



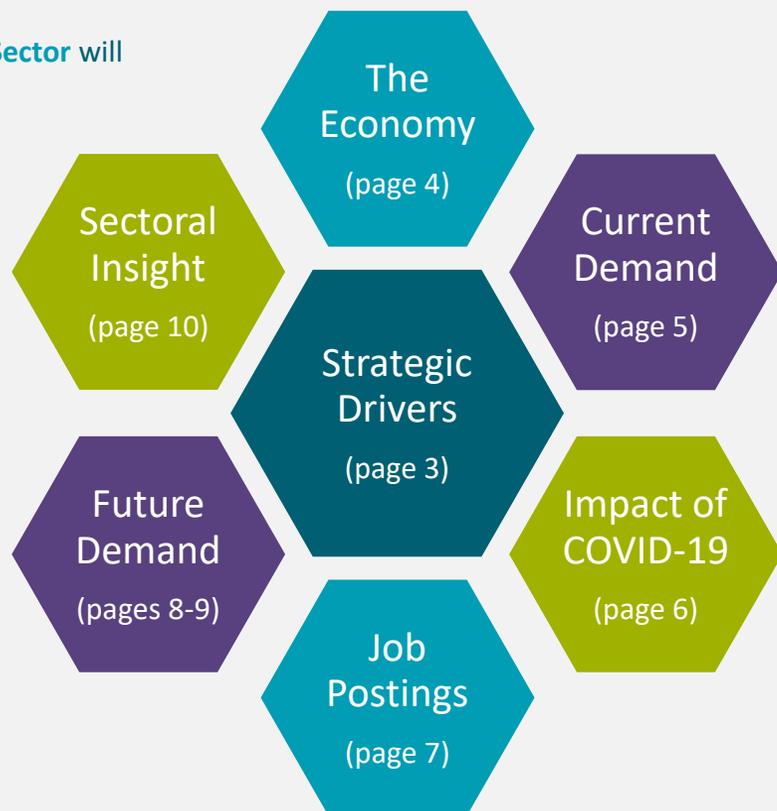
Sectoral Skills Assessments
Public Sector
June 2021

Public Sector

The sector encompasses: Public Administration and Defence, Compulsory Social Security, Education, and Human Health and Social Work Activities.

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 **Public Sector** will examine:



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@sds.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-three years to return to pre pandemic levels of growth.¹ 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.²

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.³ 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.⁴

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.⁵

The Public Sector's workforce is also ageing.

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'.⁶ 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.⁷

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.⁸ 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.

The Scottish Government has set out a plan for digital government and services in "A changing nation: how Scotland will thrive in a digital world" – two key actions include - building public services that are accessible to all and simple to use; and transforming public services to realise the opportunities of digital ways of working.

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.⁹

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. Public sector bodies are legally required to reduce greenhouse gas emissions and support Scotland's adaptation to a changing climate.

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.¹⁰ The Public Sector has very limited exposure to EU exporting.¹¹



Gross Value Added (GVA)²

Although the COVID-19 pandemic led to a sharp fall in activity in the **Public Sector**, it has been less affected than the Scottish economy as a whole.

Public Sector output is expected to see a relatively fast recovery, with GVA returning to its pre-pandemic level this year.



Total **Public Sector** GVA in 2021:
£32,688m
up 7% from 2011

Public Sector forecast GVA in 2031:
£36,812m
up 13% from 2021

Total **Scotland** GVA in 2021:
£137,109m
up 6% from 2011

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.³ 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.



Public Sector productivity in 2021:
£40,000

Public Sector forecast productivity in 2031:
£43,000

Productivity across **all sectors** in 2021:
£50,200

Productivity across **all sectors** in 2031:
£56,600

Fair Work⁴

Fair Work is work that offers all individuals an effective voice, opportunity, security, fulfilment 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:⁵

	2019	2020	All sectors	2019	2020
Public administration and defence	No data	No data	83.2%	84.8%	
Human health and social work	88.8%	91.8%			
Education	93.9%	94.8%			



Gender Pay Gap⁴

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.⁵

Gender Pay Gap for median full-time hourly earnings:^{5,6,7}

	2019	2020	Scotland	2019	2020
Public administration and defence	4.1%	-0.1%	7.2%	3.0%	
Human health and social work	15.6%	13.0%			
Education	5.7%	-0.1%			



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.

Public Sector Employment



Workforce size 2021:
870,700 people



The workforce was expected to grow between 2020 and 2021:
up by 0.9% or 7,700 people



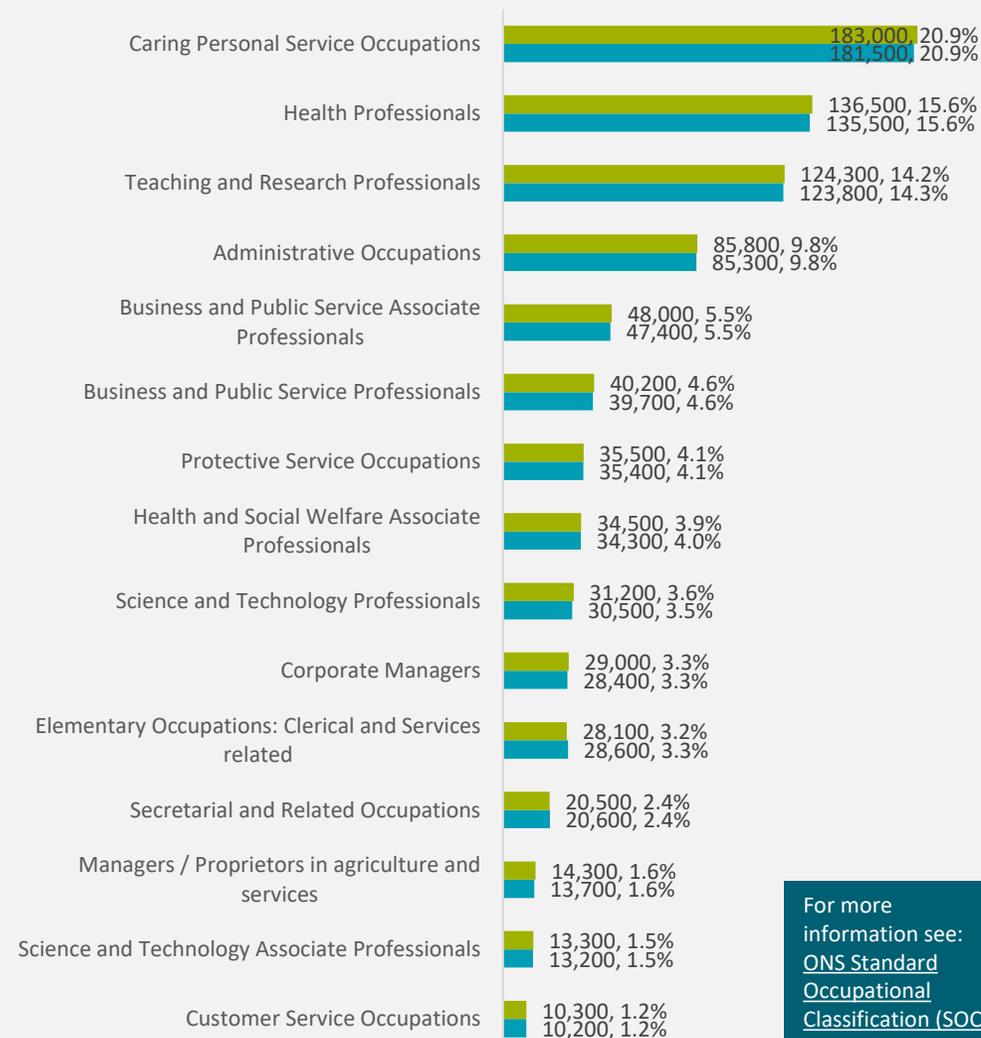
Compared to a Scotland wide decrease of **1.2% or 32,800 people**

Workforce Qualifications, 2021

Workforce qualifications data is currently unavailable for this sector

Top Employing Occupations (people), 2021

■ 2021 ■ 2020



For more information see:
[ONS Standard Occupational Classification \(SOC\) Hierarchy](#)

Top Employing Regions, 2021

The **Public Sector** is relatively evenly distributed across Scotland's regions with the highest numbers not surprisingly encapsulating the two biggest cities.

Glasgow Region
162,800 people

Edinburgh, East and Midlothian
141,000 people

Lanarkshire
86,100 people

Highlands and Islands
81,400 people

Aberdeen City and Shire
76,200 people

Scotland total employment in Public Sector:
870,700



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

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}



Health and social work: 11,190 jobs



Education: 8,070 jobs



Public administration and defence; social security, Households, and Other: 2,600 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):

Sector	2020/21	1 Apr 21- 31 May 21
Education	75	30
Human health and social work activities	175	30
Public administration and defence	No data	15
All Sectors	7,995	1,495

PACE information provision (employers):

Sector	2020/21	1 Apr 21- 31 May 21
Education	Fewer than 5	Fewer than 5
Human health and social work activities	10	Fewer than 5
Public administration and defence	No data	Fewer than 5
All Sectors	300	55

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:

Administration and Related*:

Q4 2019/20: **1,430** Q4 2020/21: **962**

IT and Other Services*:

Q4 2019/20: **2,518** Q4 2020/21: **2,414**

Sport, Health and Social Care*:

Q4 2019/20: **5,756** Q4 2020/21: **6,524**

Scotland:

Q4 2019/20: **38,030** Q4 2020/21: **36,928**



MA redundancies:

Administration and Related*:

Q4 2019/20: **8** Q4 2020/21: **35**

IT and Other Services*:

Q4 2019/20: **13** Q4 2020/21: **36**

Sport, Health and Social Care*:

Q4 2019/20: **18** Q4 2020/21: **28**

Scotland:

Q4 2019/20: **398** Q4 2020/21: **936**

* Based on [SDS Occupational Groupings](#).

1, 2, 4, 6. See Page 11 for source references.

3 Please note figures are provisional and will be revised in the future. Sector groupings have been defined by HMRC.

5. Disclosure control has been applied where figures are less

than five or where such numbers can be identified through differencing. (Data rounded to nearest 5).

7. Disclosure control has been applied where figures are less than five or where such small numbers can be

identified through differencing.

Job Postings in Public Sector



Number of job postings from 1st June 2020 to 31st May 2021:
105,330



Nurses
16,540 job postings
accounting for 16%



Care Workers and Home Carers
10,820 job postings
accounting for 10%



Primary and Nursery Education Teaching Professionals
3,620 job postings
accounting for 3%

Salary 2020

Median real-time
advertised salary in
the **Public Sector**:

£30,100

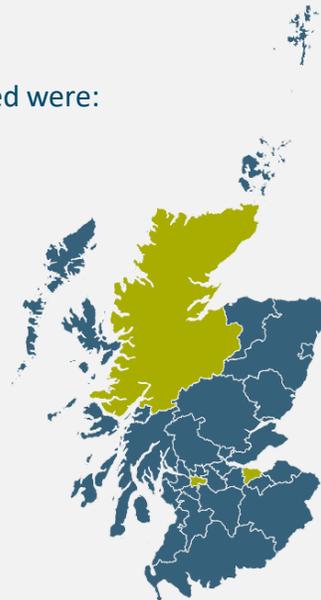


Within the **Public Sector**, the locations with the most jobs advertised were:

Glasgow City
15,410 job postings
accounting for 15%

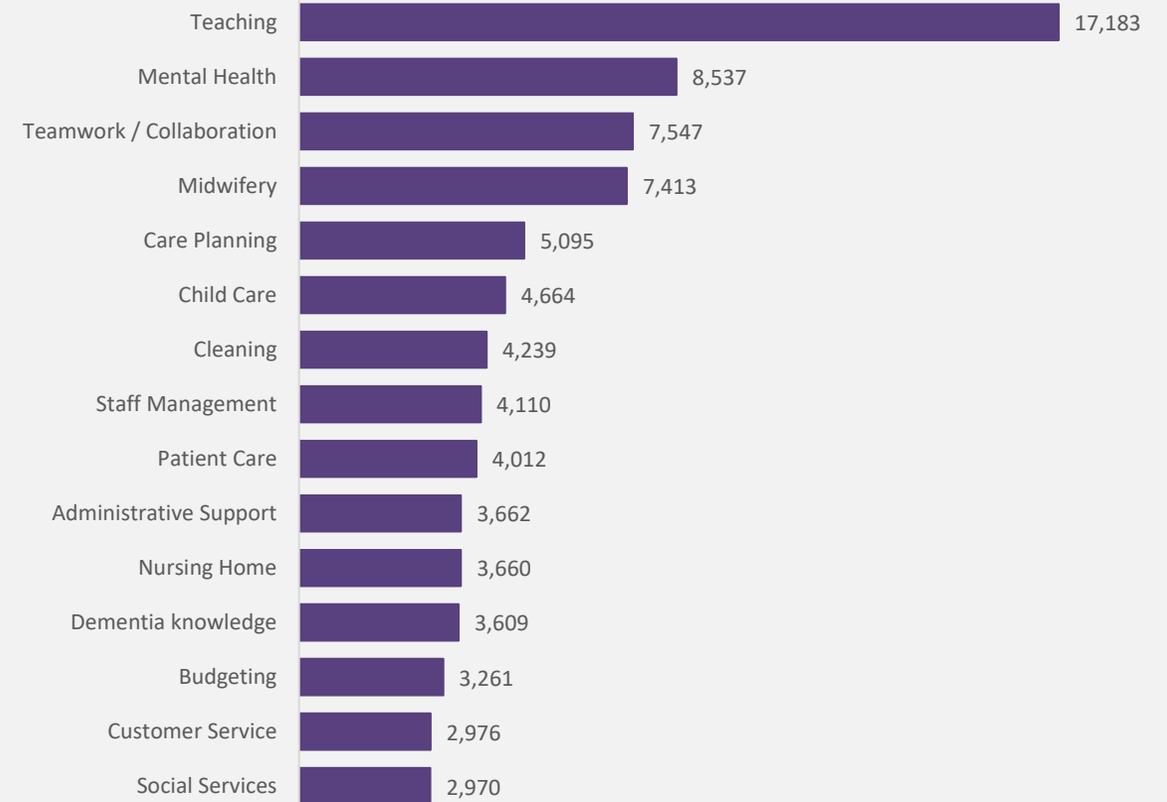
City of Edinburgh
14,800 job postings
accounting for 14%

Highland
7,430 job postings
accounting for 7%



Skills

Not all job postings specify the skills required for the role, likewise the detail varies between adverts. Based on information from approximately **54%** of job postings in the **Public Sector** the most requested specialised skills were:



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.

Future Demand in the mid-term (2021-2024)¹

In the **Public Sector**, 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.

Public Sector Total Employment, 2021-2024



Workforce size 2024:
879,400 people



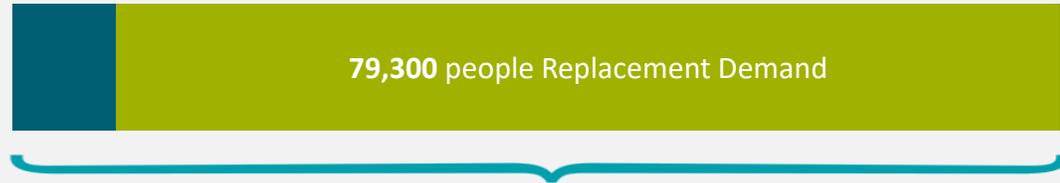
The workforce is expected to grow between 2021 and 2024:
up by 1.0% or 8,700 people



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

Public Sector Job Openings, 2021-2024

8,700 people
Expansion
Demand



88,100 people to fill Job Openings

Public Sector is forecast to account for **25.6%** of Scotland's total number of job openings in the mid-term (2021-2024)

Top Employing Occupations (people), 2024



Caring Personal Service Occupations
Total Employment:
188,600



Health Professionals
Total Employment:
139,300



Teaching and Research Professionals
Total Employment:
124,500



Administrative Occupations
Total Employment:
85,700



Business and Public Service Associate Professionals
Total Employment:
48,600

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)¹

The forecasts for the long-term (2024-2031) highlight that jobs growth is forecast to continue in the **Public Sector**. 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.

Public Sector Total Employment, 2024-2031



Workforce size 2031:

897,000 people



The workforce is expected to grow between 2024 and 2031:

up by 2.0% or 17,600 people



Compared to a Scotland wide increase of

0.8% or 21,000 people

Public Sector Job Openings, 2024-2031

17,600 people

Expansion
Demand



193,200 people Replacement Demand

210,800 people to fill Job Openings

Public Sector is forecast to account for **31.5%** of Scotland's total number of job openings in the long-term (2024-2031)



Top Employing Occupations (people), 2031



Caring Personal Service Occupations

Total Employment:
200,300



Health Professionals

Total Employment:
146,000



Teaching and Research Professionals

Total Employment:
123,500



Administrative Occupations

Total Employment:
84,800



Business and Public Service Associate Professionals

Total Employment:
50,100

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.



The Public Sector in Scotland is a crucial contributor to the economy. In March 2021, there were 579,400 people employed in the Public Sector in Scotland, accounting for 21.9% of total employment. In Quarter 1 2021, there were 24,150 young people aged 16-24 in employment in the devolved Public Sector, accounting for 4.6% of total employment in this sector. Local Government and the NHS employ the most employees in the devolved public sector. One of the key challenges facing the public sector in Scotland is an aging workforce.²



Compared to other sectors in the Scottish economy, **the COVID-19 pandemic** has not had such an impact on the Public Sector in terms of employment levels. The recovery path is being mapped out with organisations developing their own recovery plans based on the needs of the services they provide for their own local area and Scotland. The Public Sector has responded with agility while dealing with the pandemic by adopting a shift to remote working and accelerated digital transformation.



The Public Sector Network (PSN) was established in March 2015 as a joint initiative between the Scottish Government and Skills Development Scotland. The PSN aims to create more opportunities for young people in the Public Sector. The PSN supports the Scottish Government's ambition of increasing youth employment through the youth employment strategy, Developing the Young Workforce, and the Young Person's Guarantee. The network currently, consists of over 60 public bodies – from health boards to national agencies and local authorities, holds exchanges the latest best practice in youth employment through a series of in-person and virtual events.



The PSN strives to develop and coordinate a structured approach for supporting Public Sector organisations' youth employment ambitions and is committed to apprenticeships as a vehicle for workforce development, recognising that apprenticeships are a core part of our skills system and enable employers to gain from skilled workforce.



The Public Sector has an increasing focus on the need to support and encourage more organisations to implement the principles of fair and safe work within the sector in order to support the drive to attract and retain staff.

Digital Skills

Digital technologies are already embedded in Public Sector organisations in many aspects and this is expected to increase.

With the increase in new technologies comes a greater need for organisations to be better connected digitally and have a digitally skilled workforce.



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

2. See Page 11 for source references.

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