

Welcome to Business Intelligence Insights.

This periodic bulletin will provide insights into Business Intelligence at Scotland Excel, signpost resources and provide key insights into the market landscape that will impact and create opportunities and challenges for Scotland Excel, its members, and the public sector going forward.

Each issue will look at a selected topic in depth and provide business intelligence insights into the potential implications on a national, local, stakeholder and organisational level.



Business Intelligence is a relatively new discipline to Scotland Excel. It can be broadly regarded as identifying and analysing data, considering its impact on our business environment, and drawing conclusions or identifying areas for further exploration or action.

For each topic, we will identify a number of sources of data, select relevant aspects of the data, question the impact on Scotland Excel and its members and, where possible, identify next steps and further areas to consider. Please explore the [links](#) throughout the document to find further information on each source.

This topic for the first edition is ***The Changing Demographics of the Scottish Population.***

The Changing Demographics of the Scottish Population



As the growing global population reached the landmark of **8 billion** on 15th November 2022 and the global population is ageing, it is fundamental to consider how movements in the population and demographic landscape will impact the public sector in Scotland in the short, medium, and long-term.

We frequently hear the statement “Scotland has an ageing population” but what does that really mean and to what extent?

How is this ageing population distributed across Scotland?

What is the relationship between the demographics of our children population and our older people population?

This insight seeks to equip the reader with the knowledge and the opportunity to actively prepare for these shifts.

How are the demographics shifting?

The Children's Population is projected to decrease by 8% in 5 years from 841,000 to 772,022. This trend is projected to continue in 10 years where the children's population is projected to decrease by 16%, and by 20% in by 2042.

The Workforce Population is projected to reduce by 1% in the next 5 years. In 10 years, this reduction is projected to continue to 2% and by 5% by 2042.

The Retired Population is projected to increase by 9.5% in the next 5 years, from 1,089,000 to 1,192,000. In 10 years, this is projected to increase by 20%, and by 25% in 2042.

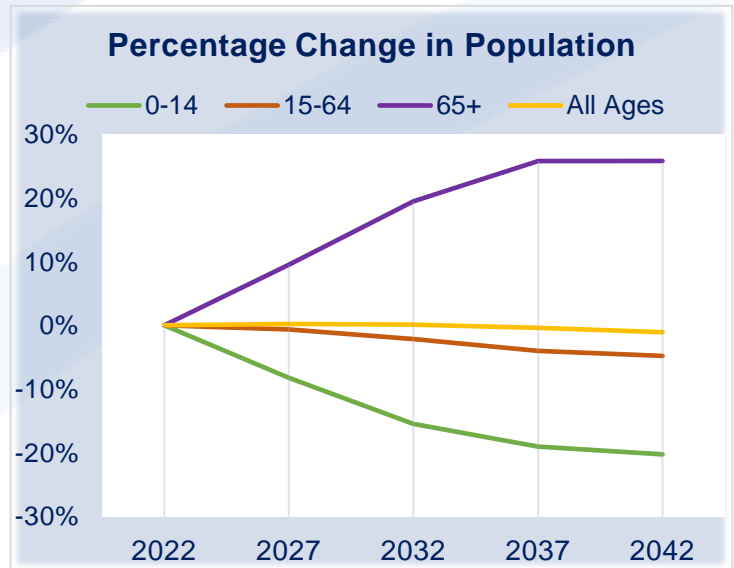


Figure 1. The Projected Shift in the Scottish Population Landscape, (ONS, 2022) – dataset

The Office of National Statistics' [population projections for Scotland](#) shows the projected population in Scotland in groups, categorised by 5 year intervals. This data provides an insight into how the Scottish population and its demographics will transform from 2022.

The 2021 Scottish Census data is scheduled to be published in 2023, which will provide further insight into the demographics of the Scottish population. Future publications will consider this data when it becomes available.

What does this mean and what is the potential impact?

The shifting demographics of the Scottish population will have profound impacts on the public sector in Scotland, and therefore on Scotland Excel frameworks and its services.

The challenges posed by an ageing population are faced by developed countries across [Europe](#). However, [Scotland](#) is projected to face heightened challenges due to its already older population. The consequences of an older and smaller workforce may include tightening the squeeze on public sector budgets.

A key challenge faced by public bodies is ensuring that public spending is distributed fairly across generations despite the older population growing and the younger population getting smaller.

Scotland is already experiencing the impact of the shrinking population of children. In 2021, the number of primary school pupils decreased by **3,644 from 2020**. The continual reduction in the children's population will result in a smaller population of school children, in both primary and secondary education.



The demand for social care services for children is likely to decline. This may impact services such as the required provision of **funded early learning and childcare** from the Scottish Government. Although the shrinking population of children may result in a decrease in the requirement for some goods and services, other factors such as poverty and the cost of providing for children may characterise other shifts in the childcare landscape.

It is worth also considering the ongoing impact of this demographic change to Scotland throughout the 21st century. Based on these projected changes, in the second half of the century there will be a reduction in young people entering into the working population and a subsequent reduction in older people. How will this impact the measures that we implement to deal with current challenges?



In the shorter term, planning and provisions will be required to support the increased population of people at retirement age. The demand for adult social care services at home and residential is likely to increase as the population ages. The increased population of older people may also result in a movement in housing demand, as more individuals may seek supported or one/two-person housing.

How is the public sector recognising these changes and what action can we take to support them?

How will a reduced workforce impact resourcing and skills development?

How will housing colleagues build homes that reflect these demographic shifts?

Local authorities and public health board areas will be impacted differently by the shifting population demographics. In the provision and procurement of goods and services for groups with changing demographics, the Scottish public sector must be equipped to adjust current frameworks to ensure best value whilst maintaining quality for customers. Changes in the demographics of the Scottish population will impact the economy and workforce, as the requirement for occupations shift.

How can we prepare to support the ageing population of Scotland?

These changes will impact all of us in both our personal and work life. This insight seeks to ask the reader to pause and consider the potential impact on current and future work, and society. Whilst it is recognised that demand forms a key part of procurement development, the demographic changes ahead may require new approaches.

Some suggested areas to consider:

- The demand for and the spend on frameworks such as **educational materials, education and office furniture, food** and **social care**.
- The supply of labour in professions such as education and childcare and in the wider supply chain.
- The demand for goods and services provided by our suppliers, and in the public sector.
- The development of new or renewal of **current frameworks**, and public services.
- The demand for public facilities and housing requirements.

What other areas should we consider and how can we prepare for them?

How can the public sector use this intelligence?

The capacity of current and future plans for public services to support and care for an evolving group of users must be assessed. Planning and adjustment to public sector services is required as the changing population and shifting demographics will impact the demand for goods and services. Where customer spend and the demand for commodities is likely to change, the replication of previous frameworks and services may not be appropriate to ensure best value or quality for users. How can we ensure that colleagues within Scotland Excel, our members and the public sector take appropriate steps?

Resource Hub

This section will signpost thought provoking resources that have been released recently.



Local Government in Scotland: Financial bulletin 2021/22 – Audit Scotland (Jan 2023)

Will 2023 be the most challenging for procurement? – Mintec (Jan 2023)

UK Industry Inflation Exposure Tracker – IBIS World (Jan 2023), access to IBIS World required.

Research with Third Sector Organisations and New Businesses: Views and Experiences of Scottish Public Procurement – Scottish Government (Oct 2022)

Who Lives in Scotland? – BBC (Oct 2022)

National Islands Plan Implementation Route Map – Scottish Government (Sept 2022)

Scotland's Councils' Approach to Addressing Climate Change – Audit Scotland (Sept 2022)

Feedback

Fundamental to Business Intelligence is the conversion of data and information into valuable business insights. These insights can be used to equip and inform Scotland Excel, local authorities, and stakeholders in their day-to-day work, and to inform their long-term strategies and objectives.

If you have feedback or suggestions for content to include in the Scotland Excel Business Intelligence Insights, please contact **Hannah.Wood@Scotland-Excel.org.uk**.