

Regional Skills Assessment Inverness and Highland City Region Deal

October 2025



## **Regional Skills Assessments**

First launched in 2014, Regional Skills Assessments (RSAs) provide a robust and consistent evidence base to support strategic skills investment planning. Skills Development Scotland (SDS) has worked with key partners and stakeholders to produce RSAs, ensuring an inclusive approach to their development, dissemination and utilisation.

RSAs include forecast data that has been commissioned through Oxford Economics. The Technical Note<sup>1</sup> provides full details 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 regional activities, initiatives or investments that are planned.

Industries and occupations used in the RSAs are defined by Standard Industrial Classifications (SIC)<sup>2</sup> and Standard Occupational Classifications (SOC).<sup>3</sup>

This RSA report is for Inverness and Highland City Region Deal, which covers the Highland local authority. Throughout the RSA we refer to the region as Inverness and Highland.

A summary of forecast data is also available down to local authority level in the **RSA Summary Infographics**.

The RSAs 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 published monthly.



<u>Sectoral Skills Assessments</u> provide Labour Market Insight for key sectors across Scotland. These are published annually.



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

Throughout the report, we indicate where **local** authority information is available through the Data Matrix.

The Data Matrix also contains additional data for the region, including data on employment, unemployment, and economic inactivity from the Annual Population Survey. These are available under the theme Skills Supply.

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 Regional Skills Assessments.

If you would like to provide feedback, please do so <u>here</u>.

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

- 1. RSA Technical Note (2025).
- 2. Office for National Statistics UK Standard Industrial Classification (SIC) 2007.

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

Over the past decade, the Scottish economy has experienced disruption driven by changes in the global political landscape, the cost-of-living crisis and conflicts in the Middle East and Ukraine. In addition, megatrends in demography, technology, and the environment have continued to shape Scotland's economy and labour market, many of which are interdependent. Below is an overview of the drivers that are expected to have the greatest influence on Scotland's labour market outlook in the near term, based on a comprehensive analysis of both structural and cyclical factors.

### The Economy

Scotland and the UK experienced weak economic growth of 1.1% in 2024, with inflation also staying above the 2.0% target. Forecasters expect economic growth to remain at around 1.0% in 2025, with inflation also expected to remain elevated. The effects of rising prices and high interest rates continue to impact Scottish households and businesses. This contributes to the Scottish labour market being cooler in 2025. following a period of sustained tightness in recent years.

## **Demographic Change**

Scotland's population is projected to grow until mid-2047, largely driven by positive net migration, which will offset the anticipated natural decline due to a falling fertility rate. However, whilst the population is growing, it is also ageing. Around one-fifth of Scotland's residents were aged 65 or over in 2024. By 2047, the number of people of pensionable age is expected to increase by 21%. This demographic change has implications for the economy and labour market. by affecting caring responsibilities, tax revenue. and productivity.

## **Inclusion and Equality**

There is a lingering effect from the cost-of-living crisis, which began in 2021, with rising energy prices and financial pressures continuing to have a disproportionate impact on lowto-middle income households. Poverty, including in-work poverty, persists; however, the Fair Work policy agenda aims to reduce labour market inequalities. Barriers to accessing the labour market remain for disabled people and minority ethnic groups, and gender equality still requires progress.

# Technology and Automation

Artificial Intelligence (AI) continues to be the core driver in technology transformation. Scotland has a strong technology sector, underpinned by extensive academic and business presence in AI and related fields. The adoption of Al is rapidly increasing among Scottish businesses, particularly in optimising workflows. However, the implications of AI for the labour market remain uncertain. Scotland's strong base in digital and data skills could provide an advantage, but maintaining a skilled workforce will be essential.

# Climate Change and Net Zero

The transition to net zero will directly impact the labour market as actions are taken to meet net zero targets. This shift offers significant opportunities for job creation in Scotland, particularly in the clean energy sector. Scotland has strong natural assets, and existing sectoral strengths provide a strong foundation for a green economy. However, upskilling will be crucial for transition to net zero. Especially in the construction, manufacturing. agriculture, energy and transport sectors



## Regional Insight<sup>1</sup>

The Inverness and Highland City Region Deal is a transformative £315 million initiative designed to stimulate sustainable economic growth across the Highlands. Jointly funded by the UK and Scottish governments, Highland Council, and regional partners, the <u>Deal</u> supports a wide range of strategic projects under three pillars:

- a growing economy,
- · enabling infrastructure, and
- · a skilled workforce.

Key developments include the Inverness Castle Experience, a flagship cultural and tourism project set to open in 2025. With over £30 million in investment, the Castle will celebrate Highland heritage and is expected to support hundreds of jobs

The Deal also enhances digital connectivity, supports innovation through the Life Sciences Centre, and promotes STEM education via the Science Skills Academy. With ambitions to create over 3,000 jobs and attract young talent, the Deal is pivotal in positioning Inverness and the Highlands as a hub for innovation, tourism, and inclusive growth.

#### **Economic Opportunities**

The Highlands and Islands Regional Transformational Opportunities (RTO) research, commissioned by Highlands and Islands Enterprise and HIREP, identifies a number of strategic projects with a

potential investment of over £100 billion in the Highlands and Islands by 2040.

Many of which will be focused in Inverness and across the Highlands. The investment opportunities focus on sectors like renewable energy, space, life sciences, and infrastructure, the study highlights the region's unprecedented economic potential. It aims to guide planning and policy to maximise benefits, including up to 18,000 operational jobs. The research promotes a collaborative, place-based approach to ensure inclusive growth, workforce development, and long-term sustainability across the region

#### **Workforce North**

Workforce North is a multi-agency mission responding to the once-in-a-generation opportunity identified in the Regional Transformational Opportunities research. The core aim of Workforce North is to grow and expand the regional workforce to meet the demands of this transformation.

The initiative was established following a Convention of the Highlands and Islands (CoHI) decision in Autumn 2024 and led by Skills Development Scotland (SDS) in partnership with organisations across the Highlands and Islands.

Workforce North aligns closely with the <u>Highland</u> Council Future Delivery Plan 2024-2027, which sets

out a five-year programme of commitments to secure social and economic transformation on behalf of Highland communities.

The plan shows how they will deliver on these commitments, through a major programme of transformation for people and places, working in collaboration with others to create a vibrant and sustainable Highland area.

It is important to note that the forecasts used in this Regional 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.

This would include, for example the level of investment identified in the Regional Transformational Opportunities Research.

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.

### **Economic Performance**<sup>1</sup>



Estimated GVA in Inverness and Highland in 2025: £7,111m

Inverness and Highland was estimated to generate 4.2% of Scotland's output in 2025. This share of GVA ranked the region in the second lowest quartile of regions for GVA contribution to the Scottish economy.

In 2025, the highest value industries in Inverness and Highland were estimated to be:

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Real Estate Activities\*

£992m



**Human Health and Social Work Activities** 

£894m



Construction

£666m



**Wholesale and Retail Trade** 

£633m



**GVA** forecast average annual growth (2025-2028)

**Inverness and Highland: 1.7%** 

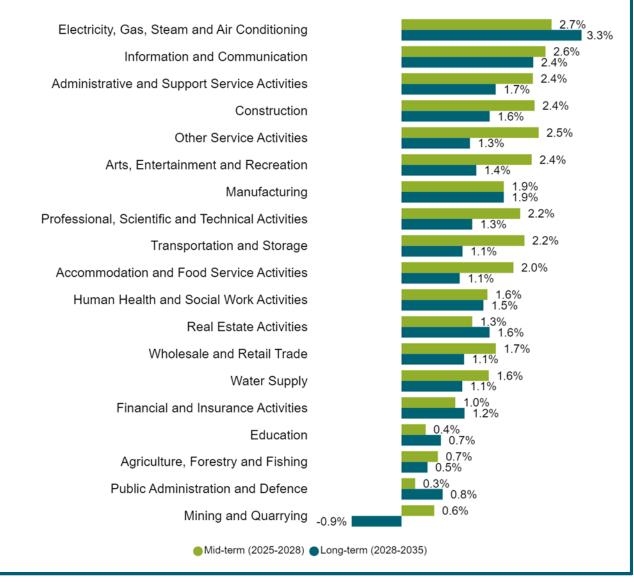
Scotland: 1.7%

**GVA** forecast average annual growth (2028-2035)

Inverness and Highland: 1.4%

Scotland: 1.6%

#### Forecast Average Annual GVA Change by Industry (%), Inverness and Highland



## Productivity<sup>1</sup>

In this report, we have used Oxford Economics' measure of productivity, which is calculated by dividing total regional GVA by total regional 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.

Productivity in **Inverness and Highland** was estimated to be £51,500 in 2025. In comparison, the Scottish average was estimated to be £57,700.



#### **Mid-term Productivity**

From 2025 to 2028, productivity in Inverness and Highland is forecast to grow by 0.8% on average each year. Over the same period, the Scottish growth rate is forecast to be 0.8%.

Inverness and Highland forecast productivity in 2028: £52,800

Scotland forecast productivity in 2028: £59,100



#### **Long-term Productivity**

From 2028 to 2035, productivity in Inverness and Highland is forecast to grow by 1.1% on average each year. Over the same period, the Scottish growth rate is forecast to be 1.0%.

Inverness and Highland forecast productivity in 2035: £56,900

Scotland forecast productivity in 2035: £63,600



# Regional Employment<sup>1</sup>



The region's workforce was estimated to account for **4.7%** of Scottish employment.

Over the last 10 years (2015-2025), regional employment was estimated to have **grown** by **3.9%** (**4,800** people). In comparison, employment in Scotland increased by 5.5%.



# Workforce Size 2028: 130,800 people

The region's workforce is forecast to **grow** by **2.5%** (**3,200** people) between 2025 and 2028.

Compared to a Scotland-wide increase of **2.5%** or **68,000** people.



# Workforce Size 2035: 134,200 people

The region's workforce is forecast to **grow** by **2.6%** (**3,400** people) between 2028 and 2035.

Compared to a Scotland-wide increase of **4.0%** or **112,500** people.

### Employment and forecast employment (2015-2035) (people), Inverness and Highland



2015 2020 2025 2030 2035

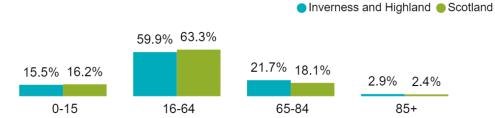


## **Spotlight: Region's People**

### Population<sup>1</sup>



In 2024, the population in **Inverness and Highland** was estimated to be **237,290**, accounting for **4.3**% of Scotland's total population. By age, the population distribution of the region and Scotland was:



# Disability<sup>2</sup>

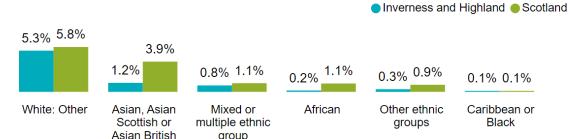


In 2022, the percentage of the population that reported having a health condition or disability that affected their daily activities was:

Inverness and Highland: 23.8% Scotland: 24.1%

### Ethnic Groups<sup>2</sup>

The majority (92.1%) of people in **Inverness and Highland** identified as 'White Scottish' or 'Other White British' in 2022. The breakdown of Minority Ethnic groups included:



### **Population Projections**<sup>3</sup>



The population is forecast to **grow** by **2.9%** in **Inverness and Highland** between 2022 and 2047. Over the same period, the Scottish population is forecast to grow by 6.2%.

The number of people of working age is projected to **grow** by **0.1%** by 2043. While, across Scotland it is forecast to increase by 5.6%.

#### Index of Regional and National Projections (2022=100)<sup>3</sup>

— Children — Pension age — Working age

**Inverness and Highland** 

**Scotland** 



#### **Dependency Ratio 4**

The dependency ratio considers the **non-working age population** (consisting of children and those of pensionable age) **compared to those of working age**. As an example, a dependency ratio of 54% would mean that for every 100 people of working age there are 54 people of non-working age.

Dependency Ratio for **Inverness and**Highland:
Dependency Ratio for **Scotland**:

2022: **62**% 2047: **66**% 2022: **54**% 2047: **55**%



## **Employment by Industry**<sup>1</sup>

The largest employing industries in the region in 2025 (based on people) were estimated to be:



**Human Health and Social Work Activities 24,400** 



Wholesale and Retail Trade 13,100



Accommodation and Food Service Activities 11.700

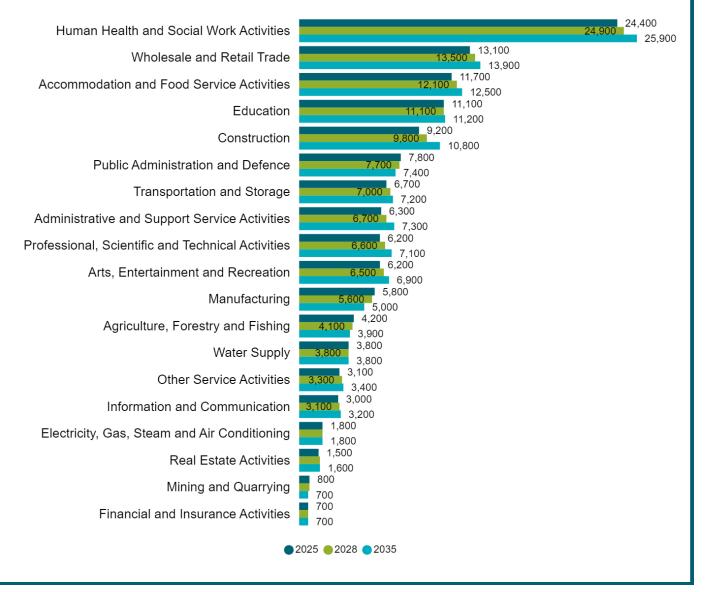
Between 2025 and 2028, employment in the region is forecast to grow, however industries will have varying performance. The greatest employment growth is forecast in Construction, with 600 more people by 2028. While Manufacturing is forecast to have the greatest employment contraction (-200 people) in the mid-term.

Over the long-term, between 2028 and 2035, the greatest employment growth is forecast in Human Health and Social Work Activities, with 1,000 more people by 2035. While Manufacturing is forecast to have the greatest employment contraction (-600 people) in the long-term.

In 2025, the Manufacture of Basic Pharmaceutical Products and Pharmaceutical Preparations as well as Fishing and Aquaculture were both estimated to be the region's greatest specialisms, with the percentage of employment in both industries 4.3 times greater than the Scottish average.

Figures may not sum due to rounding.

#### **Employment by Industry, Inverness and Highland**



## **Employment by Occupation<sup>1</sup>**

The largest employing occupational groups in the region in 2025 (based on people) were estimated to be:



**Caring Personal Service Occupations** 11,100



**Elementary Occupations: Clerical and Services** 10,700



**Business and Public Service Associate Professionals** 9,700

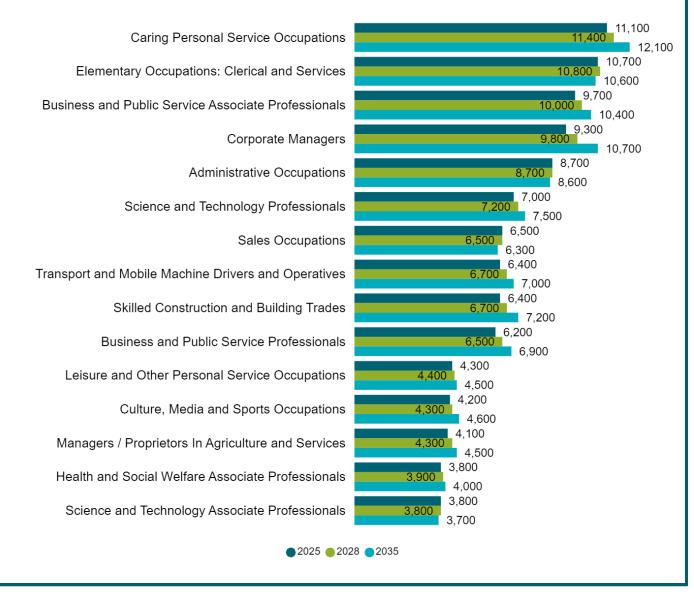
In 2025, 44.7% of employed people in the region were in 'higherlevel' occupations\*, which was a lower percentage of the workforce than Scotland (50.8%). 'Mid-level' occupations accounted for 30.8% of the workforce, which was a higher percentage of the workforce than Scotland (27.8%). Around 24.4% of people were employed in 'lower-level' occupations, which was a higher percentage of the workforce than Scotland (21.3%).

Between 2025 and 2028, the greatest growth is forecast to be in Corporate Managers (500 people). While Protective Service Occupations is likely to experience the greatest contraction (less than 50 people).

Over the long-term, between 2028 and 2035, the greatest growth is forecast to be in Corporate Managers (900 people). While Sales Occupations is likely to experience the greatest contraction (-300 people).

Figures may not sum due to rounding.

#### **Employment in the 15 Largest Occupational Groups, Inverness and Highland**



defined as 'higher-level', 'mid-level' and 'lower-level' occupations.

#### Transition to Net Zero<sup>1</sup>

Identified as part of the Climate Emergency Skills Action Plan (CESAP), the sectors<sup>2</sup> listed below **make a significant contribution to the transition to net zero** and have the greatest potential for skills implications and jobs growth arising from it. This section focuses on overall employment in these sectors that make a significant contribution to the transition to net zero, which is the best available data for **Inverness and Highland**. We have been able to additionally establish the split between green jobs and non-green jobs for the College regions. Green jobs in Scotland are defined by three different categories: enhanced skills and knowledge, increased demand and new and emerging.<sup>3</sup> For more information, on green and non-green jobs, please see the relevant College region reports. Presented below are the **number of people estimated to be employed in these sectors within Inverness and Highland in 2025.** 



## Agriculture

**4,500** people

11% of the sector's employment in Scotland



**12,400** people **6%** of the sector's employment in Scotland



## **Manufacturing (with Engineering)**

5,500 people

3% of the sector's employment in Scotland



## **Energy and Waste Treatment**

**7,400** people

5% of the sector's employment in Scotland



## **Transport**

**5,600** people

5% of the sector's employment in Scotland

The total number of people employed in the sectors that will make a significant contribution to net zero in Scotland was estimated to be 667,300 in 2025. The Inverness and Highland region was estimated to account for **5% of Scotland's total** (or 35,500 people). Of the sectors of most importance to the transition, Construction was the largest employing sector (35%) in the region.

Figures may not sum due to rounding.

- 1. SDS (2025). Oxford Economics Forecasts.
- **2.** The sectors that make a significant contribution to the net zero transition were identified in **the Green Jobs in Scotland report**.

Due to the methodology adopted, the footprint of sectors presented on this page differs from the industry footprint presented elsewhere in this report, and in our Sectoral Skills Assessments (SSAs). Please find a full list of the

Standard Industrial Classification (SIC) codes used to define these sectors in the Green Jobs in Scotland report (and on this page) <u>here</u>.

3. Please see slide 13 for more information.

# Job Postings<sup>1</sup>

Online job postings data provides a useful barometer for the health of the jobs market, real-time employer demand and can indicate changing skills demands. It is important to note that the data does not capture all activity, so it should be considered as an estimate only.

The labour market has cooled across Scotland, and job postings have declined from a peak in 2022. In Inverness and Highland, the peak in job postings largely coincided with Scotland's, occurring slightly later in Quarter 2.

Whilst the labour market has softened, there has been sustained demand for workers in the region in the first six months of 2025. Job postings in Inverness and Highland accounted for 5.5% of Scotland's total job postings between January and June 2025.



#### Between January and June 2025, there were 15,000 job postings in Inverness and Highland, of which:

The locations with the most jobs advertised were:

**Inverness Aviemore** 7,900 job postings

**Fort William** 800 job postings

**Dingwall** 400 job postings 1,000 job postings

Nairn 500 job postings

Thurso 300 job postings Specialised skills and knowledge were:

- **Project Management**
- Food Safety and **Sanitation**
- Housekeeping
- Risk Analysis
- Restaurant Operations Social Work





## **Green Job Postings**<sup>1</sup>



Out of the 15,000 job postings in Inverness and Highland between January and June 2025, **35% (5,300) were for green jobs**. This was a lower proportion of green job postings than the Scottish average (41%). The number of green job postings in the region accounted for 5% of all green job postings in Scotland.



Between January and June 2025, over half of green job postings in Inverness and Highland were for Enhanced Skills and Knowledge roles.



The green jobs in demand in each category between January and June 2025 included:

**Enhanced Skills and Knowledge:** 

Increased Demand:

**New and Emerging:** 





Large Goods Vehicle Drivers



**Engineering Technicians** 



The median advertised salary for **green jobs** in Inverness and Highland was £36,000\* in the first six months of 2025.

This was higher than the median advertised salary for all jobs in the region which was £28,700\*\*.

The <u>Green Jobs in Scotland</u> research uses an **inclusive definition** to define green jobs.

This definition recognises that there will be an ongoing process of 'greening' across the economy due to the transition to net zero, and a broad range of jobs will be impacted in different ways as a result.

Green jobs can be classified into one of the following three categories:

- Enhanced Skills and Knowledge:
   Existing occupations which will require significant change to the work and worker requirements due to green economy activities.
- **2. Increased Demand**: Existing occupations which will be needed in higher numbers due to green economy activities.
- New and Emerging: New occupations which are created because of the need for unique work and worker requirements due to green economy activities.

The full list of occupations (defined using Standard Occupation Classification (SOC) 2020) can be found here.

Figures may not sum due to rounding



1. Lightcast, 2025.

## Future Demand in the Mid-Term (2025-2028)<sup>1</sup>

Oxford Economics' forecasts should be used as guidance only on the overall trends based on current evidence - rather than definitive numbers. There are still a wide range of factors which may impact on the labour market. It is important to note that the forecasts do not account for national or regional activities, initiatives or investments such as those mentioned in our section on Regional Insight, which are likely to influence the outlook presented. Users of the RSAs are encouraged to overlay the forecasts with their local knowledge.

Earlier in the report, we examined the future total employment in Inverness and Highland. This part of the report focuses on the total requirement, which introduces not only employment growth or contraction but also the need to replace workers leaving the labour market due to retirement and other reasons.

The mid-term forecast suggests there could be a total requirement for **18,400** people in **Inverness and Highland**. Between 2025 and 2028, replacement demand could create the need for **15,200** people, while **positive** expansion demand is forecast to result in **3,200 additional** workers.

In **Scotland**, there could be a total requirement for **398,300** people in the mid-term. Between 2025 and 2028, replacement demand could create the need for **330,300** people, while **positive** expansion demand is forecast to result in **68,000 additional** workers.

Figures may not sum due to rounding.











#### **Total Requirement**

made up of expansion demand and replacement demand to show the total number of people required.

#### **Replacement Demand**

the number of people required to replace workers leaving the labour market (i.e. retirement, move away, or change jobs). **Expansion Demand** 

the number of people required as a result of economic growth or contraction.

Inverness and Highland: 18,400 people

Inverness and Highland: 15,200 people

Inverness and Highland: 3,200 people

Scotland: 398,300 people

Scotland: 330,300 people

Scotland: 68,000 people

The total requirement by qualification for **Inverness and Highland**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
1,400	8,100	2,800	4,100	800	1,200
8%	44%	15%	22%	4%	7%

The total requirement by qualification for **Scotland**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
37,800	191,300	49,500	78,400	10,400	30,900
9%	48%	12%	20%	3%	8%



## Future Demand in the Mid-Term (2025-2028) by Industry<sup>1</sup>

By industry, the greatest number of people are forecast to be required in:



Wholesale and Retail Trade

2,600



**Accommodation and Food Service Activities** 

2,300

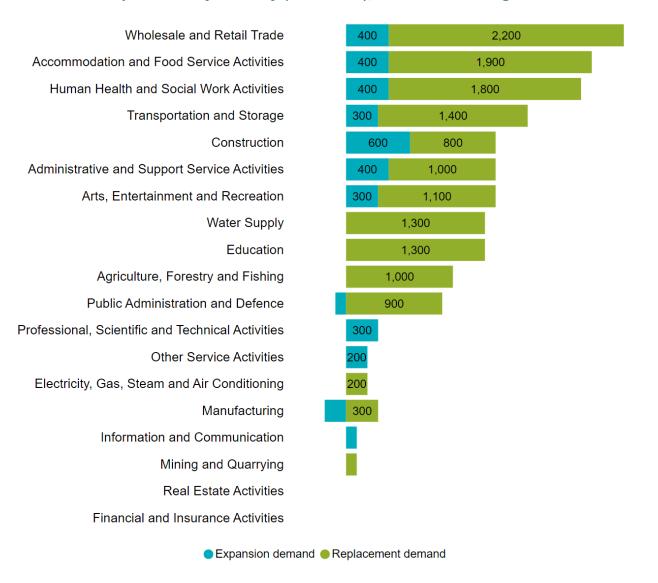


**Human Health and Social Work Activities** 

2,200

Headline figures for each industry do not show how the composition of the industry is changing. Within the industries, there are changes to operating practices and consumer behaviours driven by automation, digitalisation and the transition to net zero. Additionally, industries are defined using SIC codes, which might not reflect the full complexity and diversity within each sector. For example, High Value Manufacturing activities would not be fully captured within the traditional definition of Manufacturing, and it would span across different industries, such as Professional, Scientific and Technical Activities. We encourage readers to keep these two points in mind when interpreting the data. For further sectoral evidence, please see our Sectoral Skills Assessments.

#### Forecast Total Requirement by Industry (2025-2028), Inverness and Highland





## Future Demand in the Mid-Term (2025-2028) by Occupation<sup>1</sup>

By occupation, the greatest number of people are forecast to be required in:



**Elementary Occupations: Clerical and Services** 2,100



**Corporate Managers** 

1,800



Science and Technology Associate Professionals 1,700

As mentioned, there is forecast to be a total requirement for 18,400 people in the region over the mid-term. 'Higher-level' occupations\* are forecast to account for 43.4% of this total requirement, followed by 31.4% in 'mid-level' occupations and 25.2% in 'lower-level' occupations. Across Scotland, 52.2% of total requirement will be in 'higher-level' occupations, 26.5% in 'mid-level' occupations and 21.4% in 'lower-level' occupations.

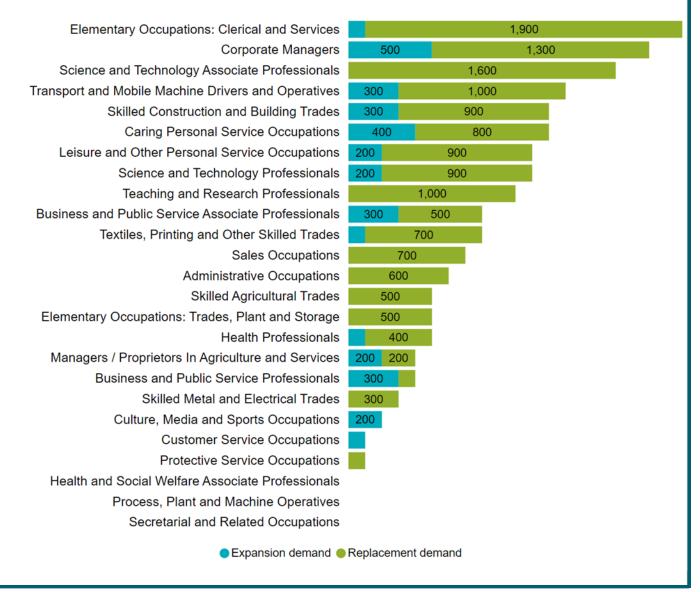


**New this year**, the RSA report includes more detailed forecasts on the total requirement for the region.

On the next page, the mid-term total requirement is presented with an intersection by both Industry (SIC 1) and Occupation (SOC 1).

Figures may not sum due to rounding.

#### Forecast Total Requirement by Occupation (2025-2028), Inverness and Highland



## Future Demand in the Mid-Term (2025-2028) by Industry and Occupation<sup>1</sup>

Forecast Total Requirement by Industry and Occupation (2025-2028) (people), Inverness and Highland

<b>▲</b>	Managers, Directors and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	Administrative and Secretarial Occupations	Skilled Trades Occupations	Caring, Leisure and Other Service Occupations	Sales and Customer Service Occupations	Process, Plant and Machine Operatives	Elementary Occupations
Agriculture, Forestry and Fishing	100	0	0	0	600	0	0	0	300
Mining and Quarrying	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	100	0	0	0	0	0	0
Electricity, Gas, Steam and Air Conditioning	0	0	100	0	0	0	0	0	0
Water Supply	0	300	400	100	100	0	0	200	300
Construction	200	100	100	0	800	0	0	100	100
Wholesale and Retail Trade	600	100	200	100	200	100	900	200	300
Transportation and Storage	200	0	100	100	100	100	0	800	300
Accommodation and Food Service Activities	200	0	0	100	500	200	100	100	1,100
Information and Communication	0	100	0	0	0	0	0	0	0
Financial and Insurance Activities	0	0	0	0	0	0	0	0	0
Real Estate Activities	0	0	0	0	0	0	0	0	0
Professional, Scientific and Technical Activities	100	100	100	100	0	0	0	0	0
Administrative and Support Service Activities	100	100	100	100	200	100	0	100	500
Public Administration and Defence	100	200	300	100	0	0	0	0	100
Education	0	800	300	0	0	100	0	0	0
Human Health and Social Work Activities	200	500	300	100	0	900	0	0	100
Arts, Entertainment and Recreation	200	100	300	0	100	500	0	0	100
Other Service Activities	0	0	0	0	0	100	0	0	0



# Future Demand in the Long-Term (2028-2035)<sup>1</sup>

The long-term forecast is more changeable than the mid-term forecasts and could be influenced by a range of factors that are less known. It is important to note that the forecasts do not account for national or regional activities, initiatives or investments like those mentioned in our section on Regional Insight, which are likely to influence the long-term outlook presented. Oxford Economics' forecasts should be used as guidance on overall trends based on current evidence - rather than definitive numbers.

In Inverness and Highland, the labour market forecast for the long-term (2028-2035) suggests employment is expected to grow, and there could be opportunities created as a result of the need to replace workers leaving the labour market due to retirement and other reasons.

Forecasts for the long-term suggest there could be a total requirement for **37,800** people in **Inverness and Highland**. Between 2028 and 2035, replacement demand could create the need for **34,400** people, while **positive** expansion demand is forecast to result in **3,400 additional** workers.

In **Scotland**, there could be a total requirement for **885,200** people in the long-term. Between 2028 and 2035, replacement demand could create the need for **772,800** people, while **positive** expansion demand is forecast to result in **112,500** additional workers.

Figures may not sum due to rounding.











#### **Total Requirement**

made up of expansion demand and replacement demand to show the total number of people required.

#### **Replacement Demand**

the number of people required to replace workers leaving the labour market (i.e. retirement, move away, or change jobs). **Expansion Demand** 

the number of people required as a result of economic growth or contraction.

Inverness and Highland: 37,800 people

Inverness and Highland: 34,400 people

Inverness and Highland: 3,400 people

Scotland: 885,200 people

Scotland: 772,800 people

Scotland: 112,500 people

The total requirement by qualification for **Inverness and Highland**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
2,700	17,000	5,400	8,900	1,300	2,400
7%	45%	14%	24%	3%	6%

The total requirement by qualification for **Scotland**:

SCQF 11-12	SCQF 7-10	SCQF 6	SCQF 5	SCQF 1-4	No qualifications
81,500	427,000	104,500	190,000	15,800	66,400
9%	48%	12%	21%	2%	8%



## Future Demand in the Long-Term (2028-2035) by Industry<sup>1</sup>

By industry, the greatest number of people are forecast to be required in:



**Wholesale and Retail Trade** 

5,300



**Human Health and Social Work Activities** 

5,000

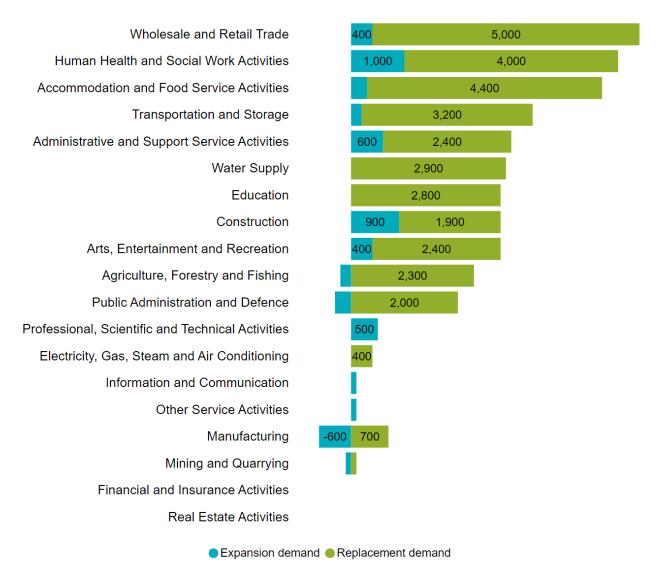


**Accommodation and Food Service Activities** 

4,700

The mid-term forecast analysis indicated that some industries are experiencing a shift in their operational practices, and this trend is also applicable to the long term outlook.

#### Forecast Total Requirement by Industry (2028-2035), Inverness and Highland





## Future Demand in the Long-Term (2028-2035) by Occupation<sup>1</sup>

By occupation, the greatest number of people are forecast to be required in:



**Elementary Occupations: Clerical and Services** 

4,100



**Corporate Managers** 

4,100



Science and Technology Associate Professionals 3.800

There is forecast to be a total requirement for 37,800 people in the region over the long-term. 'Higher-level' occupations\* are forecast to account for 45.4% of this total requirement, followed by 31.0% in 'mid-level' occupations and 23.6% in 'lower-level' occupations. Across Scotland, 54.0% of total requirement will be in 'higher-level' occupations, 25.9% in 'mid-level' occupations and 20.1% in 'lower-level' occupations.

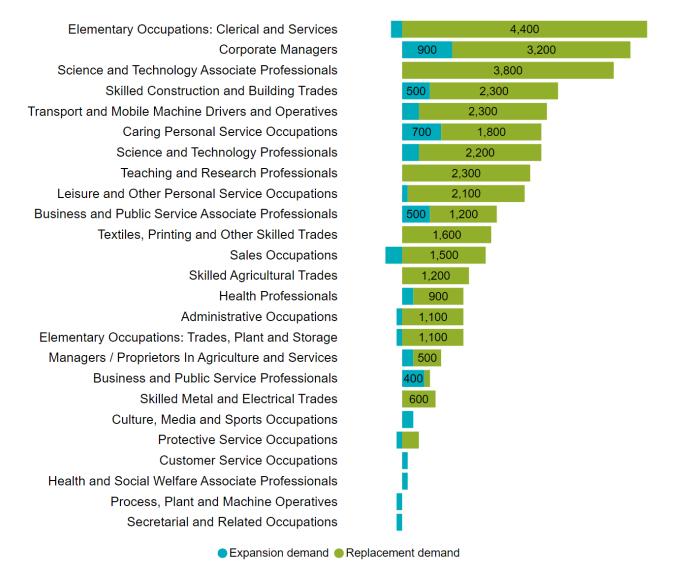


**New this year,** the RSA report includes more detailed forecasts on the total requirement for the region.

On the next page, the long-term total requirement is presented with an intersection by both Industry (SIC 1) and Occupation (SOC 1).

Figures may not sum due to rounding.

#### Forecast Total Requirement by Occupation (2028-2035), Inverness and Highland



## Future Demand in the Long-Term (2028-2035) by Industry and Occupation<sup>1</sup>

Forecast Total Requirement by Industry and Occupation (2028-2035) (people), Inverness and Highland

•	Managers, Directors and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	Administrative and Secretarial Occupations	Skilled Trades Occupations	Caring, Leisure and Other Service Occupations	Sales and Customer Service Occupations	Process, Plant and Machine Operatives	Elementary Occupations
Agriculture, Forestry and Fishing	200	0	0	100	1,200	0	0	100	500
Mining and Quarrying	0	0	100	0	0	0	0	0	0
Manufacturing	0	0	200	0	0	0	0	-100	0
Electricity, Gas, Steam and Air Conditioning	0	100	200	0	100	0	0	0	0
Water Supply	100	600	800	100	300	0	0	400	600
Construction	400	200	200	100	1,700	0	0	100	100
Wholesale and Retail Trade	1,300	200	400	200	500	100	1,600	500	500
Transportation and Storage	300	100	300	100	100	200	0	1,600	600
Accommodation and Food Service Activities	500	0	100	100	1,100	400	100	200	2,100
Information and Communication	0	100	0	0	0	0	0	0	0
Financial and Insurance Activities	0	0	0	0	0	0	0	0	0
Real Estate Activities	0	0	0	0	0	0	0	0	0
Professional, Scientific and Technical Activities	100	100	100	100	0	0	0	0	0
Administrative and Support Service Activities	300	200	200	100	500	300	0	100	1,200
Public Administration and Defence	200	500	700	100	0	100	0	0	100
Education	0	1,800	600	100	0	300	0	0	0
Human Health and Social Work Activities	500	1,200	700	200	100	2,100	100	0	200
Arts, Entertainment and Recreation	600	200	500	0	200	1,000	0	0	200
Other Service Activities	0	0	0	0	0	0	0	0	0



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