Inverness and Highland City-Region

Current and Future Skills Demand

Regional Skills Assessments (RSAs) are a single, agreed evidence base created to inform future investment in skills. This infographic is for Inverness and Highland, and supplements the region’s City-Region Summary report. It uses Oxford Economics forecasts* for the 2019-2029 period to show current and future economic contribution, as well as current and future demand for skills.

The Economy

Gross Value Added (GVA) in 2019

- Total City Deal GVA is: £5,866m
- 4% of total Scottish output
- Forecast annual growth (2019-2029):
  - Inverness and Highland City-Region: 1.4%
  - Scotland: 1.7%
  - United Kingdom: 2.0%

Productivity (GVA per job) in 2019

- City Deal productivity is: £46,700
- Scottish productivity is: £50,400
- Forecast annual growth (2019-2029):
  - Inverness and Highland City-Region: 1.3%
  - Scotland: 1.4%
  - United Kingdom: 1.5%

Current Demand for Skills

Total Employment in 2019

- 125,500 jobs
- Up by 2% or 2,300 compared to a Scottish increase of 1%

Sectoral Employment

Top 3 employing sectors in 2019:

- Human health & social work (22,500 jobs)
- Wholesale & retail (17,000 jobs)
- Accommodation & food services (13,000 jobs)

Employment by Occupation (people)

Occupational structure 2019:

- 36% Higher level occupations
- 37% Mid-level occupations
- 27% Lower level occupations

Skills Shortages and Gaps

The number of skills shortage vacancies and skills gaps in the Highlands and Islands region are:

- Skills Shortage Vacancies:
  - Highlands and Islands: 25%
  - Scotland: 24%
  - Compared to Scotland: 0.1% decrease from 2015
- Skills Gaps:
  - Highlands and Islands: 6.1%
  - Scotland: 5.0%
  - Compared to Scotland: 1.0% increase from 2015

---

* As with all forecasts, certain caveats need to be applied. They are based on what we know now and include past and present trends projected into the future. Their value is in identifying likely directions of travel rather than predicting exact figures. It is recommended therefore that users examine trends over time rather than focusing on changes in individual years. Finally, the more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be.

1 GVA is the measure of the value of goods and services produced within the economy.
2 Forecasts by Oxford Economics (unless otherwise stated).
3 Measured by total number of jobs.
4 ‘Higher level occupations’ are defined as Managers, directors & senior officials, Professional occupations, and Associate professional & technical occupations; ‘Mid level occupations’ defined as Administrative & secretarial occupations, Skilled trade occupations, Caring, leisure and other service occupations; and ‘Lower level occupations’ defined as Sales & customer service occupations, Process, plant & machine operatives, Elementary occupations. Data shown is workplace based. 5 Source: Employer Skills Survey 2017. 6 Base: All establishments with vacancies (only 2017 shown). Skill-shortage vacancies as a proportion of all vacancies. This may be due to a lack of skills, qualifications or experience among applicants.

---

Base: All establishments (only 2017 shown). Skills gaps: the proportion of the workforce lacking full proficiency.
Inverness and Highland City-Region
Current and Future Skills Demand

Regional Skills Assessments (RSAs) are a single, agreed evidence base on which to base future investment in skills. The infographic below is designed to support the Inverness and Highland City-Region Summary report, using Oxford Economics forecasts over the period 2019-2029 to show current and future economic contribution, as well as current and future demand for skills.

### Future Supply

**Population 2016-2041**

<table>
<thead>
<tr>
<th>Total population:</th>
<th>Working age population (16-64):</th>
</tr>
</thead>
<tbody>
<tr>
<td>up by 1% or 3,200 people</td>
<td>down by 10% or 15,100 people</td>
</tr>
</tbody>
</table>

**Forecast change:**
- Inverness and Highland City-Region: 1%
- Scotland: 5%
- United Kingdom: 11%

### Future Job Openings

From 2019 to 2029 there will be a requirement for:

- **1,200 people** Expansion Demand
- **39,600 people** Replacement Demand
- **40,800 people** to fill job openings

### Future Demand for Skills

**From 2019-2029, Total Employment:**
- up by 1% or 1,300 jobs

**Forecast average annual change:**
- Inverness and Highland City-Region: 0.1%
- Scotland: 0.3%
- United Kingdom: 0.5%

**Top 3 employing sectors in 2029 are forecast to be:**
- Human health & social work (22,900 jobs)
- Wholesale & retail (17,000 jobs)
- Accommodation & food services (13,300 jobs)

**From 2019 to 2029 The largest employment growth is forecast in:**
- Admin & support services (12%)
- Arts, entertainment & recreation (10%)
- Professional, scientific & technical (9%)

**The largest employment decreases are forecast in:**
- Mining & quarrying (-28%)
- Manufacturing (-14%)
- Electricity, gas, steam and air conditioning (-10%)

---

*Source: National Records of Scotland
*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.