



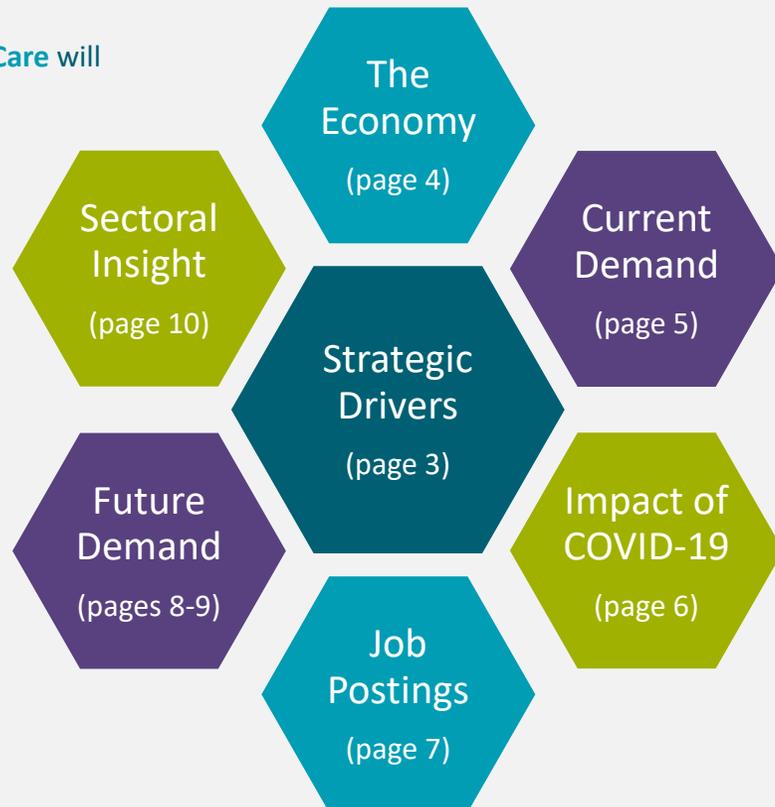
Sectoral Skills Assessments
Health Care
June 2021

Health Care

The sector encompasses: hospital, general medical, dental and human health 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 **Health Care** 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 Health and Social Care sector has an ageing workforce. Demographic change also has an impact on the demand for health and social care services.

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. There has been an accelerated shift to digitalisation offering opportunities for digital re/upskilling of existing staff, and growth of digital health businesses offering services to the health and care providers.

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. NHS Scotland has committed to being a 'net-zero' greenhouse gas emissions organisation by 2045, at the latest. NHS Scotland is developing a Climate Change and Sustainability Strategy 2020-2025 with the aim of making NHS Scotland a world-leading sustainable healthcare provider.

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 Health Care has very limited exposure to EU exporting. In 2019, 5% of Health and Social Work employees were from the EU, below the Scottish average.¹¹



Gross Value Added (GVA)²

Although the COVID-19 pandemic led to a fall in GVA in the **Health Care** sector, it has been less affected than the Scottish economy as a whole.

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



Total **Health Care** GVA in 2021:
£10,270m
up 24% from 2011

Health Care forecast GVA in 2031:
£12,559m
up 22% 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.



Health Care productivity in 2021:
£41,000

Health Care forecast productivity in 2031:
£45,100

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

Public administration and defence

2019: **No data** 2020: **No data**

All sectors

2019: **83.2%** 2020: **84.8%**

Human health and social work

2019: **88.8%** 2020: **91.8%**

Education

2019: **93.9%** 2020: **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}

Public administration and defence

2019: **4.1%** 2020: **-0.1%**

Scotland

2019: **7.2%** 2020: **3.0%**

Human health and social work

2019: **15.6%** 2020: **13.0%**

Education

2019: **5.7%** 2020: **-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.

Health Care Employment



Workforce size 2021:
264,200 people

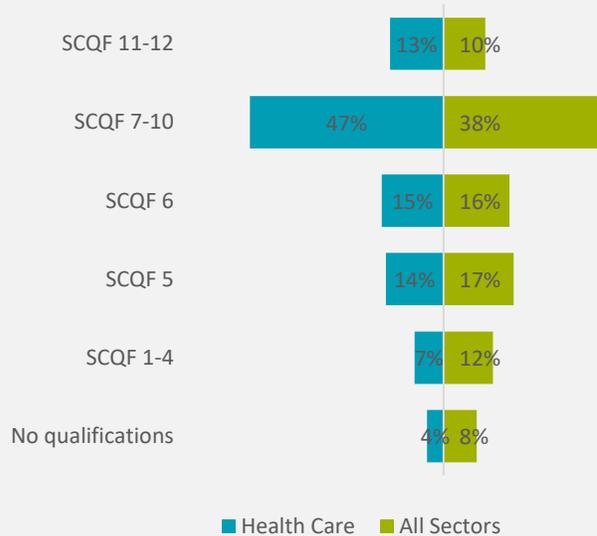


The workforce was expected to grow between 2020 and 2021:
down by 1.7% or 4,500 people



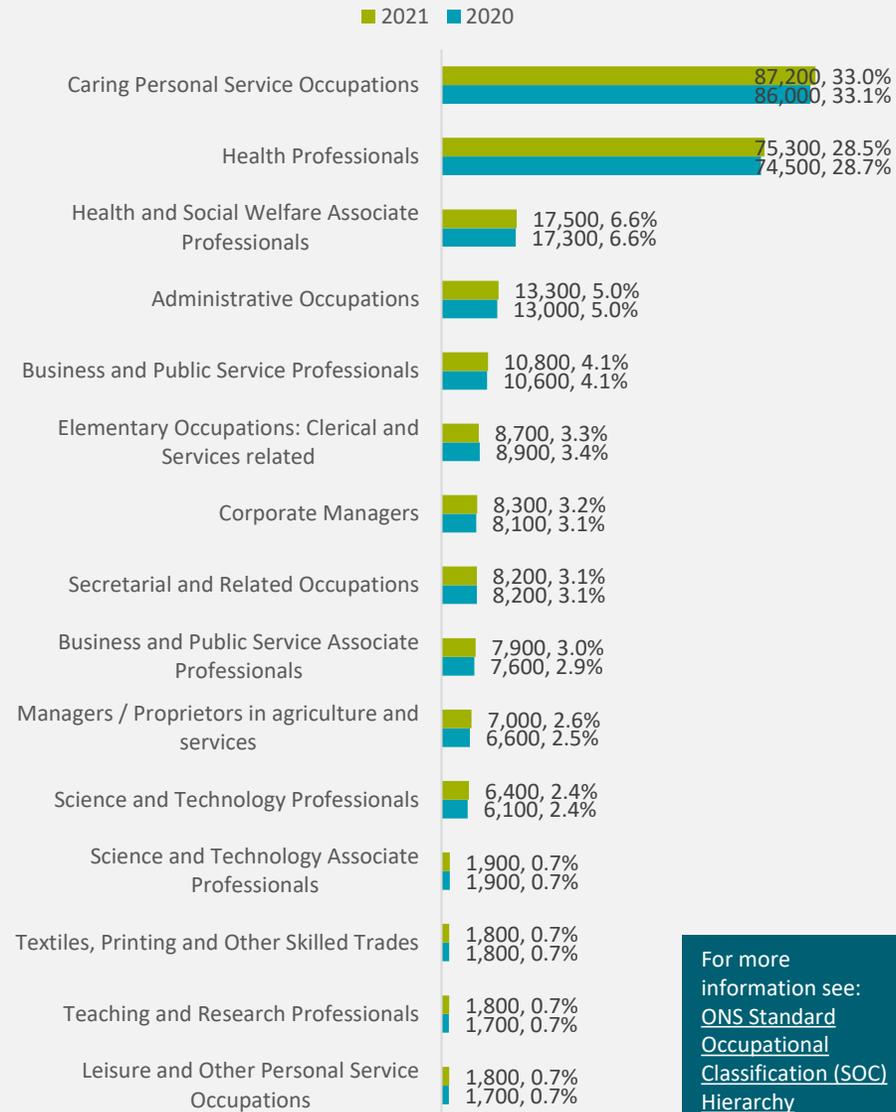
Compared to a Scotland wide decrease of **1.2% or 32,800 people**

Workforce Qualifications, 2021



Compared to all sectors, a higher proportion of the workforce in the **Health Care** sector was qualified to SCQF levels 7-12.

Top Employing Occupations (people), 2021



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

Top Employing Regions, 2021

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

Glasgow Region
49,800 people

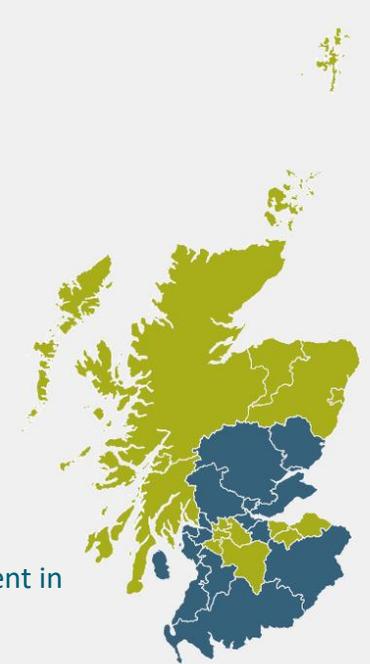
Edinburgh, East and Midlothian
40,700 people

Aberdeen City and Shire
28,100 people

Lanarkshire
25,300 people

Highlands and Islands
25,000 people

Scotland total employment in Health Care:
264,200



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:

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:

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 Health Care



Number of job postings from 1st June 2020 to 31st May 2021:
12,700



Nurses
2,580 job postings
accounting for 20%



Care Workers and Home Carers
1,340 job postings
accounting for 11%



Nursing Auxiliaries and Assistants
940 job postings
accounting for 7%

Salary 2020

Median real-time
advertised salary in
Health Care:

£28,700



Within **Health Care**, the locations with the most jobs advertised were:

Glasgow City
3,000 job postings
accounting for 24%

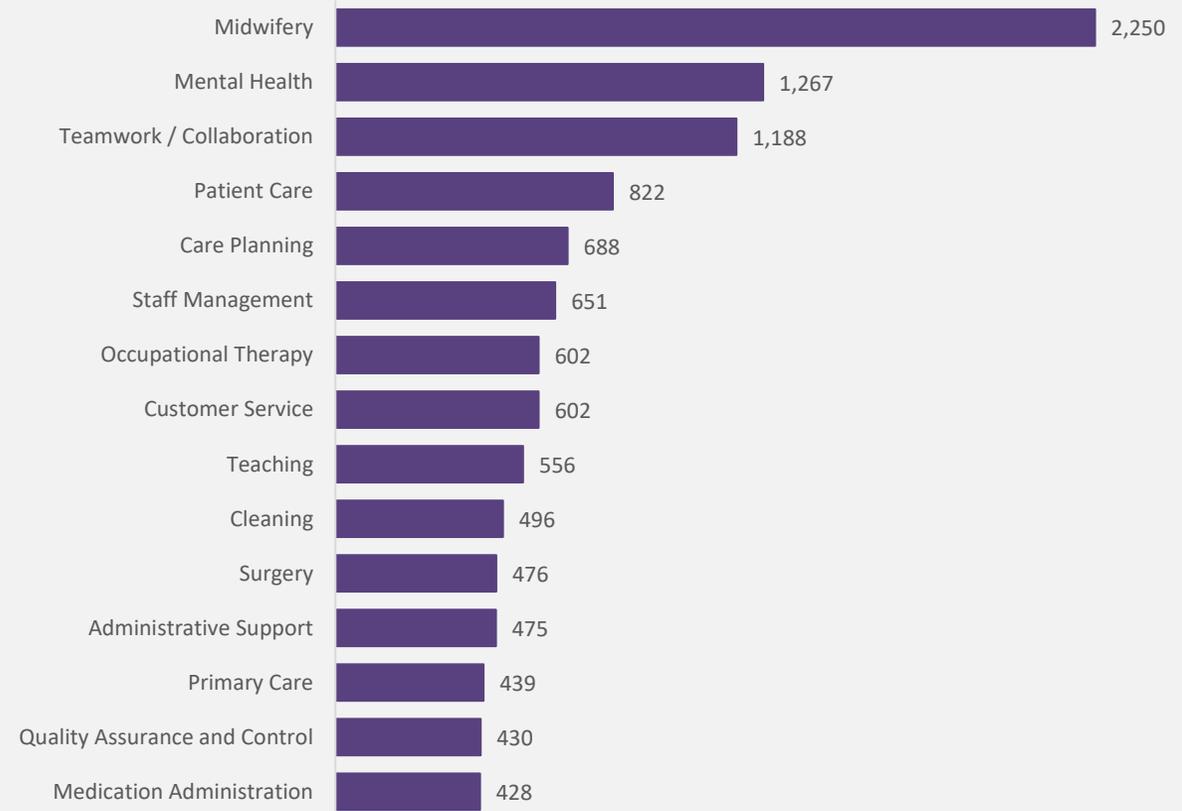
City of Edinburgh
1,960 job postings
accounting for 15%

Aberdeen City
990 job postings
accounting for 8%



Skills

Not all job postings specify the skills required for the role, likewise the detail varies between adverts. Based on information from approximately **65%** of job postings in **Health Care** 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 **Health Care**, 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.

Health Care Total Employment, 2021-2024



Workforce size 2024:
270,700 people



The workforce is expected to grow between 2021 and 2024:
up by 2.5% or 6,500 people



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

Health Care Job Openings, 2021-2024



Health Care is forecast to account for **7.6%** 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:
90,200



Health Professionals
Total Employment:
77,000



Health and Social Welfare Associate Professionals
Total Employment:
18,000



Administrative Occupations
Total Employment:
13,400



Business and Public Service Professionals
Total Employment:
11,000

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 strong jobs growth is forecast to continue in **Health Care**. 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.

Health Care Total Employment, 2024-2031



Workforce size 2031:

283,800 people



The workforce is expected to grow between 2024 and 2031:

up by 4.9% or 13,100 people



Compared to a Scotland wide increase of

0.8% or 21,000 people

Health Care Job Openings, 2024-2031



Health Care is forecast to account for **9.3%** 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:
96,100



Health Professionals

Total Employment:
80,600



Health and Social Welfare Associate Professionals

Total Employment:
18,800



Administrative Occupations

Total Employment:
13,600



Business and Public Service Professionals

Total Employment:
11,400

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.



Recruitment: The Health and Social Care sector has continued to recruit during the pandemic period and employment levels are expected to increase in the short to medium term.

Talent attraction: Attraction and retention of workforce, job-changers or returners into posts remains a priority for the sector. Positive messaging about opportunities in the sector by building on favourable public perceptions of the economic and social value of health and care occupations.



Apprenticeships: Throughout 2020/21, the pandemic fundamentally affected the context in which Modern Apprenticeships are delivered. New data published by SDS shows that following limited MA starts in Q1 2020/21, employers demonstrated their commitment to Modern Apprenticeships during the second half of the year when, despite the economy going back into lockdown, demand increased, bringing the end of year MA start figure for 2020/2021 to 4,880 against the Sport, Health and Social Care occupational grouping.



Flexible and adaptable workforce: Demand for a flexible workforce with a potential to deploy staff across health and social care – this has implications for education, qualifications development and delivery, and skills training.



Workforce: Safeguarding, protecting and supporting wellbeing of frontline health and care workers remains a priority for the sector recognising the long-term impact of COVID-19 on sector-wide workforce mental health and wellbeing.



Additional demand: Pre COVID-19 Scottish Government forecast: 1.3% growth in the NHS workforce and 1.7% growth required in the Social Care Workforce to meet demand for services; expect this to be higher over the next 18-24 months as a result of the COVID-19. Overall, Health and Social Care sector has maintained a positive outlook and is expected to do so. Sub sectors such as Digital Health expected to expand rapidly.



Specific skills in demand: mental health, dementia care, clinical skills in community care settings, re-enablement, infection control, critical care skills outside of intensive care, rehabilitation of patients discharged from hospital, prepare workforce for changing population demographics and potential long terms effects of COVID-19; cross cutting skills – conveying information effectively, resilience, flexibility, agile workforce.



Digital: There has been an accelerated shift to digitalisation offering opportunities for digital re/upskilling of existing staff, and growth of digital health businesses offering services to the health and care providers. The pandemic has served to accelerate existing trends, compressing years of change into a few months. For example, the adoption of telehealth & video consultations had risen gradually but accelerated during lockdowns. The unexpected benefits that have materialised, suggest that much of this change will persist beyond the pandemic. Harnessing the power of digital tech to change or augment roles, processes and services remains a priority in the medium to long term.



Brexit: Brexit and new visa system may have implications for recruitment. The UK Government has introduced a 'Health and Care Visa' for qualified doctors, nurses and allied health professionals.



Sector priorities include - continued service provision, planning for future waves, and meetings requirements specified by regulatory bodies and public health.

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

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Page 9	<ol style="list-style-type: none">1. SDS (2021). Oxford Economics Forecasts (March 2021).
Page 10	<ol style="list-style-type: none">1. Insight provided by Sector Managers who work closely with industry experts and employers