Creative Industries

The Scottish Government describes Creative Industries as those with origin in individual creativity, skill and talent, or which have the potential to create wealth and jobs through the development, production or exploitation of intellectual property. Creative Industries includes advertising, architecture, visual art, crafts, fashion and textiles, design, performing arts, music, photography, film and video, computer games, radio and tv, writing and publishing, heritage, software/electronic publishing, and cultural education.

The Sectoral Skills Assessments (SSAs) are produced by the SDS Evidence and Impact Team which look at current and future skills demand in the key sectors across Scotland. The aim of the SSA is to provide a high-level evidence base to inform future investment in skills, built up from existing datasets. The SSAs are published on a quarterly basis, and will continue to review new data, evidence and insight. For example, our next iteration will contain a feature on the Scottish Employer Skills Survey 2020.

This SSA for Creative Industries will examine:

- The Economy (page 4)
- Current Demand (page 5)
- Strategic Drivers (page 3)
- Impact of COVID-19 (page 6)
- Job Postings (page 7)
- Future Demand (pages 8-9)

The SDS Evidence and Impact Team produce a range of labour market insight outputs:

**Regional Skills Assessments**

- The Regional Skills Assessments (RSAs) provide a coherent evidence base to inform future investment in skills.
- Covering all Regional Outcome Agreement areas and all City and Growth Deal Regions, the RSAs offer a detailed picture of the effect the COVID-19 pandemic is having on local labour markets across the country.
- The March release of the RSAs can be accessed here alongside the accompanying Data Matrix. The next update is planned for July.

**COVID-19 Labour Market Insights**

- The COVID-19 Labour Market Insights provides succinct and up-to-date evidence on the impact of the pandemic on Scotland’s economy, businesses and people.
- It includes sectoral and regional insight and summarises the key challenges alongside the ongoing response from SDS.
- The June release can be accessed here alongside previously published reports and the accompanying dashboard which provides more detail on real time data.

For any further information or queries on the SSAs or any of our other products, please contact: RSA@sdss.co.uk
The Context for Scotland’s Labour Market

Prior to COVID-19, Scotland’s labour market was already facing a number of issues and challenges. The impact of COVID-19 has added to these challenges. COVID has hit the economy hard and, although we are beginning to see some signs of recovery, it is thought that it could take between one to three years to return to pre-pandemic levels of growth. As Scotland’s economy recovers, the interplay of these key drivers will determine Scotland’s future course. The development of fit for purpose skills have an important role in supporting economic recovery and inclusive growth. An effective skills system will help to support and attract inward investment, increase productivity and tackle inequality and deprivation.

The Economy & Productivity

Over 2020 overall, the impact of the pandemic on GDP has been dramatic and COVID-19 has led to the largest annual fall of Scottish GDP on record. At its lowest point in April 2020, GDP fell to 23.4% below its pre-pandemic level.

Measuring productivity during the pandemic has been challenging but, at a high level, variance in productivity performance is expected across sectors and, in turn, regions.

To boost the economy and productivity, the sector is keen to better inform course design & delivery at FE/HE and support more flexible integration of work-based learning, including Apprenticeships.

Demographic Change

As with many economies in the developed world, Scotland’s population is ageing. By 2043, the number of people of pensionable age in Scotland is expected to increase by 23%, (240,000 people) whilst the working-age population is projected to decline by 7,000. This suggests the possibility for a tighter labour market in future and an increasing dependency ratio.

Creative Industries faced skills and personnel challenges pre-pandemic. The need to promote sector jobs, uplift fair and flexible work terms and support transfer from other parts of the economy are priorities going forward.

Equality & Inclusive Growth

Scotland has led the way in advocating for inclusive growth within a broader economic development strategy. Scottish Government supports growth that combines increases in prosperity with greater equity, creates opportunities for all and distributes the dividends of increased prosperity fairly.

COVID-19 has had an uneven impact on some groups in society, including young people, older workers, women, disabled people, ethnic minority groups, low paid and low income households.

Key sector bodies and creative business bodies are concerned by the pandemic’s impact on workforce diversity, especially for young people, women, those from ethnic minorities and with disabilities.

Automation

Advances in technological developments were already changing the world of work and they will continue to do so into the future. To give a sense of scale, in Scotland around 46% of jobs have high potential for automation, some 1.2m jobs.

Many jobs will evolve rather than disappear. There will also be the creation of new high-quality jobs and opportunities for more flexible working, which has been expedited by the pandemic.

Digital technologies are at the heart of innovation, production continuity and diversifying audiences and markets for much of Scotland’s creative industries. Screen, Animation, Games and Creative Digital all continue to report strong performance in the pandemic. Upskilling and reskilling across creative digital technologies are required.

Climate Change

The Scottish Government has set 2045 as the target for achieving a net zero carbon economy. The labour market will be affected by changes to climate change legislation and consumer behaviours as the economy moves towards greater sustainability.

The pandemic has caused behavioural change to the benefit of the environment, and ‘green jobs’ are at the forefront of the government’s plans for recovery.

The shift to Net Zero is a key area of review across the sector, with Creative Scotland, Screen Scotland and Creative Carbon Scotland, working with many creative and cultural employers and bodies to drive strategic change.

Brexit

Prior to the pandemic, Brexit was a key source of uncertainty, and this created downwards pressure across productivity, business investment, retail sales and trade. The risk exists that the number of EU workers in Scotland could decline due to reduced in-migration and/or increased return migration. Ongoing Brexit concerns, and new COVID-19 considerations, create heightened uncertainty regarding the supply of migrant labour from the EU and further afield.

There is limited evidence on the EU exports exposure of Creative Industries. In 2019, 7% of Creative Industries employees were from the EU, above the Scottish average.
**The Economy**

**Gross Value Added (GVA)**

The COVID-19 pandemic led to a sharp fall in activity in the **Creative Industries** sector, and it has been slightly more pronounced than the Scottish economy as a whole.

**Creative Industries** output is expected to see a relatively fast recovery, with GVA returning to its pre-pandemic level in 2022.

Total Creative Industries GVA in 2021:

- **£4,399m**
- up 33% from 2011

Total Scotland GVA in 2021:

- **£137,109m**
- up 6% from 2011

**Creative Industries** forecast GVA in 2031:

- **£5,628m**
- up 28% from 2021

**Scotland** forecast GVA in 2031:

- **£163,273m**
- up 19% from 2021

**Productivity (GVA per job)**

COVID-19 has impacted on productivity, and has created challenges in how it is accurately measured. Due to data availability at sector level, a jobs-based measure is presented below. If data supported an hours worked based measure, the data presented below would likely differ due to the impact of interventions like the Coronavirus Job Retention Scheme (CJRS). Under this scheme furloughed individuals are categorised as being employed but working no hours.

**Creative Industries** productivity in 2021:

- **£41,200**

Productivity across all sectors in 2021:

- **£50,200**

**Creative Industries** forecast productivity in 2031:

- **£48,200**

Productivity across all sectors in 2031:

- **£56,600**

**Fair Work**

Fair Work is work that offers all individuals an effective voice, opportunity, security, fulfillment and respect. The impact of COVID-19 has challenged Scotland’s progress in working towards Fair Work. However, at a time when many employers are redesigning their business models, the opportunity to build in Fair Work has never been greater.

One element of Fair Work relates to pay, and an associated measure is the number of employed individuals earning the Living Wage or more.

**Arts, entertainment and recreation**

- 2019: 76.1%
- 2020: 71.5%

**Other service activities**

- 2019: 69.7%
- 2020: 68.9%

**Gender Pay Gap**

The impact of COVID-19 may put further pressure on the gender pay gap as periods of part-time employment or unemployment have long-term effects on pay and progression.

**Gender Pay Gap for median full-time hourly earnings**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, entertainment and recreation</td>
<td>4.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Other service activities</td>
<td>11.9%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

1. Forecasts by Oxford Economics (unless otherwise stated).
2. GVA is the measure of the value of goods and services produced within the economy, GVA in constant 2018 prices.
3. See Technical Note on our website for more information.
4. Due to data availability, a 'best fit SIC code approach' has been used, so the sectoral definitions and totals in this section may vary from those we have used elsewhere.
5. See Page 11 for source references.
6. Estimates for employees aged 16+ on the PAYE system on adult rates whose pay for the survey period was not affected by absence. Estimates for 2020 include employees who have been furloughed under the Coronavirus Job Retention Scheme.
7. A 4% gender pay gap denotes that women earn 4% less, on average than men. Conversely, a -4% gender pay gap denotes that women earn 4% more, on average, than men.
**Creative Industries Employment**

Workforce size 2021: **94,500 people**

The workforce was expected to shrink between 2020 and 2021: down by 1.9% or 1,800 people

Compared to a Scotland wide decrease of 1.2% or 32,800 people

**Top Employing Occupations (people), 2021**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science and Technology Professionals</td>
<td>19,500</td>
<td>19,800</td>
</tr>
<tr>
<td>Business and Public Service Professionals</td>
<td>10,900</td>
<td>11,100</td>
</tr>
<tr>
<td>Culture, Media and Sports Occupations</td>
<td>9,800</td>
<td>10,000</td>
</tr>
<tr>
<td>Administrative Occupations</td>
<td>6,500</td>
<td>6,600</td>
</tr>
<tr>
<td>Business and Public Service Associate Professionals</td>
<td>6,300</td>
<td>6,400</td>
</tr>
<tr>
<td>Corporate Managers</td>
<td>5,900</td>
<td>6,000</td>
</tr>
<tr>
<td>Customer Service Occupations</td>
<td>5,700</td>
<td>6,100</td>
</tr>
<tr>
<td>Skilled Metal and Electrical Trades</td>
<td>4,800</td>
<td>4,900</td>
</tr>
<tr>
<td>Science and Technology Associate Professionals</td>
<td>4,300</td>
<td>4,500</td>
</tr>
<tr>
<td>Leisure and Other Personal Service Occupations</td>
<td>3,300</td>
<td>3,400</td>
</tr>
<tr>
<td>Elementary Occupations: Clerical and Services related</td>
<td>2,800</td>
<td>2,900</td>
</tr>
<tr>
<td>Managers / Proprietors in agriculture and services</td>
<td>2,400</td>
<td>2,500</td>
</tr>
<tr>
<td>Sales Occupations</td>
<td>2,300</td>
<td>2,300</td>
</tr>
<tr>
<td>Secretarial and Related Occupations</td>
<td>1,900</td>
<td>2,000</td>
</tr>
<tr>
<td>Process, Plant and Machine Operatives</td>
<td>1,900</td>
<td>2,000</td>
</tr>
</tbody>
</table>

**Top Employing Regions, 2021**

The **Creative Industries** sector is heavily concentrated in Glasgow and Edinburgh, East and Midlothian and other urban areas.

- **Glasgow Region**
  - 27,500 people
- **Edinburgh, East and Midlothian**
  - 24,000 people
- **Lanarkshire**
  - 8,300 people
- **Aberdeen City and Shire**
  - 6,900 people
- **Tayside**
  - 6,100 people

**Scotland total employment in Creative Industries:** **94,500**

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1. Forecasts by Oxford Economics (unless otherwise stated).

**Workforce Qualifications, 2021**

<table>
<thead>
<tr>
<th>SCQF</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-12</td>
<td>46%</td>
<td>48%</td>
</tr>
<tr>
<td>7-10</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>6</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>5</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>1-4</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Compared to all sectors, a higher proportion of the workforce in the Creative Industries sector was qualified to SCQF levels 7-12.
Impact of COVID-19

The COVID-19 pandemic has had a major impact on the Scottish economy. For 2020 as a whole, annual GDP is estimated to have fallen by 9.6% in real terms compared to 2019.\(^1\)

All sectors in Scotland have been impacted by COVID-19, with some sectors disproportionately affected. This will lead to differences in sectoral recovery, including continued challenges around social distancing measures and new ways of working.

Furlough

As a result of new restrictions outlined by the UK Government, the Coronavirus Job Retention Scheme (CJRS) has been extended several times. Currently, the furlough scheme has been extended to 30 September 2021. From July employers will be required to contribute to employee earnings (as was the case in September and October 2020).

There are concerns that continued weak economic performance could mean furlough is a precursor to redundancy.

Jobs supported by the furlough scheme (as at 30 April 2021):\(^2,3\)

- Arts, entertainment and recreation: 19,930 jobs
- Other service activities: 10,920 jobs
- Scotland: 269,800 jobs

Redundancy\(^4,5\)

Partnership Action for Continuing Employment (PACE) aims to help minimise the impact for people and businesses facing redundancy.

**PACE information provision (individuals):**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020/21</th>
<th>1 Apr 21-31 May 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, entertainment and recreation</td>
<td>400</td>
<td>25</td>
</tr>
<tr>
<td>Other service activities</td>
<td>195</td>
<td>No data</td>
</tr>
<tr>
<td>All Sectors</td>
<td>7,995</td>
<td>1,495</td>
</tr>
</tbody>
</table>

**PACE information provision (employers):**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020/21</th>
<th>1 Apr 21-31 May 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, entertainment and recreation</td>
<td>15</td>
<td>Fewer than 5</td>
</tr>
<tr>
<td>Other service activities</td>
<td>10</td>
<td>No data</td>
</tr>
<tr>
<td>All Sectors</td>
<td>300</td>
<td>55</td>
</tr>
</tbody>
</table>

Modern Apprenticeships\(^6,7\)

COVID-19 has fundamentally changed the context in which apprenticeship training is delivered, and the statistics must be considered in this context. In addition, fluctuations throughout the year are expected. Due to the lower number of MA starts, comparisons with the same point year, should be treated with caution.

Data is for Quarter 4 (April-March 2019/20 and 2020/21)

**MAs in training: Creative and Cultural Skills\(^*:\)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019/20</th>
<th>Q4 2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>151</td>
<td>113</td>
</tr>
<tr>
<td></td>
<td>38,030</td>
<td>36,928</td>
</tr>
</tbody>
</table>

**MA redundancies: Creative and Cultural Skills\(^*:\)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019/20</th>
<th>Q4 2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>No data</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>398</td>
<td>936</td>
</tr>
</tbody>
</table>

* Based on SDS Occupational Groupings.
Current Job Postings

Job Postings in Creative Industries

Number of job postings from 1st June 2020 to 31st May 2021:
4,170

Programmers and Software Development Professionals
620 job postings accounting for 15%

Customer Service Occupations
190 job postings accounting for 5%

Other Administrative Occupations
130 job postings accounting for 3%

Within Creative Industries, the locations with the most jobs advertised were:

City of Edinburgh
1,130 job postings accounting for 27%

Glasgow City
1,060 job postings accounting for 25%

Aberdeen City
240 job postings accounting for 6%

Salary 2020
Median real-time advertised salary in Creative Industries
£27,700*

Skills
Not all job postings specify the skills required for the role, likewise the detail varies between adverts. Based on information from approximately 81% of job postings in Creative Industries the most requested specialised skills were:

- Teamwork / Collaboration: 728
- Customer Service: 539
- Budgeting: 435
- Social Media: 414
- Software Engineering: 367
- SQL: 354
- Software Development: 341
- Microsoft C#: 328
- Project Management: 315
- JavaScript: 303
- Java: 277
- Python: 264
- Sales: 228
- Stakeholder Management: 220
- Git: 194

Online job postings data provides a useful barometer for the health of the jobs market, important to note that the data does not capture all activity, so it should be considered as an estimate of activity only.

1. See Page 11 for source references.
2. Job postings data is rounded to the nearest 10.
* Median salary based on 38% of records that contain salary information.
**Future Demand in the mid-term (2021-2024)**

In **Creative Industries**, the labour market is forecast to continue to face some challenges. The forecasts for the mid-term (2021-2024) however suggest there could be some jobs growth and opportunities created as a result of the need to replace workers leaving the labour market due to retirement and other reasons.

Whilst positive, caution is needed as there are still a wide range of unknowns concerning Scotland’s post COVID-19 recovery. The jobs market could also be competitive, with the number of people seeking jobs outnumbering the opportunities available. Skills mismatches and job quality will also be important factors to consider.

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**Creative Industries Total Employment, 2021-2024**

- **Workforce size 2024:** 101,300 people

  The workforce is expected to grow between 2021 and 2024:
  up by 7.2% or 6,800 people

  Compared to a Scotland wide increase of
  3.0% or 77,600 people

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**Creative Industries Job Openings, 2021-2024**

- **6,800 people**
  Expansion Demand

- **3,900 people**
  Replacement Demand

  **10,700 people** to fill Job Openings

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**Top Employing Occupations (people), 2024**

- **Science and Technology Professionals**
  Total Employment: 20,800

- **Business and Public Service Professionals**
  Total Employment: 11,500

- **Culture, Media and Sports Occupations**
  Total Employment: 11,200

- **Administrative Occupations**
  Total Employment: 7,100

- **Business and Public Service Associate Professionals**
  Total Employment: 6,700

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1. All data on this page sourced from Oxford Economics, 2021. Total requirement for people is made up of expansion and replacement demand. Expansion demand is the measure of an increase/decrease in jobs as a result of economic growth or contraction; replacement demand is the number of job openings generated through labour market churn (i.e. those who retire, move away or change jobs). N.B. figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.
Future Demand in the long-term (2024-2031)

The forecasts for the long-term (2024-2031) highlight that strong jobs growth is forecast to continue in Creative Industries. It is also expected that there could be an ongoing requirement for skilled people to fill opportunities created by people leaving the labour market. This feature of the labour market is known as the replacement requirement.

The long-term forecast is changeable and could be influenced by a range of factors both related and not to Scotland’s post COVID-19 recovery. National and local policy, investment and initiatives could all influence the long-term outlook presented.

Creative Industries Total Employment, 2024-2031

- Workforce size 2031: 102,000 people
- The workforce is expected to grow between 2024 and 2031: up by 0.7% or 700 people
- Compared to a Scotland wide increase of 0.8% or 21,000 people

Creative Industries Job Openings, 2024-2031

- 700 people Expansion Demand
- 9,900 people Replacement Demand
- 10,700 people to fill Job Openings

Creative Industries is forecast to account for 1.6% of Scotland’s total number of job openings in the long-term (2024-2031)

Top Employing Occupations (people), 2031

- Science and Technology Professionals: Total Employment: 20,500
- Culture, Media and Sports Occupations: Total Employment: 12,200
- Business and Public Service Professionals: Total Employment: 11,500
- Administrative Occupations: Total Employment: 7,600
- Corporate Managers: Total Employment: 7,100

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1. All data on this page sourced from Oxford Economics, 2021. Total requirement for people is made up of expansion and replacement demand. Expansion demand is the measure of an increase/decrease in jobs as a result of economic growth or contraction; replacement demand is the number of job openings generated through labour market churn (i.e. those who retire, move away or change jobs). N.B. figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.
Business support and stabilisation has been a key priority for the Scottish Government, and it has just announced a further £25 million support to the sector through the second round of the Performing Arts Venue Relief Fund and the Culture Organisations and Venues Recovery Fund. This will be targeted at those who previously received support from these funds and those who were eligible but did not get support. The fund is managed by Creative Scotland.

SDS published its Annual Review 2020-2021 and you can view our actions and support to businesses and individuals over the pandemic here.

Scottish Government’s Creative Industries Leadership has two working groups considering the sector’s resilience and education and skills. You can view the membership and focus of the working groups here.

Creative Scotland’s list of COVID-19 Funds and Resources can be found here.

Scottish Government’s National Partnership for Culture published its work plan earlier this year and will be holding a workshop on Culture in education (including skills) in July 2021.

Creative Scotland’s COVID-19 Population Survey: Wave Three (May 2021) shows that the Scottish public’s desire to attend cultural events and venues remains strong.

Key Findings:

- Over a fifth of the adult population in Scotland report that arts and culture have become more important to them since the beginning of restrictions in March 2020.
- Throughout the pandemic, over half of Scotland’s population (57%) have consistently reported they really miss attending cultural venues and events.
- During the pandemic most of the population have listened to music, watched films, drama or documentaries or read for pleasure. With +33% reported watching more films, drama or documentaries on streaming services, watching terrestrial, Freeview or satellite television, listening to music or reading.
- Since November 2020, the desire to take part in all cultural activities has increased, with the public most looking forward to returning to cinema, live music and the theatre. Two-fifths of the population are already booked or planning to attend the cinema while a third are planning to attend live music. One in eight respondents would definitely be interested in engaging with cultural events online in future.
- 59% are very or fairly comfortable with 1 metre distancing with additional protection.
- 74% are interested in attending one or more of the options for outdoor events.
- 29% felt controls on capacity would be the most important factor when deciding whether to attend events.
- 40% of respondents were supportive of being able to make a voluntary donation to a ‘recovery fund’ when buying tickets for cultural events and venues.

Post-BREXIT, Creative Industries have concerns on lack of definition on terms of trade, tariffs, regulation and talent rights to travel and work in and out of EU. Additional administration and costs on Carnets and CITES compliance reported. Scottish Government actively engaging with sector and providing advice and support to businesses via officials and enterprise agencies.

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1. Insight provided by Sector Managers who work closely with industry experts and employers.
2. See Page 11 for source references.
References

Page 3
4. ONS (2021). Coronavirus and the effects on UK productivity measures. Available online at: https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/coronavirusandtheeffectsonukproductivitymeasures/previousReleases

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4. SDS (2021). Internal source. PACE data relating to unique individuals and employers.

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Page 10
1. Insight provided by Sector Managers who work closely with industry experts and employers.