or whether people are matched to roles that suit their skills. But it provides a clear way of comparing local authorities and identifying where job opportunities may be more limited relative to People Who Want to Work.

As with the number of People Who Want to Work, Dundee City stands out as having around 35 People Who Want to Work for each advertised job (**Chart 3**). This is far higher than anywhere else in Scotland and suggests that job opportunities are relatively limited compared to the number of people looking for work.

**Chart 3:** Ratio of People Who Want to Work compared to job vacancies (2024)



Source: FAI analysis of Adzuna data and alternate labour market estimates (see Chart 1)

## 2. Regional Labour Markets

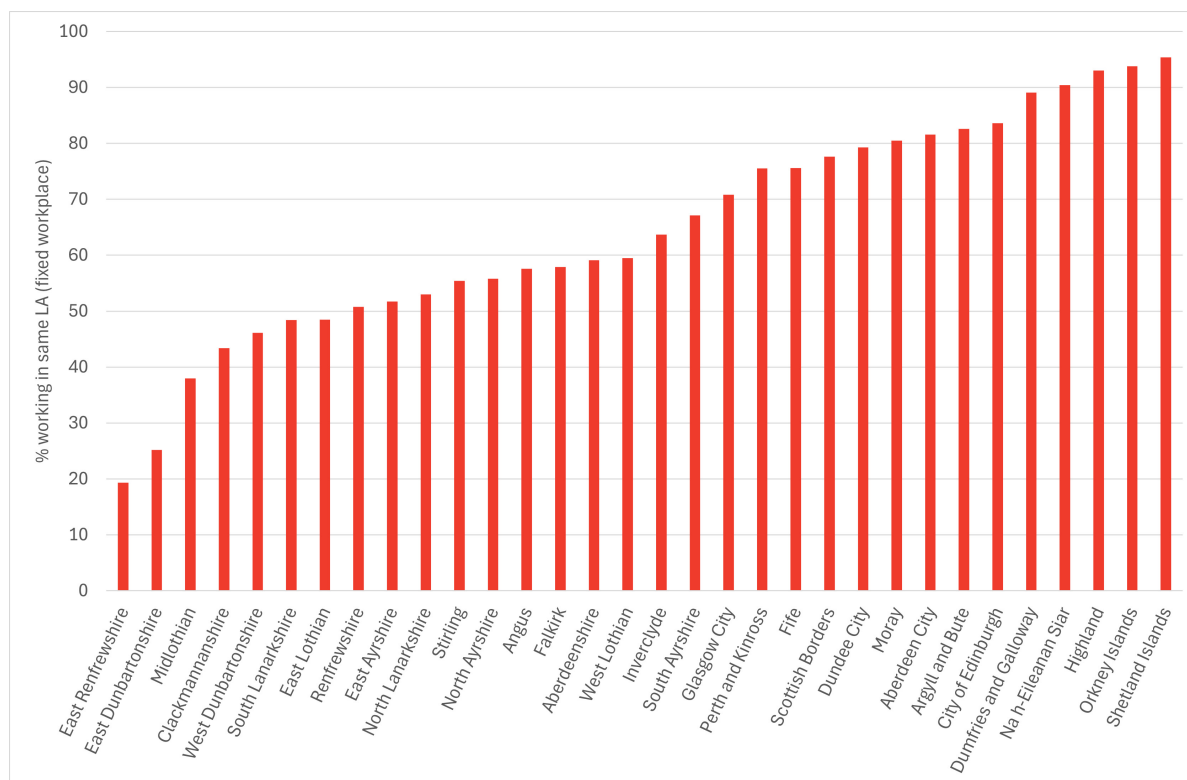
In practice, people often do not exclusively look for work in the local authority in which they live. Many people travel across local authority boundaries for work, and nearby towns and cities can shape job opportunities well beyond their own boundaries.

For this reason, we group local authorities into wider areas that better reflect where people are likely to search for jobs.

The latest census data shows that commuting across local authority boundaries is common. Around one in three people<sup>4</sup> who have a fixed workplace travel outside of their local authority for work.

Commuting behaviour is different across local authorities (**Chart 4**). In island and more rural areas, people are much more likely to work within their local authority. By contrast, in areas around major cities, a much larger share of people travel across boundaries for work, reflecting stronger links between neighbouring areas.

**Chart 4:** Percentage of those travelling to a fixed address for work who stay in their local authority (2022)



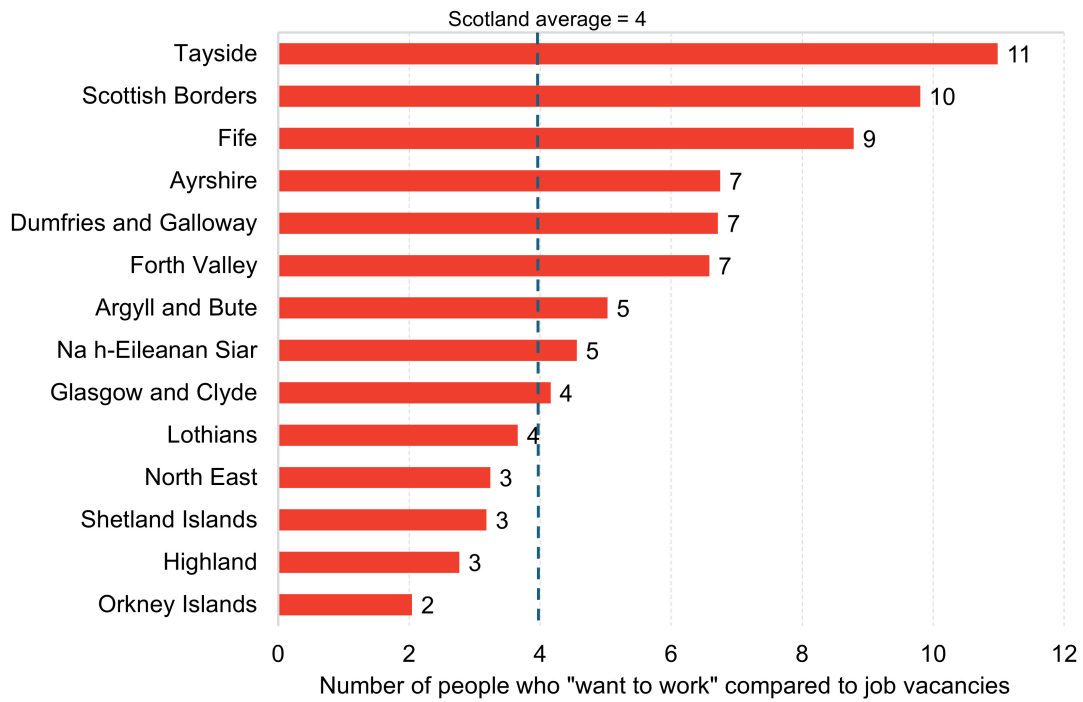
Source: Scotland's Census 2022

To reflect this, we group neighbouring areas together into wider regions where people are likely to travel for work. This gives a more realistic picture of the range of job opportunities available to people in different parts of Scotland.

Taking a regional view reduces some of the sharp differences in the number of People Who Want to Work per advertised job (**Chart 5**).

<sup>4</sup>This excludes those who WFH or from no fixed address, which are grouped together in the census analysis.

**Chart 5:** Want to Work vs job vacancy ratio by region, 2024



Source: FAI Analysis

Areas around major cities and commuting-based labour markets (such as East Renfrewshire and East Dunbartonshire) move from relatively high levels of pressure on their own to much lower levels when grouped into the wider Glasgow and Clyde labour market.

A similar pattern is seen around Edinburgh and the Lothians, where access to jobs across the region helps balance supply and demand.

The regional view also highlights where pressures are more persistent. Tayside remains the area with the highest number of people wanting to work relative to available jobs (around 11 people per job), even when neighbouring areas are included, suggesting a broader regional imbalance. Tayside is followed by the Scottish Borders at 10 people per job and Fife at 9.

Areas with more limited travel for work, such as the island authorities, are not grouped with others, since their job opportunities are largely local.

## Case study: Dundee and Tayside

At local authority level, Dundee City stands out very clearly, with around **35 People Who Want to Work per advertised job** - the highest figure by a considerable distance in Scotland. This points to a very high level of labour market pressure within the city.

One possible explanation is that Dundee residents are able to access jobs in neighbouring parts of Tayside, meaning that the local authority figure overstates the extent of pressure when viewed in isolation. However, commuting patterns suggest this effect may be limited. Around 80% of people who live in Dundee also work within the city, indicating that Dundee functions to a large extent as a self-contained labour market, with a genuinely high level of labour market pressure.

## Box 3: Parents who Want to Work

The underlying data allows us to also look at parents who want to work at a similar regional level. See Appendix D for the regional breakdown.

The percent of parents who are not in work but Want to Work is fairly similar across regions, ranging from 5-9% (**Table 1**). It is highest in North East Scotland (9%), which includes Aberdeenshire, Aberdeen City, and Moray. It is lowest in Ayrshire & South of Scotland; Edinburgh, the Lothians, and Fife; and Glasgow & Clyde (all 5%).

**Table 1:** Parents who Want to Work, 2025

Region	% of parents who Want to Work	% of Want to Work who are parents
Ayrshire & South of Scotland	5%	19%
Edinburgh, the Lothians, & Fife	5%	40%
Forth Valley	7%	31%
Glasgow & Clyde	5%	26%
Highlands, Islands, and Argyll & Bute	*	*
North East	9%	44%
Tayside	7%	18%

**Notes:** Results for Highlands, Islands, and Argyll and Bute are suppressed due to small sample sizes.

**Source:** FAI calculations from APS

There is greater variation in the proportion of People Who Want to Work who are parents. This figure is lowest in Ayrshire & South of Scotland (19%) and highest in the North East (44%) and Edinburgh, the Lothians, and Fife (40%). Areas where this figure is higher may benefit from a greater employability service focus on parents.

# 3. Discussion

Looking across local authorities and wider regional labour markets shows that Scotland does not have one single labour market story. Instead, the balance between People Who Want to Work and advertised jobs varies markedly across the country.

## Where do the biggest pressures appear to be?

The clearest example is Dundee City (**Chart 6**). It stands out both in the survey-based analysis and in the modelled estimates as having a high share of People Who Want to Work – around 15% of the working age population.

It also has by far the highest number of People Who Want to Work per advertised job, at around 35 to 1. Even when Dundee is grouped into the wider Tayside labour market, the ratio remains the highest in Scotland at around 11 to 1. This suggests a persistent imbalance between labour supply and labour demand in that wider area. Additionally, a high proportion of people who live in Dundee City also work there, meaning that opportunities to take advantage of jobs in other local authorities may be limited.

**Chart 6:** Job opportunities vs commuting behaviour



Source: FAI calculations (see Chart 3 and Chart 4)

Other groups of areas offer some insights into what key employability issues may be. For example, East Dunbartonshire and East Renfrewshire both have relatively high ratios of People Who Want to Work to job ads. However, they also have a lot of people who commute, so getting people into jobs may be more about reducing other barriers (such as transportation) rather than increasing job offerings in these local authorities.

Areas like Inverclyde and Scottish Borders have a similar ratio of People Who Want to Work to available jobs, but higher proportions of people who both live and work within the local authority. This could mean that development of local job opportunities is relatively more important.

At the other end of the spectrum, Orkney, Shetland, and Highland all have relatively low ratios of People Who Want to Work compared to available jobs, and most people who live there also work there. In these places, helping people into work may need to focus more on finding the right fit locally.

However, it is important to recognise that these areas have very different geographies. The Orkney and Shetland archipelagos are distinct from one another, while the Highland region covers a vast geographical area with multiple labour markets, including island communities, remote mainland areas, and Inverness and its surrounding travel-to-work area.

Overall, this matters for policy because it shows that local labour market challenges do not always align with administrative boundaries. In areas around major cities, looking only at individual local authorities can overstate the level of pressure, as people often search for work across a wider area.

At the same time, the results highlight places, such as Tayside, where pressures persist even at a regional level, suggesting a need for more targeted intervention. In more rural and island areas, where travel for work is more limited, local conditions remain particularly important, reinforcing the need for place-based approaches.

### **Parental employment, labour markets, and child poverty**

Parents make up a significant share of people who are not in work but would like to work. Across Scotland, over 60,000 parents fall into this group, representing around 30% of all people who want to work. This highlights that parental employment is not a marginal issue, but an important component of Scotland's potential labour supply.

Increasing parental employment is a key policy lever for reducing child poverty, and is reflected in recent policy measures aimed at supporting parents into work.

However, the relationship between parental employment and poverty is not straightforward. For many parents, the issue is not simply the availability of jobs, but whether those jobs are compatible with family life. Factors such as working hours, flexibility, job security and access to affordable childcare all shape whether work is a realistic option. And, while increasing parental employment is important for reducing child poverty, it is not a complete solution. A narrow focus on moving people into work can have unintended consequences, such as pressure to take on low-quality jobs, increased stress, and difficulties balancing work with caring responsibilities.

This report shows evidence that in areas with lower levels of labour market pressure, parents tend to make up a larger share of those who want to work. For example, in the North East, where there are around three people per job, parents account for around 44% of those who want to work. A similar pattern is seen in Edinburgh, the Lothians and Fife, where there is moderate levels of labour market pressure (around 6 people per job), but parents make up around 40% of this group.

This suggests that in these areas, labour market challenges may be more closely linked to the constraints faced by parents, rather than an overall shortage of jobs. As a result, addressing barriers to parental employment – such as access to childcare, flexible working, and the availability of suitable local roles – may be particularly important.

## 4. Conclusion

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This report shows the value of looking beyond unemployment to understand Scotland's labour market. By focusing on People Who Want to Work, including those not actively seeking work, it provides a fuller picture of potential labour supply, if the right opportunities and support were available,

It finds that labour market challenges vary significantly across the country. In some areas, there are high numbers of people wanting to work combined with limited job opportunities – especially apparent in the Dundee area. In others, especially those connected to larger cities, access to a wider labour market can ease local constraints. In rural and island areas, more self-contained labour markets mean local job availability and barriers to work are particularly important

Parents make up an important part of the group who Want to Work, underlining the link between employment and policy priorities such as tackling child poverty. However, their contribution to local labour market pressures differs across regions.

A key message is that local data must be used carefully. Survey data remains valuable but is increasingly uncertain at local levels, while modelled administrative estimates offer a more stable picture but come with their own limitations. The most reliable understanding comes from using data sources together, alongside local knowledge.

Overall, there is no single labour market story across Scotland. Addressing these challenges requires a place-based approach that reflects both the diversity of local economies and the different circumstances of people who want to work.

# Appendix

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## Appendix A: What confidence intervals are (and why they matter)

Most labour market statistics are based on surveys rather than a count of every person. For example, the Annual Population Survey (APS), produced by the Office for National Statistics, interviews a sample of households and uses this to estimate what is happening across the whole population.

This approach is practical and cost-effective, and when the sample is large and well-designed it produces robust estimates. However, because the results are based on a sample, they are not exact. There is always some uncertainty around the headline number.

To make this clear, official statistics include measures of uncertainty, such as a confidence interval. This shows the range within which the true value is likely to fall.

### What does a confidence interval show?

To show this uncertainty, each estimate comes with a confidence interval; a reasonable range around an estimate that shows where the true value is likely to sit.

For example, instead of saying: “12% of adults are unemployed,” the data might show: “confidence intervals between 10% and 14%”. The range (10%-14%) reflects statistical uncertainty. It means the real figure is likely to lie somewhere within that band.

A narrow interval suggests a more precise estimate. A wide interval suggests more uncertainty.

### What does “95% confidence” mean?

When APS results are described as having 95% confidence intervals, it means:

*“If the survey was repeated many times, about 95 out of 100 such intervals would contain the true value”*

It does not mean we are 95% certain the number is correct. It describes how the method performs over repeated surveys.

### Why do confidence intervals matter for local authorities?

Wider ranges reflect greater uncertainty at lower geographic levels because fewer people are surveyed in each area. As a result:

- Small differences between areas may not be meaningful
- Small year-to-year changes may reflect normal variation rather than real change
- Ranking areas from “highest” to “lowest” can be misleading when ranges overlap

For policy, this means it is important to look at the range, not just the headline estimate. Where confidence intervals overlap substantially, we cannot say with confidence that one area is truly different from another.

### Example: Why confidence intervals matter

As an example, suppose that a survey estimates that in one local authority:

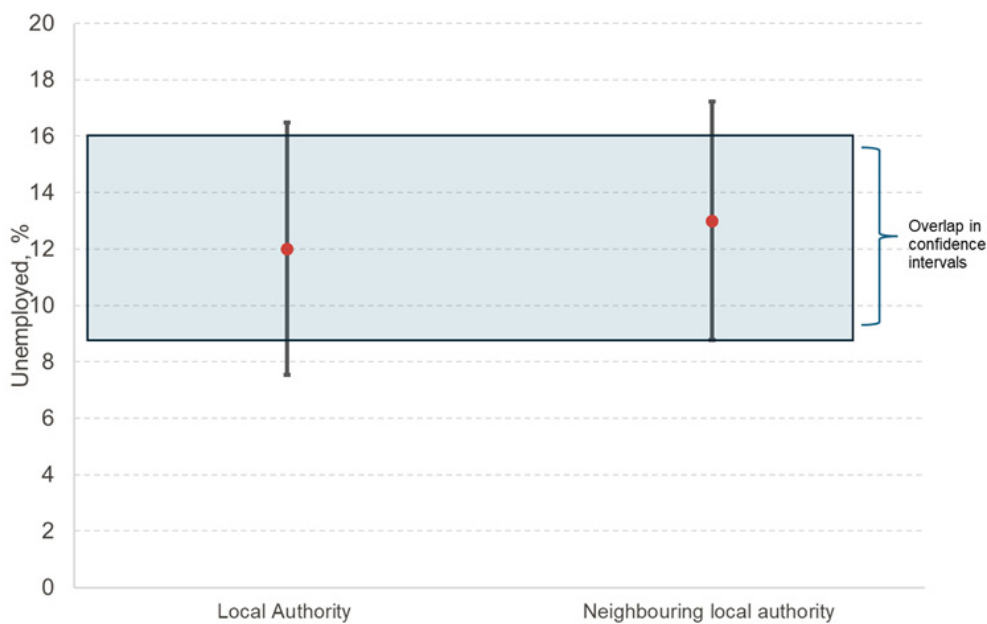
- 12% of working-age adults are unemployed, and
- the confidence interval is 8% to 16%.

This tells us the best estimate is 12%, but the true figure could realistically be as low as 8% or as high as 16%. Now imagine a neighbouring local authority has:

- An estimate of 14%
- A confidence interval of 11% to 17%

At first glance, 14% looks higher than 12%. But because the ranges overlap (8–16% and 11–17%), there is not strong statistical evidence that the second area truly has a higher rate. The apparent difference may reflect normal survey variation.

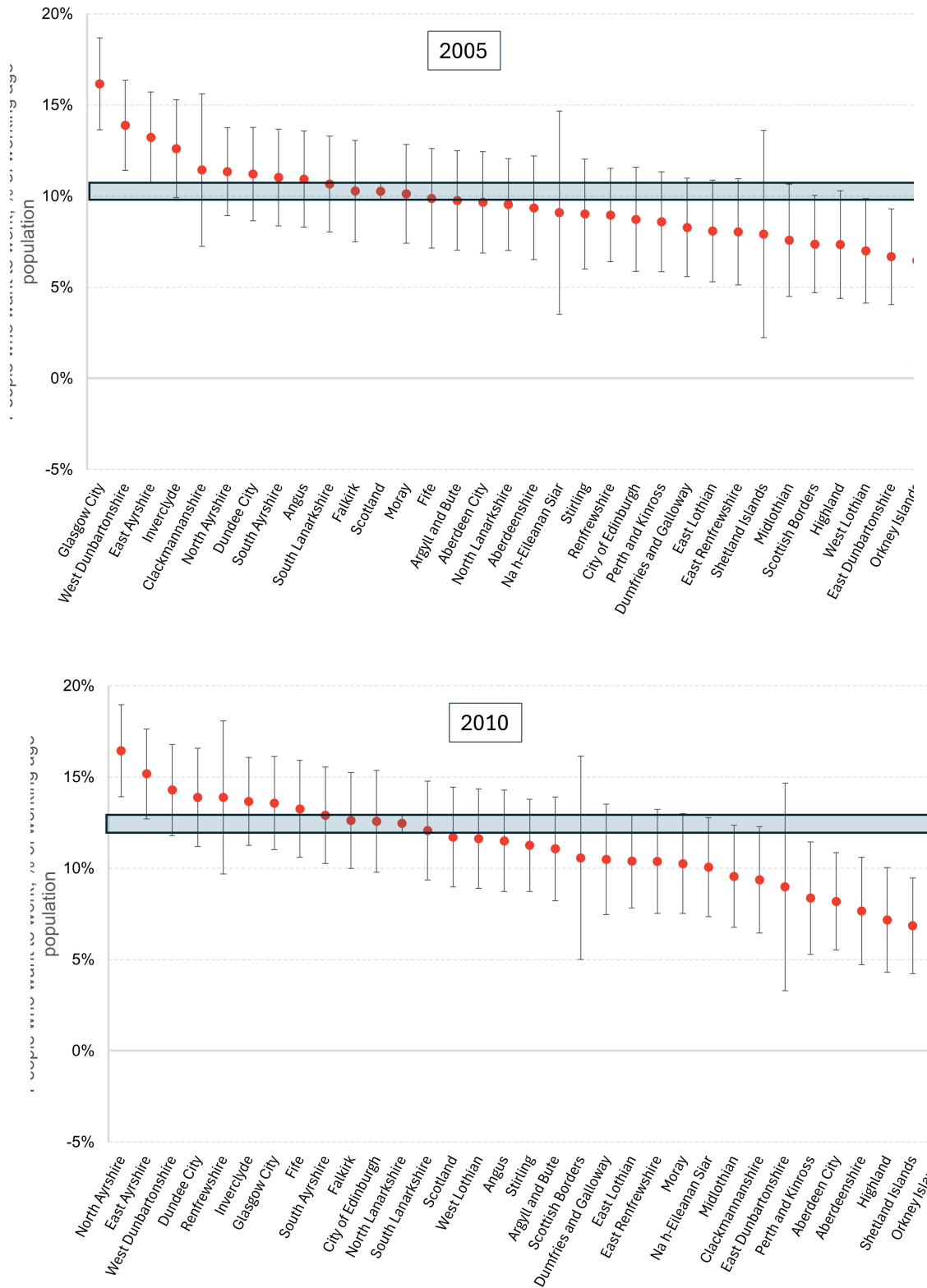
**Chart:** Example of overlapping confidence intervals



Source: FAI

## Appendix B: APS Local Authority Estimates 2005-2020

**Chart:** People Who Want to Work (unemployed & inactive but “wants to work”), by local authorities, Scotland, APS, 2005-2010



\*Blue box is confidence interval for Scotland wide estimate.

Source: FAI analysis of APS data



## Appendix C: Regional Labour Markets

Region Name (14)	Included local authorities
Glasgow & Clyde	Glasgow City; East Dunbartonshire; West Dunbartonshire; East Renfrewshire; Renfrewshire; Inverclyde; North Lanarkshire; South Lanarkshire
Edinburgh & the Lothians	City of Edinburgh; East Lothian; Midlothian; West Lothian
Fife	Fife
Forth Valley	Stirling; Falkirk; Clackmannanshire
Ayrshire	East Ayrshire; North Ayrshire; South Ayrshire
Tayside	Dundee City; Angus; Perth and Kinross
North East	Aberdeen City; Aberdeenshire; Moray
Highland	Highland
Argyll & Bute	Argyll and Bute
Dumfries & Galloway	Dumfries and Galloway
Scottish Borders	Scottish Borders
Comhairle nan Eilean Siar	Comhairle nan Eilean Siar
Orkney Islands	Orkney Islands
Shetland Islands	Shetland Islands

## Appendix D: Regional Labour Markets used in parent analysis

Region Name (7)	Included local authorities
Glasgow & Clyde	Glasgow City; East Dunbartonshire; West Dunbartonshire; East Renfrewshire; Renfrewshire; Inverclyde; North Lanarkshire; South Lanarkshire
Edinburgh, the Lothians & Fife	City of Edinburgh; East Lothian; Midlothian; West Lothian, Fife
Forth Valley	Stirling; Falkirk; Clackmannanshire
Ayrshire & South of Scotland	East Ayrshire; North Ayrshire; South Ayrshire; Dumfries and Galloway; Scottish Borders
Tayside	Dundee City; Angus; Perth and Kinross
North East	Aberdeen City; Aberdeenshire; Moray
Highlands, Islands & Argyll & Bute	Highland; Argyll and Bute; Comhairle nan Eilean Siar; Orkney Islands; Shetland Islands

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