

Scottish Public Sector Workforce

Introduction

The publication of the latest workforce statistics is an opportunity to analyse Scottish public sector workforce levels, the impact and future changes.

Overview

The size of the public sector workforce in Scotland has often been exaggerated to argue that it is somehow a drain on the 'productive' economy. The public sector as a percentage of the total Scottish workforce has fallen to 21.5% (547,300 headcount), barely one in five of the workforce. 49,500 jobs have been lost in the public sector across Scotland since the financial crash; 4,400 in the last year.

Service Impact

The jobs losses have not been evenly spread across the public sector in Scotland.

Local Government has taken the biggest job loss as 39,300 jobs have been lost since the 2007 high point. Audit Scotland has estimated that 9,600 of these job losses have been staff transfers to arms length organisations or the NHS in Highland. After discounting police and fire transfers, 2,800 posts were lost last year leaving 246,100 people employed by councils.

The NHS high point was in 2009 when 159,800 staff were employed. That has fallen by 2400, actually closer to 4,000 when staff transfers are accounted for. NHS staff increased by 2,100 last year to 157,400.

Proportionately, Colleges have taken the largest job loss falling from their high point of 17,100 to 13,500 this year, a loss of 3,600 jobs. 700 of these jobs went in the last year.

Other public bodies have lost 2,100 jobs falling from 16,000 to 13,900 this year.

Around 19,000 of the nearly 50,000 job losses went under early departure schemes. Those leaving under these arrangements peaked in 2010/11 and have been declining ever since. The staffing costs of the public sector reduced by around £1bn in real terms between 2009/10 and 2011/12.

This has not resulted in any significant change to the gender or type of employment in the public sector. The proportions of full-time, part-time and temporary posts have remained fairly stable. Due to classification issues it is difficult to be precise, however, there does appear to have been a reduction in managerial posts.

KEY POINTS:

- **Nearly 50,000 jobs have been lost in the Scottish public sector since the crash.**
- **Based on OBR and IFS forecasts a further 60,000 jobs are at risk over the next five years.**
- **Councils have taken the brunt of cuts and will again in the coming years**
- **Proportionately colleges have taken the biggest cuts.**
- **There is an ageing workforce with nearly 40% retiring in next 10-15 years.**
- **Workforce planning for this is patchy at best.**



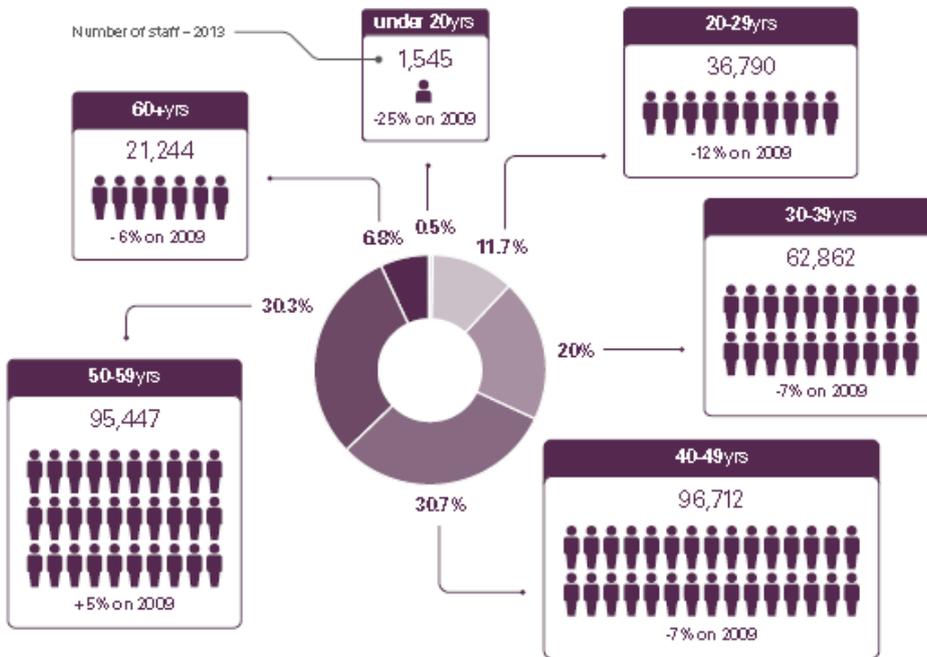
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Ageing Workforce

A less obvious consequence of the workforce cuts has been an aging workforce. In 2013, the average age was 44 years and four months compared with 43 years and nine months in 2009. The biggest losers are young people, with those aged under 20 falling by 25%. Those aged between 50-59 actually increased by 5%.



More than a third of the public sector workforce could retire in the next 10-15 years. As Audit Scotland has identified, workforce planning outwith the NHS is very patchy and this could lead to serious skill shortages.

Future staffing levels

The CPPR estimate that the Scottish Budget will be £2.7bn lower in real terms by 2017/18 and that was before the Autumn Statement and Osborne's more recent statements about further cuts. Given the proportion of spending on staffing, it is inevitable that workforce levels will fall further if these plans are implemented.

Councils plan to cut staff by around 3% (3,700 WTE) over the next two years. The NHS workforce is planned to increase by 0.3% (327 WTE posts). Other central government bodies plan to increase staff by 1.2% (249 WTE). This optimistic estimate probably reflects the relatively smaller cuts over the next two years as set out in the CPPR analysis. It also reflects the disproportionate cut in council budgets. After next year the prognosis is much worse and based on OBR and IFS forecasts it could result in a further 60,000 public sector job losses over 5 years.

Action for Branches

Cuts in public sector staffing levels have largely been delivered through the salami slicing of services, rather than direct service cuts. That leads to increased pressures on the staff that remain to deliver the service when demand is rising. Branches should be monitoring the impact through sickness data and member surveys and taking appropriate action. Workforce planning should also become a larger part of the negotiating agenda. Cuts at this level also have an economic impact that councils should be measuring and publicising.

Further information:

ONS Public sector Workforce in Scotland

<http://www.scotland.gov.uk/Publications/2013/12/4484>

Audit Scotland – Scotland's Public sector Workforce

http://www.audit-scotland.gov.uk/docs/central/2013/nr_131128_public_sector_workforce.pdf

Annual survey of hours and earnings

<http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/2012-revised-results/index.html>

Low wages and growing debt in 2014

<http://publicworksscotland.blogspot.co.uk/2014/01/low-wages-and-growing-debt-in-2014.html>

Cutting public sector jobs and pay

<http://publicworksscotland.blogspot.co.uk/2013/12/cutting-public-sector-jobs-and-pay.html>



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