Skills Development **Scotland** 

# **Sectoral Skills Assessment Creative Industries**

October 2024



#### **Sectoral Skills Assessments**

First launched in 2017, Sectoral Skills Assessments (SSAs) provide a robust and consistent evidence base to support partners in strategic skills investment planning. Skills Development Scotland (SDS) has worked with key partners and stakeholders in the production of SSAs to ensure an inclusive approach to their development, dissemination and utilisation.

SSAs include published data sets. Inevitably, when using published data there is a time lag, but the data contained is the most up-to-date available at the time of writing. SSAs also include forecast data that has been commissioned through Oxford Economics. The Technical Note<sup>1</sup> provides full detail on the caveats that must be applied when using forecast data, but broadly, it should be noted that:

- Forecasts are based on what we know now and include past and present trends projected into the future.
- The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be.
- Their value is in identifying likely directions of travel rather than predicting exact figures.
- The forecasts do not account for national or sectoral activities, initiatives or investments that are planned.

Industries and occupations used in the SSAs are defined by standard industrial classifications (SIC)<sup>2</sup> and standard occupational classifications (SOC).<sup>3</sup>

This SSA report is for the Creative Industries sector. 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. Please see Appendix 1 for the SIC definition used in this report.

Key Sectors are central to our Skills Investment Planning approach. Each Key Sector has a tailored Skills Investment Plan (SIP) which outlines trends in skills and qualification supply and employers' perspectives on the skills issues affecting the sector. Regional SIPs have also been developed and are available alongside SIPs on the SDS website.<sup>4</sup>

The SSAs are part of a suite of Labour Market Insight publications by SDS. Other products in the suite include:



Economy, People and Skills report which provides succinct and up-to-date evidence on Scotland's economy, businesses and people. It is updated monthly.



Regional Skills Assessments provide a coherent, consistent evidence base to inform future investment in skills, built up from existing datasets and forecasts for Regional Outcome Agreement areas, Rural Scotland and all City and Growth Deals regions. They are updated annually.



The <u>Data Matrix</u> is an interactive tool, offering more detailed data from a variety of sources in a visually engaging format. It is updated frequently.

Alongside the suite of Labour Market Insight publications, SDS also produces a wide range of reports such as statistics on Modern Apprenticeships and the Annual Participation measure for 16-19 year olds. This includes a wide range of data related to equalities. Further information can be found on the <u>Publications and Statistics</u> section of the SDS website.

We value user feedback on the Sectoral Skills Assessments. If you would like to provide feedback, please do so here.



For any further information or queries on the SSAs or any of our other products, please contact: RSA@sds.co.uk

<sup>1.</sup> SSA Technical Note (2024).

Office for National Statistics UK Standard Industrial Classification (SIC) 2007.

**<sup>3.</sup>** Office for National Statistics UK Standard Occupational Classification (SOC) 2010.

<sup>4.</sup> Skills Development Scotland Skills Investment Plans.

#### The Context for Scotland's Labour Market

Within the last 10 years, the economy has faced significant disruption due to events such as the pandemic, Brexit, the war in Ukraine, and the cost-of-living crisis. In addition, megatrends around demography, technology, and the environment have continued shaping Scotland's economy and labour market, many of which are interdependent. Below is an overview of the drivers expected to have the greatest influence on Scotland's labour market outlook in the near term, based on a comprehensive analysis of structural and cyclical factors.



## The Economy

The economic outlook for Scotland has improved, but growth is still expected to be modest in 2024, after annual GDP figures estimated the Scottish economy (like that of the UK) remained broadly flat throughout 2023. While inflation rates have eased from their peak in October 2022, the effects of rising prices and high interest rates continue to impact Scottish households and businesses. Scotland has experienced a tight labour market in recent years, but there have been signs of this loosening in 2024.



# **Demographic Change**

Scotland has an ageing population. In 2022, around 20 per cent of Scotland's population was aged 65 years or over, and around 15 per cent were aged under 15 years old. Population growth is also expected to slow in the next decade, and it is anticipated that the country is likely to rely on in-migration for population growth. These demographic changes in Scotland have important implications for the labour market and economy.



# **Inclusive Growth and Equality**

Scotland continues to experience inequality, which can impact individuals' access to labour market opportunities. Cost-of-living pressures have affected different groups disproportionately, particularly in lower-income households. Geographical inequalities also exist across Scottish regions that can affect individuals' access to opportunities. There have been some advances in improving diversity within the workforce and reducing inequality, but challenges remain.



# **Technology and Automation**

Scotland has a strong technology sector, with specific strengths in digital technology, life sciences and financial technology (fintech). The current makeup of the technology sector suggests Al will likely be the most important technological advance for the foreseeable future. It is estimated that 60 per cent of jobs in developed countries will be affected by AI. This could be disruptive within the labour market, creating challenges and opportunities for job roles and businesses.



## **Climate Change**

The Scottish and UK governments have committed to meeting targets for Net Zero carbon emissions. The transition to Net Zero will directly impact jobs, with potential for job growth in Scotland. Upskilling and reskilling will be vital to equip Scotland's workforce with the skills needed to meet the transition. Scotland is well placed to take a lead in the development of new green technologies building on its significant natural resources and strengths in key sectors.



A fuller report on Scotland's Labour Market Drivers can be found here.

# Sectoral Insight<sup>1</sup>

The previous page provided an overview of the key drivers expected to have the greatest influence on Scotland's labour market. Below, we explore how some of these drivers, and others, may influence the sector.

#### **Equalities and Inclusive Growth**

Historically, research shows that there are inequalities in who engages with, and who creates arts and culture. Employment in most sub-sectors of the creative industries has historically been dominated by men and those from a more privileged background.<sup>2</sup> However, despite inequalities in cultural engagement and employment, the sector is recognised as one that is central in helping build inclusive communities and promoting positive citizenship. Finding ways to help encourage a more diverse workforce into the sector will be important in addressing inequalities moving forward.

#### **Technology and Automation**

Recently, concerns about the use of artificial intelligence, particularly in screen, have come to the forefront through the Writers Guild of America strike. In April 2024, <u>Creative Informatics published a report</u> outlining the potential use of AI in the creative sector in Scotland. Concerns were raised around the role of creative practitioners, data use, ethics, IP and copyright, labour, standards, and sustainability. Key barriers identified included training and funding.

The Creative Industries in Scotland continues to make a vibrant and unique contribution across the country.

In December 2023, the Scottish Government published an <u>Action Plan</u> to support the Culture Strategy for Scotland (which was originally published in 2020). The action plan is structured around supporting the three pillars of culture as set out in the original strategy:

- Strengthening culture;
- · Transforming through culture; and
- · Empowering through culture.

Screen Scotland published research in August 2023 that found growth across all areas of production in Scotland between 2019 and 2021, particularly inward investment film and High-End TV (HETV), suggesting that some sub-sectors are recovering from the impact of the pandemic.

In March 2024, <u>Screen Scotland also published a new strategy</u> which sets a target for continued growth of the sector, with the aim of reaching £1 billion GVA for screen within the Scottish economy by the end of 2030/31. This would be a 55% growth in the screen sector between 2024 and 2030. In addition, the strategy also sets a target for parallel job growth, with the aim of increasing the number of workers in FTE employment to 17,000 across the screen sector.

The importance of the Creative Industries sector is recognised in the recent <u>Programme for Government</u> published in September 2024, with the Scottish Government committed to increase funding for arts and culture by £100 million more per year by 2028-29. In parallel with this, the government has also committed to reviewing how culture is delivered, including a review of Creative Scotland.

It is important to note that the forecasts used in this Sectoral Skills Assessment are policy and investment neutral.



This means the figures present a baseline outlook that takes into account historical trends and external economic conditions, but the figures do not reflect investment or policy that is unconfirmed or at planning/development stage. Therefore, the forecasts should be used in conjunction with other sources, and readers are encouraged to overlay these with their own local and sectoral knowledge.

<sup>1.</sup> Insight from the sector gathered via Skills Development Scotland (2024).

**<sup>2.</sup>** Create London (2018). <u>Panic! Social Class, Taste and Inequalities in the Creative Industries.</u>

# The Economy<sup>1</sup>

## Gross Value Added (GVA, £m) (2014-2034)<sup>2</sup>



In 2024, GVA in the Creative Industries sector was estimated to be £5,711m, generating 3.9% of Scotland's total economic output. Between 2014 and 2024, GVA in the sector was estimated to have increased by 3.4% on average each year, compared to growth of 0.5% across Scotland over the same period.

Due to weaker consumer demand and falling real household incomes, the Creative Industries sector was projected to only grow by 0.3% in 2024, following strong GVA growth over the last three years.

Looking ahead, GVA in the Creative Industries sector is forecast to grow on average 1.8% each year between 2024 and 2034, which is slightly above Scotland's average. In 2034, the Creative Industries sector is forecast to account for 4.1% of Scotland's total economic output.



**Creative Industries** forecast GVA in 2027: £6,031m

**a** up 5.6% from 2024

Scotland forecast GVA in 2027: £151,968m

**1** up 4.2% from 2024

**Creative Industries** forecast GVA in 2034: £6,821m

nup 13.1% from 2027

Scotland forecast GVA in 2034: £166,273m

up 9.4% from 2027

## Productivity (GVA per job)<sup>3</sup>

In this report, we have used Oxford Economics' measure of productivity, which is calculated by dividing total sectoral GVA by total sectoral employment (measured by jobs). Please note, there are different ways of calculating productivity, and caution is needed when interpreting productivity data presented in this report. It must be considered in the context of other data and insight.

In 2024, productivity in the **Creative Industries** sector was estimated to be **£44,900**. In comparison, the Scottish average was £52,000.





Creative Industries forecast productivity in 2027: £46,100

up 2.6% from 2024

Scotland forecast productivity in 2027: £53,000



up 1.9% from 2024



Creative Industries forecast productivity in 2034: £51,500

Scotland forecast productivity in 2034: £57,100





up 7.9% from 2027

**2.** GVA is the measure of the value of goods and services produced within the economy and is an indicator of the sector's health. GVA in constant

2019 prices.

**3.** Productivity is the measure of goods and services produced per unit of labour input. The Oxford Economics forecasts of productivity shown here

have been calculated by dividing total sector GVA by total sector employment (measured by jobs).

<sup>1.</sup> SDS (2024). Oxford Economics Forecasts.

#### Current Demand<sup>1</sup>



The sector's workforce was estimated to have **increased** by **33.7**% or **28,900** people between 2014 and 2024.

This compares to a Scotland wide increase of **3.8%** or **97,300** people between 2014 and 2024.

# Employment by Region (people), 2024

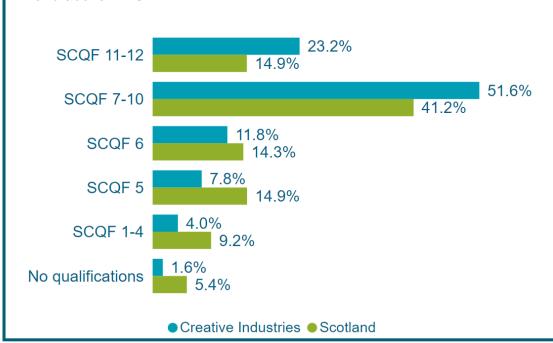
The greatest number of people employed in **Creative Industries** were estimated to be in:

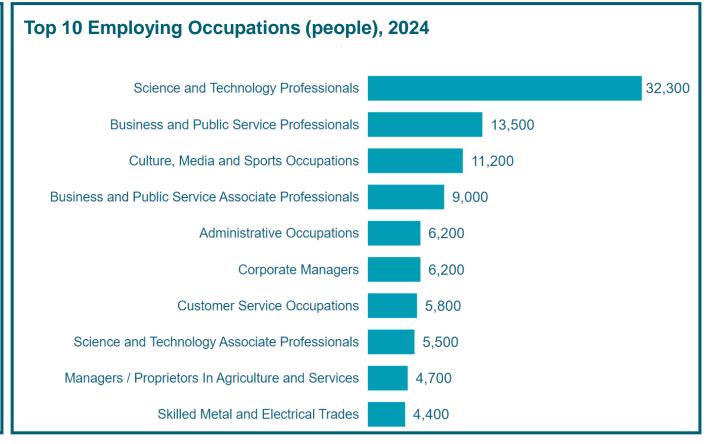
Glasgow College Edinburgh, East and Lanarkshire Aberdeen City and Region\* Midlothian Shire

31,200 25,800 10,200 8,100

## **Workforce Qualifications, 2024**

It was estimated that workers in the **Creative Industries** sector had higher qualifications than the Scottish average, with 75% qualified to SCQF Level 7 and above in 2024.<sup>2</sup>





<sup>1.</sup> SDS (2024). Oxford Economics Forecasts.

**<sup>2.</sup>** See <u>SCQF Framework</u> for further information on SCQF qualification levels.

<sup>\*</sup>Glasgow College Region covers East Dunbartonshire, East Renfrewshire and Glasgow City local authorities.

#### Current Demand<sup>1</sup>

# The proportion of Local Authorities' workforce employed in Creative Industries, 2024<sup>2</sup>

In 2024, the **Creative Industries** sector was estimated to account for **4.3%** of Scottish employment.

Scottish local authorities have sectoral strengths that make them unique. This means that the **Creative Industries** sector may be more important to some local economies, as a higher proportion of the local workforce is employed in the sector.

The sector was most prominent in these local authorities:

#### **Stirling**

7.2%

#### **East Dunbartonshire**

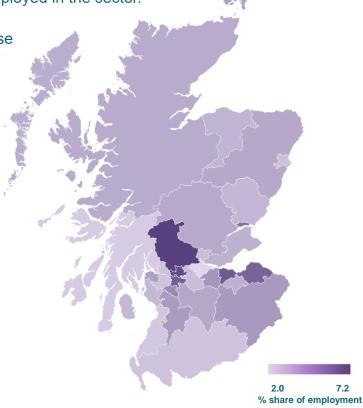
6.7%

#### City of Edinburgh

6.2%

#### **Glasgow City**

6.1%



#### 1. SDS (2024). Oxford Economics Forecasts.

**3.** Scottish Government (2023). Annual Survey of Hours and Earnings: 2023. Due to data availability, a 'best fit <u>SIC code</u> approach' has been used, so the sectoral definitions and totals in this section may vary from those we have used elsewhere.

# Real Living Wage and Gender Pay Gap<sup>3</sup>

#### **Individuals earning Real Living Wage or more:**

In April 2023, the real living wage rate for employees who did not work in London was £10.90.



Manufacturing

2022: **90.6%** 2023: **90.6%** 

Professional, Scientific & Technical Activities

2022: **94.6**% 2023: **94.4**% All sectors: 2022: **90.6**% 2

Information and Communication
No data available

**Arts, Entertainment & Recreation** 2022; **86.3**% 2023; **85.8**%

**Information and Communication** 

**Arts, Entertainment & Recreation** 

2023: 14.9%

2023: 6.8%

2023: **94.4%** 

2022: 12.2%

2022: **-6.0%** 

All sectors: 2022: **90.6**% 2023: **89.9**%

#### Gender Pay Gap for median full-time hourly earnings:



**Manufacturing** 

2022: **16.6%** 2023: **13.9%** 

Professional, Scientific & Technical Activities

2022: **24.5**% 2023: **25.2**%

Scotland: 2022: 3.0% 2023: 1.7%

Due to data availability, a 'best fit SIC code approach' has been used, so sectors definitions here may not fully match key sector definitions.

# **Modern Apprenticeships<sup>4</sup>**



MAs starts for Creative & Cultural Skills\*:

Q4 2022/23: **72** Q4 2023/24: **129** Q1 2024/25: **14** 



MAs in training for Creative & Cultural Skills\*:

Q4 2022/23: **118** Q4 2023/24: **130** Q1 2024/25: **128** 

\* Based on SDS Occupational Groupings.

For data on FAs and GAs please see the Publications section of our <u>website</u>. For data on colleges and universities please see <u>Scottish Funding Council</u> and <u>Higher Education Statistics Agency</u>.

4. SDS (2024). Modern Apprenticeship Statistics, Quarter 1, 2024/25.

**<sup>2.</sup>** The proportion of the workforce in the Local Authority employed in the sector is calculated by dividing the sectoral employment in the area by total employment in the area.

# Job Postings<sup>1,2</sup>



# **Spotlight on... Archivists, Conservators and Curators**<sup>3</sup>

Between July 2023 and June 2024, there were **190 job postings**. Job postings were high in 2022, and as a result the number of job postings has decreased by 5.4% compared to the period between July 2022 and June 2023 (21% decline across all occupations comparatively). Despite the decline, the number of job postings remained above the pre-pandemic level for Archivists, Conservators and Curators.

#### Top Locations between July 2023 and June 2024 were:



Edinburgh City
60 job postings



Glasgow City
30 job postings



Dundee City20 job postings

The largest growth in job postings between July 2022 - June 2023 and July 2023 - June 2024 was in Dundee City (+7), and Fife (+6).

Specialised skills and knowledge requested (July 2023 - June 2024) included:



**Curation and Archiving** 



Cataloguing



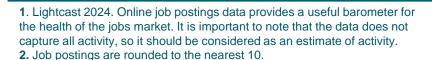
**Exhibitions** 



Museum Collections
Management



Median real-time advertised salary July 2023 – July 2024: £33,000



- **3**. Data is based on SOC 2472 for the whole of Scotland. Median salary based on 57% of job postings.
- **4.** Data is based on SOC 2142 for the whole of Scotland. Median salary based on 39% of job postings.



# Spotlight on... Graphic and Multimedia Designers<sup>4</sup>

Between July 2023 and June 2024, there were **730 job postings**. Job postings were high in 2022, and as a result the number of job postings has decreased by 12.9% compared to the period between July 2022 and June 2023 (21% decline across all occupations comparatively). Despite the decline, the number of job postings remained above the pre-pandemic level for Graphic and Multimedia Designers.

#### Top Locations between July 2023 and June 2024 were:



Glasgow City
320 job postings



Edinburgh City
200 job postings



Aberdeen City
30 job postings

The largest growth in job postings between July 2022 - June 2023 and July 2023 - June 2024 was in Perth and Kinross (+10).

Specialised skills and knowledge requested (July 2023 - June 2024) included:



**Marketing and Brand Management** 



**Graphic Design** 



**Animations** 



Adobe Creative Suite including Photoshop, Illustrator, InDesign



Median real-time advertised salary July 2023 – July 2024: **£33.200** 

# Future Demand: Mid-term (2024-2027)<sup>1</sup>

In the mid-term (2024-2027), the number of people in employment is forecast to grow by 2.8% (3,200 people) in the Creative Industries sector. This is a larger percentage growth than is forecast overall across Scotland where employment is predicted to rise by 1.9% (49,800 people).

In 2027, the top employing regions in the sector are forecast to be Glasgow College Region and Edinburgh, East and Midlothian, the same as in 2024. Similar to 2024, the largest proportion of the workforce is forecast to be educated to SCQF 7-10. The top employing occupation is forecast to be **Science** and Technology Professionals.

Forecasts for the mid-term (2024-2027) suggest there could be demand for 7,400 people in the sector, as a result of the need to replace workers leaving the labour market and opportunities created through expansion demand. Whilst positive, caution is needed as a wide range of factors may impact the future labour market.

# Workforce (people), 2027



Workforce size 2027: 117,700 people



The sector's workforce is expected to grow by 2.8% or 3,200 people between 2024 and 2027



Compared to a Scotland wide increase of 1.9% or 49,800 people

#### **Total Requirement\***







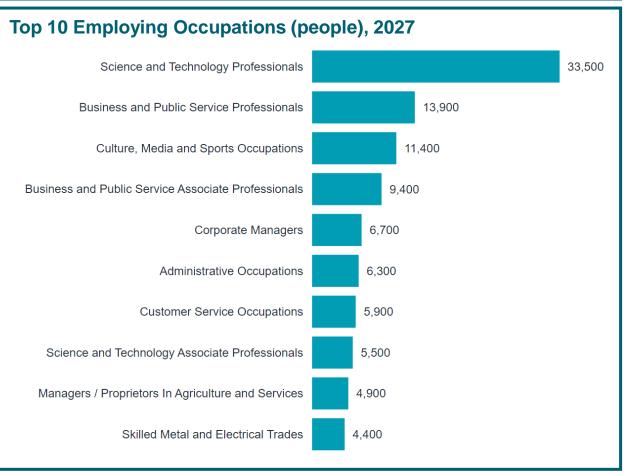
**Total requirement: 7,400** people

Replacement demand: **4,200** people

**Expansion demand: 3,200** people

# Creative Industries is forecast to account for 2.0% of Scotland's total requirement for people in the mid-term (2024-2027)

#### 1. SDS (2024). Oxford Economics Forecasts.



The replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs). Please note, figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

<sup>\*</sup> Total requirement for people is made up of expansion and replacement demand. The expansion demand is the number of people required as a result of economic growth or contraction.

# Future Demand: Long-term (2027-2034)<sup>1</sup>

Employment growth in the Creative Industries sector is forecast to continue, with an increase of 1.3% (1,500 people) in the long-term (2027-2034). This is a slightly larger percentage growth than is forecast overall across Scotland where employment is predicted to rise by 1.2% (32,000 people).

In 2034, Glasgow College Region and Edinburgh, East and Midlothian are forecast to remain the topemploying regions in the sector. The largest proportion of the workforce employed in the sector is forecast to be educated to SCQF 7-10, and Science and Technology Professionals is forecast to remain the most in-demand occupation within the sector. Forecasts for the long-term (2027-2034) estimate that 11,800 people could be required in the sector. This will be driven by the need to replace workers leaving the labour market and the creation of opportunities through expansion demand.

# Workforce (people), 2034



Workforce size 2034: 119,300 people



The sector's workforce is expected to **grow** by **1.3**% or **1,500** people between 2027 and 2034



Compared to a Scotland wide increase of **1.2%** or **32,000** people

#### **Total Requirement\***











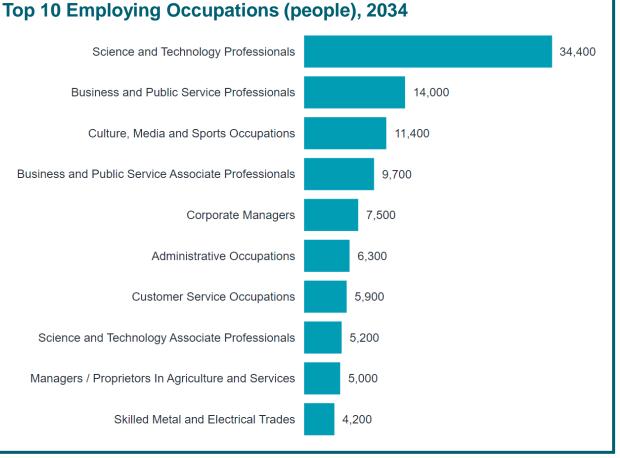
Total requirement: 11,800 people

Replacement demand: 10,300 people

Expansion demand: 1,500 people

**Creative Industries** is forecast to account for **1.5**% of Scotland's total requirement for people in the long-term (2027-2034)

# 1. SDS (2024). Oxford Economics Forecasts.



The replacement demand is the number of people required to replace workers leaving the labour market (i.e. those who retire, move away or change jobs). Please note, figures are rounded to the nearest 100 and as a result totals may not equal the sum of the constituent parts.

<sup>\*</sup> Total requirement for people is made up of expansion and replacement demand.

The expansion demand is the number of people required as a result of economic growth or contraction.

# **Appendix 1: Creative Industries Sector Definition (SIC 2007)**

Sub-sector	SIC	Name	Sub-sector	SIC	Name
Visual Art	73.11	Advertising agencies	Audio- Visual	59.2	Sound recording and music publishing activities
	73.12	Media representation		18.20/1	Reproduction of sound recording
	71.11	Architectural activities		32.2	Manufacture of musical instruments
	90.03	Artistic creation			Portrait photographic activities
	47.78/1	Retail sale in commercial art galleries			
	31.09	Manufacture of other furniture		74.20/2	Other specialist photography (not including portrait photography)
	16.29	Manufacture of other wood products		74.20/0	Other photographic activities (not including portrait and other specialist photography and film processing) n.e.c.
	32.12	Manufacture of jewellery and related products			
	32.13	Manufacture of imitation jewellery and related articles			Reproduction of video recording
	23.41	Manufacture of ceramic household and ornamental articles		59.11/1	Motion picture production activities
	23.49	Manufacture of other ceramic products		59.11/2	Video production activities
	23.13	Manufacture of hollow glass		59.12	Motion picture, video and television programme post-production activities
	23.19 47.79/1	Manufacture of other glass Retail sale of antiques and antique books		59.13/1	Motion picture distribution activities
	95.24	Repair of furniture and home furnishings			Video distribution activities
	13	Manufacture of textiles		59.14	Motion picture projection activities
	14	Manufacture of wearing apparel			
	15	Manufacture of leather and related products		58.21	Publishing of computer games
	74.1	Specialised design activities			Ready-made interactive leisure and entertainment software development
		Engineering design activities for industrial process and		59.11/3	Television programme production activities
	71.12/1	production		59.13/3	Television programme distribution activities
	74.1	Specialised design activities		59.12	Motion picture, video and television programme post-production activities
Performance	90.01	Performing arts		60.1	Radio broadcasting
	90.02	Support activities to performing arts		60.2	Television programming and broadcasting activities
	90.04	Operation of arts facilities		90.03	Artistic creation
	78.10/1	Motion picture, television and other theatrical casting		58.11	Book publishing
Heritage	91.01	Libraries and archive activities	Books and Press	58.13	Publishing of newspapers
Digital Industries	58.29	Other software publishing		58.14	Publishing of journals and periodicals
	62.01/2	Business and domestic software development		58.19	Other publishing activities
	62.02	Computer consultancy activities		18.11	Printing of newspapers
Cultural	85.52	ultural Education			· · · · · · · · · · · · · · · · · · ·
Education	30.02	Canala. Education		18.13	Pre press and media services
				63.91	News agency activities



For further information or queries on the SSAs or any of our other products, please contact: RSA@sds.co.uk