



Shetland Islands Council

Shetland Employment Survey 2017

Key Statistics

- The Shetland Employment Survey estimates that there were 12,119 jobs in Shetland during the surveyed period.
- FTE jobs in Shetland decreased by 4.8% between 2011 and 2017
- The largest sector in terms of FTE employment is Public Administration, which accounts for 21% of all FTE jobs (1,901 FTEs).
- 85% of employers in Shetland are 'micro' sized with less than 10 employees
- Full-time equivalents (FTEs) = 1 full-time or 3 part-time jobs

Introduction

The information contained within these factsheets has been taken from the results of the **Shetland Employment Survey 2017**. This was a comprehensive survey of employers in Shetland intended to provide information on all aspects of local employment, including key sectors, skills and training issues, ICT, future prospects and more.

The survey was conducted by SSQC Ltd. on behalf of Shetland Islands Council's Economic Development Service in the third quarter of 2017.

These factsheets provide a breakdown of the key statistics arising from the survey, including comparisons with previous surveys where necessary and appropriate.



Employment in Shetland

The survey found that there were 7,496 full-time jobs and 4,623 part-time jobs in Shetland, **a total of 12,119 jobs**. This equates to **9,037 full-time equivalent (FTE) jobs** across all sectors. This figure represents a 4.8% decrease in full-time equivalent jobs since the previous survey in 2011.

The survey does not include full- and part-time crofting employment, fish catching employment defined as part-time or casual, or employment which is not based in Shetland.

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Employment by industrial category (FTEs)

	2011	2017	Difference	% of total employment (2017)
Primary (agriculture, fisheries, oil terminal, extraction and utilities)	1,092	1,099	+0.6%	12.2%
Manufacturing (food & drink processing, engineering, textiles, crafts)	870	1,095	+26%	12.1%
Construction	806	730	-9.4%	8.1%
Services	6,728	6,113	-9.1%	67.6%
Total	9,496	9,037	-4.8%	

Characteristics of Shetland Organisations

Turnover

- 11% of organisations have an annual turnover of **less than £10,000**
- 35% have an annual turnover between **£10,000 and £100,000**
- 37% have an annual turnover between **£100,000 and £1 million**
- 17% of organisations have an annual turnover in excess of **£1 million**.

Sectors

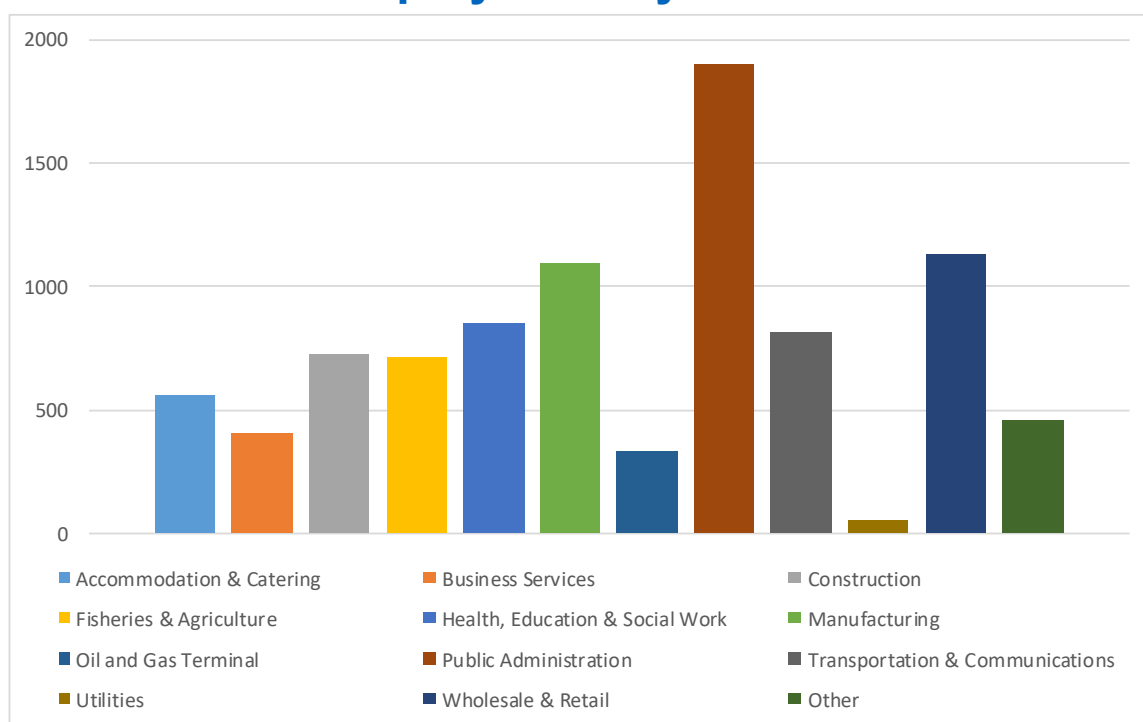
Of all organisations surveyed:

- 93% are in the **private sector**
- 2% are in the **public sector**
- 4% described themselves as being in the **voluntary/charitable sector**
- less than 1% described themselves as **'other'**.

Size of organisation

- 85% are **micro sized** with less than 10 employees
- 12% are **small** with between 10 and 49 employees
- 3% are **medium sized** with between 50 and 249 employees
- Less than 1% are **large** with more than 250 employees.

Employment by Sector



The largest sector in terms of FTE employment is **Public Administration**, which accounts for 21% of all FTE jobs (1,901 FTEs).

The next largest sectors are:

- Wholesale & Retail (12.5% or 1,129 FTEs)
- Construction (8.1% or 730 FTEs)
- Engineering (6.5% or 584 FTEs)
- Other services (5% or 455 FTEs)
- Health (5.3% or 482 FTEs)

The **service** sector accounts for 67.6% of all FTE jobs in Shetland sector (see Employment By Industrial Category).

In terms of employment the next largest sector is **primary** production, providing 12.2% of FTE jobs.

Manufacturing and **construction** account for 12.1% and 8.1% respectively.

Skills and Training

This factsheet looks at the current skills and training issues among organisations in Shetland.

Off-the-job training and Apprenticeships

Forty-six percent of all organisations **funded or arranged off-the-job training** for someone in their organisation in the last 12 months. Survey returns also showed that on average 45% of off-the-job training is undertaken **to comply with statutory regulations, for example health and safety**.

Fourteen percent of employers stated that they **currently participate in nationally funded training or apprenticeship schemes, such as Modern Apprenticeships**.

Skills and training issues

The survey asked whether respondents agreed with statements on skills and recruitment issues that were set out in the questionnaire.

Twenty-three percent of respondents stated that **basic employability of candidates** is a problem, while 20% said that they **cannot fill vacancies due to a lack of local labour**. Twenty-one percent said that they are **finding it difficult to source suitable staff training in Shetland**.

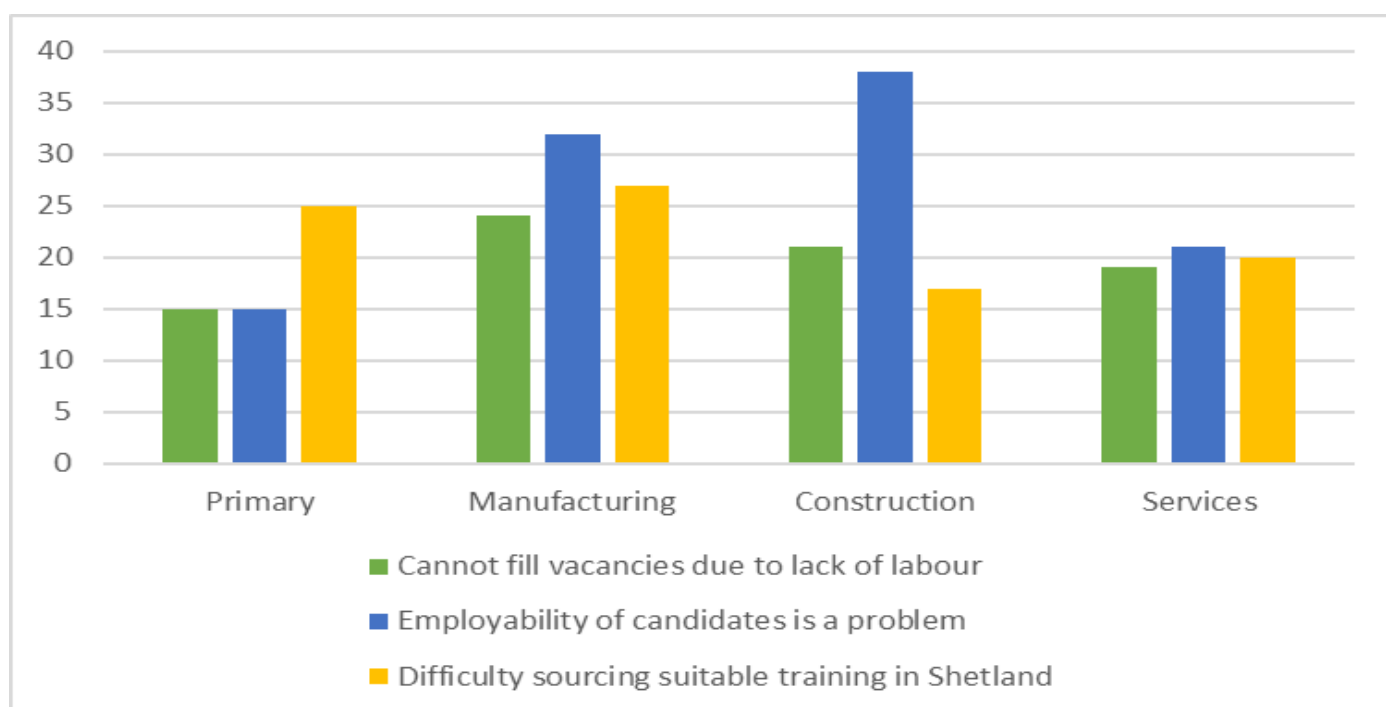
Twenty-seven percent of respondents said that **they are able to source all of their training requirements in Shetland**, while 49% agreed that the needs of their business and industry are met by training provision at the local colleges and Train Shetland.

Skills and training issues by industrial category

When split up into industrial category, skills and training issues become more pronounced in certain areas.

Thirty-eight percent of construction firms claim that they are experiencing difficulty with the employability of Candidates, but 33% say they are able to source all of their training needs in Shetland, while 29% of service sector employers agreed with this.

Twenty-five percent of primary sector employers and 27% of manufacturing employers say that they find it difficult to source suitable staff training in Shetland.



Future Expectations—Private Sector Performance and Investment

Respondents from the private sector were asked to provide expectations for their own future in relation to employment, turnover and investment.

Employment

Seventy-seven percent of private sector respondents expect the number of employees in their organisation to **stay the same** over the next twelve months. Seventeen percent expect the number of employees to **increase** while 6% expected the number they employ to **decrease**.

Investment

Over one quarter (27%) of all private businesses **have no plans to invest** in the next three years in either physical assets, new technology, workforce development or in the development of new products or services.

Of those businesses who had planned to invest:

- 41% stated that they had plans to invest in **physical assets (buildings, machinery, etc.)**
- 32% said that they have plans to invest in **new technology**
- 28% plan to **develop their workforce**
- 25% are planning **new product/service development**.

Turnover

Fifty two percent of Shetland's private sector businesses expect their **turnover to increase** over the three years following the survey. The greatest expectation of improvement is in the manufacturing sector, where 77% of respondents expect an increase in turnover.

In the construction sector 54% of firms expect their turnover to increase, while 18% expect either a moderate or significant decrease.

Over one third (38%) of all businesses expect their turnover to **remain about the same**. Ten percent of businesses expect their turnover to **decrease**.

Out of the businesses that expect their turnover to increase:

- 60% expect to achieve growth in turnover by **selling more to existing markets**
- 48% expect growth by **selling more to new markets**
- 51% expect turnover growth by **selling new products to existing markets**
- 43% expect growth by **diversifying into new products and new markets**.

Turnover expectations in the private sector over the next 3 years

	Increase significantly	Increase moderately	Remain similar	Decrease moderately	Decrease significantly
Primary	9%	55%	36%	0%	0%
Manufacturing	12%	65%	18%	5%	0%
Construction	9%	45%	27%	9%	9%
Services	9%	32%	47%	5%	7%
Total	10%	42%	38%	5%	5%

Future Expectations— Exit from European Union

All respondents were asked what impact they thought the United Kingdom's exit from the European Union would have on aspects of their business or the local economy—positive, negative or none at all,

Impact from Brexit			
	Positive	Negative	None
Staffing/recruitment	1%	17%	82%
Sales and turnover	3%	30%	67%
Future Investment	3%	27%	70%
Exporting	4%	18%	78%
Skills and training	1%	9%	90%
External finance/funding	3%	35%	62%
Research and development	2%	21%	77%

Sales and Exports

Respondents from the private sector were asked about recent sales growth and to what extent, if at all, they sold products or services to customers outside of Shetland.

Growth

Thirty-four percent of all businesses in Shetland have experienced **growth in the value of their turnover over the last three years**. Forty-four percent have seen their turnover **remain stable** in the same period and 16% of businesses have experienced a **decline in turnover**.

Six percent of respondents could not answer the question as they had **been trading for less than three years**.

Exports from Shetland

Thirty-eight percent of private sector businesses say that they **attract or compete for business outside of Shetland**. Fifty eight percent of these companies **compete outside of the UK**.

Seventy percent of firms who achieve some percentage of their turnover from business outside of Shetland are '**active exporters**' which means that over 10% of their turnover is achieved from exports outside of Shetland.

Thirty-two percent of firms who compete for business outside of Shetland stated that exports of products or services represent **50% or more of their turnover**.

Economic Links

Respondents to the Shetland Employment Survey were asked to estimate what proportion of their turnover is dependent on certain industries.

Oil & Gas

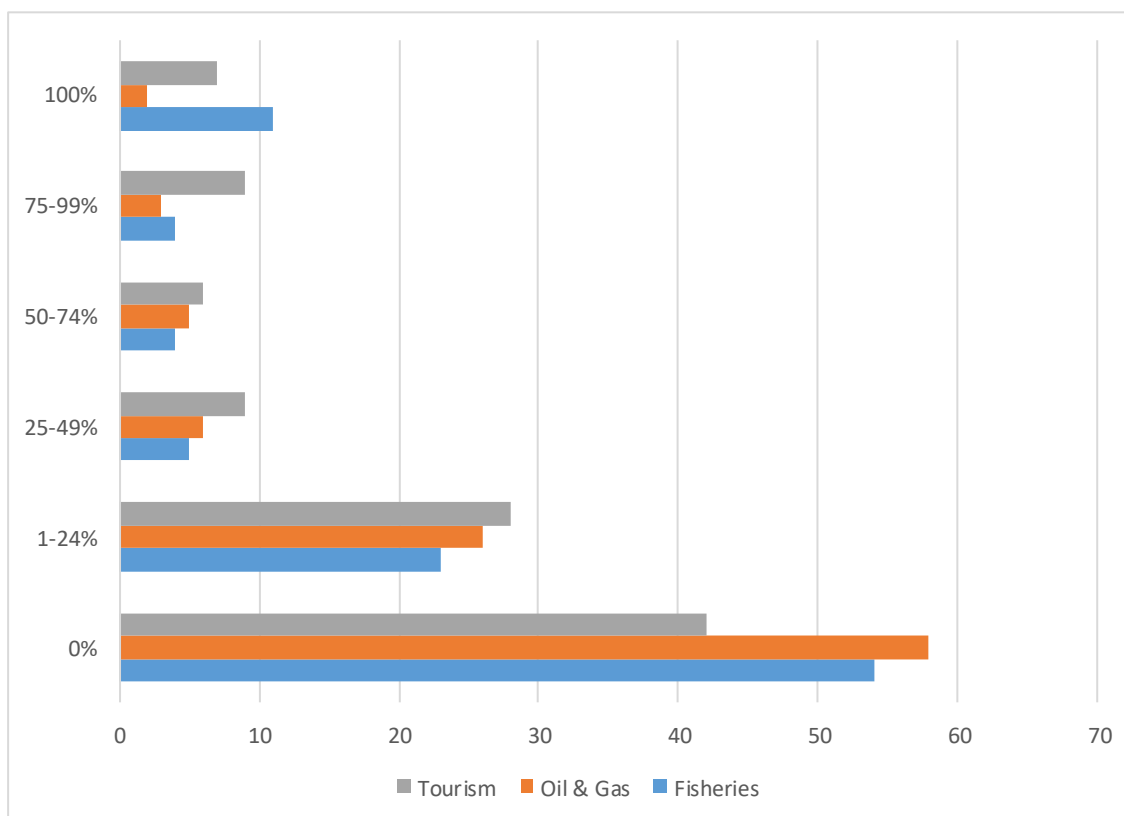
Twenty-six percent of respondents said that up to a quarter of their turnover was dependent on oil and gas activity, while 10% stated that over half of their turnover related to this industry. Fifty-eight percent of respondents stated that no part of their turnover was dependent on the oil & gas industry, while 2% stated that their turnover was entirely dependent on this industry.

Fisheries

Twenty-three percent of respondents said that up to a quarter of their turnover was dependent on fisheries activity, while 19% stated that over half of their turnover related to this industry. Fifty-four percent of respondents stated that no part of their turnover was dependent on the fisheries sectors, while 11% stated that their turnover was entirely dependent on fisheries.

Tourism

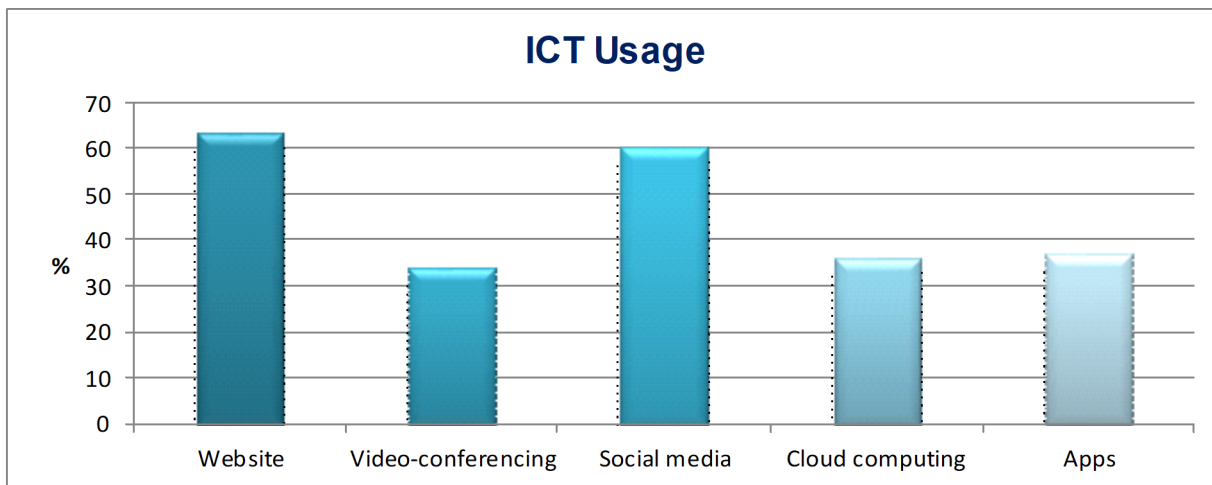
Twenty-eight percent of respondents said that up to a quarter of their turnover was dependent on tourism activity, while 22% stated that over half of their turnover related to this industry. Forty-two percent of respondents stated that no part of their turnover was dependent on the tourism industry, while 7% stated that their turnover was entirely dependent on tourism.



Smaller businesses were more likely to state that they were reliant on tourism business— 25% of micro businesses (0-9 employees) said that over half of their turnover was dependent on tourism, compared to 10% and 4% reliant on fisheries and oil & gas to the same degree.

Larger businesses were more likely to be reliant on oil and gas activity, with 16% of small- or medium-sized enterprises stating that this activity accounted for 50% or more of turnover. Reliance on fisheries is also higher among larger businesses— 42% of small enterprises and 41% of medium-sized enterprises stated that fisheries account for 50% or more of their turnover.

Information and Communication Technology



ICT usage

Sixty-three percent of all respondents have **a website for trading and/or marketing/information purposes**.

Almost two thirds(60%) of Shetland organisations use **social media such as Facebook or Twitter** and 34% use **video conferencing or video communication such as Skype or FaceTime**.

Thirty-six percent of Shetland organisations use **cloud computing**. Cloud computing involves deploying groups of remote servers and software networks that allow centralized data storage and online access to computer services or resources.

Over one-third (37%) of respondents use **applications for smartphones, tablets or other devices**.

Nine percent of respondents said they did not have a website but would like to have one while 5% said the same regarding apps.

Usage trends

Since the previous survey in 2014, ICT usage among employer has increased in almost all areas, with the exception of website use, which has effectively remained static.

Usage of video-conferencing, social media, cloud computing and apps have all increased in the last three years.

ICT by size of organisation

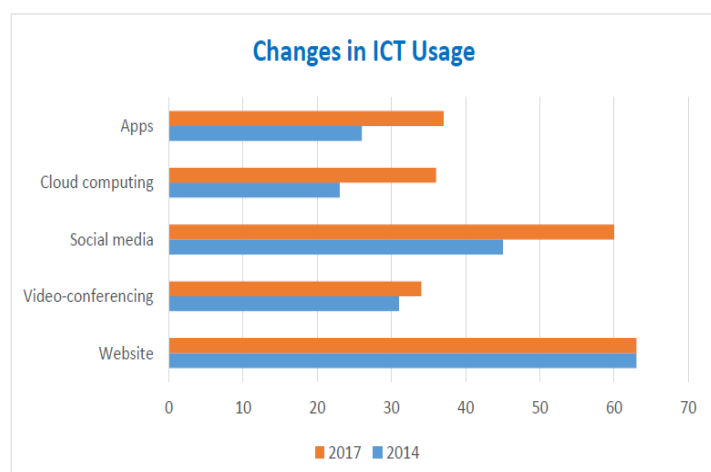
Use of ICT is reasonably high across all different organisation sizes.

Of the micro-sized (0-9 employees) organisations surveyed, 58% have a website, compared to 70% of small (10-49 employees) and 92% of medium (50-249 employees) sized organisations.

Use of social media is higher among small organisations (64%), than in medium-sized organisations (50%).

Use of video-conferencing/communication and apps is higher in medium-sized organisations (50%) than in micro and small organisations (30% in both).

Use of cloud computing is higher among small organisations (relatively low at all levels of organisation size, with only 22% of micro-, 27% of small and 20% of medium-sized organisations stating that they use this).



Other Statistics

Demographics of employment

The largest proportion of jobs in Shetland belong to **male full-time workers** (42.2%). The next largest demographic is **female part-time workers** at 28.4%. **Female full-time** and **male part-time** workers account for 19.7% and 9.8% of all jobs respectively.

From the figures above, there is a male/female split in total jobs of 52:48 percent. This is a significant shift since 2011 when the male/female split in total jobs was 49:51 percent.

When calculated as full-time equivalents, **males** account for 61% and **females** account for 39% of all FTEs. This is a slight shift from 2011 when the male/female split in FTEs was 60:40 percent.

Thirty-eight percent of all jobs are **part-time** and 62% are **full-time**.

Employment by Community Council Area

The largest proportion of employment in Shetland is located in the Lerwick Community Council Area. In total, there are **4,808 full-time equivalent jobs based in Lerwick**, which is equal to **53.2%** of all FTE employment in Shetland.

The next largest proportion of employment is located in the Delting Community Council Area, in which 943 full-time equivalents, or 10.4% of all FTE employment, are based.

Other Community Council Areas where a significant amount of FTE employment is located are:

- Scalloway (5.1% or 464 FTEs)
- Dunrossness (4.4% or 394 FTEs)
- Tingwall, Whiteness and Weisdale (4.2% or 378 FTEs)
- Yell (3.8% or 342 FTEs)
- Whalsay (3.1% or 281 FTEs)

The Community Council Areas where the lowest proportion of employment is located are Skerries (0.22%) and Fetlar (0.16%).

Public/Private

The survey results identified the level of employment engaged in the local public and private sectors. Of local full-time equivalents:

- 65.7% are in the **private sector**
- 28.4% are in the **public sector**
- 5.9% are in sectors identified as **voluntary, charitable** or **'other'**.

Employment By Area

