

Economic and social value of the UK adult social care sector: Scotland

Summary report

Independent research by Alma Economics

Prepared for Skills for Care and Development

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About the authors



Alma Economics combines unparalleled analytical expertise with the ability to communicate complex ideas clearly.

www.almaeconomics.com

About the commissioning organisation

Skills for Care and Development is an Alliance of seven organisations in the UK and Republic of Ireland, that focuses on regulation and workforce development in social care, social work, and early years. The Alliance consists of Skills for Care; Northern Ireland Social Care Council; Scottish Social Services Council; Social Care Wales; CORU; Early Years Alliance and Social Work England.

www.skillsforcareanddevelopment.org.uk

This report will be published by:



Scottish Social Services Council (SSSC) is the regulator for the social work, social care and children and young people workforce in Scotland. The SSSC is also responsible for publishing the official statistics on the sector's workforce. Their work means the people of Scotland can count on social work, social care and children and young people services being provided by a trusted, skilled, confident and valued workforce.

See: www.sssc.uk.com



Northern Ireland Social Care Council (NISCC) is a public body established by the Department of Health to support high quality standards of social work and social care. NISCC helps raise standards in the social care workforce in Northern Ireland.

See: www.niscc.info



Skills for Care is the strategic workforce development and planning body for adult social care in England. They work with employers, Government and partners to ensure social care has the right people, skills and support required to deliver the highest quality care and support now and in the future.

See: www.skillsforcare.org.uk



Social Care Wales is the regulator for the social care workforce in Wales, as well as supporting service improvement in social care.

See: www.socialcare.wales



Summary report

As of 2022, 147,300 people worked in the adult social care sector in Scotland ([Scottish Social Services Council, 2022](#)). The sector encompasses a diverse range of services tailored to support adults with care and support needs, spanning across public, private, and voluntary sectors. The demand for social care is expected to grow in the UK overall, as the number of people aged over 85 is projected to grow by 62% by 2037 ([Office for National Statistics, 2024a](#)). Similarly, the number of people aged over 65 in Scotland is projected to increase by almost a third by mid-2045 ([National Records of Scotland, 2023](#)).

Recognising the importance of the adult social care sector, Skills for Care and Development (herein referred to as “the Alliance”) commissioned Alma Economics to analyse the economic and social value of the adult social care sector in the UK and each of the four nations. The findings of this project will be used by the Alliance to inform public policy and improve public understanding, as well as reframe social care as an essential social and economic investment. This report focuses on the adult social care sector in Scotland; the research team has produced separate reports discussing the findings for each of the four nations and the UK overall.

For this research, our team developed two types of models: one focusing on macroeconomic impacts and the other on socioeconomic impacts. The macroeconomic models estimate the contribution of the adult social care sector to the economy, including wages of carers and operational profits of providers (direct impact), as well as the demand and income generated in other sectors because of adult social care (indirect and induced impacts). The socioeconomic impact model includes wider benefits to society not captured in the macroeconomic models, such as wellbeing of adults receiving care. Both models consider a wide range of care settings (e.g. residential) and types of service provision (e.g. local authority), including informal care, across regulated and non-regulated sectors.

The direct impact in 2023, including wages and earnings of employees in the sector, as well as the operating profits of independent care, is estimated to comprise £3.2 billion in Gross Value Added (GVA) and 114,300 whole-time equivalent (WTE) jobs, with a labour productivity of approximately £28,400 per WTE. When informal care was included, the direct GVA is estimated at nearly £17.0 billion, and the number of WTEs at almost 934,700, yielding a labour productivity of £18,200 per WTE.

The research also considered the indirect and induced effects of adult social care. The indirect effect arises from increased demand in other sectors that are part of the adult social care sector’s supply chain, such as personal protective equipment or home adaptations. Both direct and indirect effects lead to a rise in household income across



the economy, driven by increased employment. A portion of this additional income is spent on other goods, which constitutes the induced effect. **The indirect effect, i.e., the value and employment created in other sectors due to the adult social care sector, is estimated at 34,300 WTEs and £900.0 million of GVA in 2023. Similarly, the induced impact, resulting from the additional spending of individuals directly or indirectly employed in the sector, is estimated at 22,900 WTEs and £1 billion of GVA in 2023.**

Overall, the adult social care sector in Scotland is estimated to support 171,400 whole-time equivalent (WTE) jobs and generate £5.2 billion in value when considering direct, indirect, and induced impacts, not including informal care. The estimated GVA of the adult social care sector represents approximately 2.9% of the total GVA in Scotland in 2023, up from 1.7% in 2016 ([ICF, 2018](#); [Office for National Statistics, 2024b](#)). However, we recommend such direct comparisons be treated with caution, given methodological changes and data quality concerns.

The adult social care sector also creates a wide range of benefits that are not captured in GVA or employment measures, such as the wellbeing of adults receiving care and peace of mind for the general population. To estimate the magnitude of these socioeconomic impacts, we compared the costs and benefits of adult social care to a hypothetical scenario in which the adult social care sector (both formal and informal) ceases to exist. The results of this analysis suggest that the socioeconomic benefits of the adult social care sector in Scotland are £34.1 billion while costing £17.3 billion. This means that for every £1 spent, there are £1.98 in socioeconomic benefits.