



From mountain to sea

Aberdeenshire Council Strategic Assessment 2022/23

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Table of Contents

1. Document Details	3
2. Executive Summary	4
3. 'Grand Scheme of Things'	19
4. National Context	21
5. Our People:	22
<i>Education</i>	22
Key Judgements	22
Assessment of Issues	23
Forward Look	28
<i>Health and Wellbeing</i>	32
Key Judgements	32
Assessment of Issues	32
Forward Look	46
6. Our Environment:	52
<i>Infrastructure</i>	52
Key Judgements	52
Assessment of Issues	53
Forward Look	77
<i>Resilient Communities</i>	84
Key Judgements	84
Assessment of Issues	84
Forward Look	94
7. Our Economy:	97
<i>Economy and Enterprise</i>	97
Key Judgements	97
Assessment of Issues	98
Forward Look	107
<i>Estate Modernisation</i>	111
Key Judgements	111
Assessment of Issues	112
Forward Look	118
8. Sources	124

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Purpose

The Strategic Assessment forms part of the evidence base that will inform the overarching priorities for consideration by the full council later this year (2022).

The main purpose of the Strategic Assessment is to give policy makers an accurate picture of the situation in Aberdeenshire, provide evidence as to how that picture is changing and how it may change in future.

Executive Summary

The Good News: Aberdeenshire is Replete with Advantages

Much of the available evidence suggests Aberdeenshire residents generally experience better outcomes than those living elsewhere in Scotland. There are, of course, exceptions but Aberdeenshire residents are, on average, more likely to be employed and economically active; earn higher incomes per household; possess higher level vocational qualifications; live longer, healthier lives; and experience fewer instances of crime and related disorder compared to those living elsewhere.

But... We operate in a Challenging Environment

Councils throughout Scotland face many challenges, not least the requirement to deliver a wide range of services during a period of **increasing demand and diminishing resources**. These challenges were compounded by the COVID-19 pandemic, which effected significant change to societies across the world, the effects of which will likely reverberate for years to come.

According to the Accounts Commission the pressures on councils are multi-layered, and include:

- The impacts of an **ageing population** and how this requires council services to pivot and shift.
- Overall increasing demand for council services and managing the **accelerating impacts of inflationary and other price pressures**. This includes interest rate increases, rises in the cost of labour and raw material for capital projects, alongside the significantly mounting costs of gas and electricity. The longer-term impacts of fuel and food price increases on individuals will be significant, **particularly those on lower incomes**. This is collectively referred to as the '**cost-of-living crisis**'.
- Alongside this, councils must focus on meeting the Scottish Government's challenging, but important, **climate change targets** ('Net Zero') and **expanded early learning and childcare provision**, as well as the potential future impacts presented to them with a new **National Care Service** (NCS) – the single greatest public health reform since the establishment of the NHS^a. Despite the magnitude of the changes, the scope and resourcing implications of the NCS may be considered an intelligence gap at this time.

Transformational change is therefore becoming increasingly important to meet current and future challenges. **Managing public expectations** as to what the Council can do considering these challenges will be a challenge in itself, particularly in a period of diminishing resources and financial constraints. Communication will be key. We are aware from recent surveys^b that residents will appreciate two-way communication, increased transparency, and greater support to get involved in local issues, as we advance towards our common goals.

These common goals perhaps shifted momentarily as a result of the pandemic but sudden societal shocks – once the initial jolt abates – tend to quicken the pace of developments already in train. During the pandemic, for example, many workers shifted from physical to virtual spaces. **The global trend over the last few years was toward a more physically remote and flexible workforce – a trend that will likely continue over the foreseeable future.** This trend may be welcomed by Aberdeenshire residents to some degree. A large

^a [Scottish Budget 2022-23 - gov.scot \(www.gov.scot\)](https://www.gov.scot/budget/2022-23)

^b 2nd Community Impact Assessment (regarding Covid-19), August 2021

proportion of respondents to the 2nd CIA survey^c considered **working from home a positive change** compared to pre-pandemic life.

The digital shift will also affect the public sector. Implementing Aberdeenshire Council's digital strategy, for instance, is likely to **further embed digital ways of working within the public sector** and increasingly move transactional-based services online.

As such, **digital infrastructure and digital literacy will become increasingly important** in future years. Digital connectivity is an area where Aberdeenshire historically lags, and was one of the reasons why the area was **ranked the 4th most vulnerable local authority area in Scotland** based on an index created in 2020 by Skills Development Scotland and Oxford Economics. Other elements of the index included economic diversity and business environment. Our low showing suggests work is required to make Aberdeenshire more resilient in the face of external 'shocks'.

Internally, the pace of organisational developments will likely quicken. The move to increase regional collaboration in the education sphere, for example, could presage a period of further amalgamation of local government services. It is therefore possible that **regional partnerships will gain greater prominence in future**, perhaps driven by budgetary considerations and common regional goals. Such a structural model will doubtless affect a number of services and work-streams within Aberdeenshire and beyond.

Regional partnerships, participatory budgeting, holistic planning, ever increasing community involvement – these themes are likely to gain traction in the years ahead as common challenges crystallise, shared goals emerge, and resources become scarcer.

The task of capitalising on our advantages and negating the impact of the challenges may be categorised generally as **'future proofing'** the region, ensuring it remains relevant and prosperous in an increasingly global world. Among other things, this will involve harnessing the rich and manifold assets at our disposal to realise the region's global economic ambitions; ensuring health and social care services are delivered efficiently and to a high standard; and safeguarding the future of Aberdeenshire's children and young people – in short, it will involve the effectual delivery of the Council's priorities. These priorities will be interlinked to a greater or lesser degree and will tend towards realising the Council's vision as well as the Scottish Government's purpose:

- To create a more successful country.
- To give opportunities to all people living in Scotland.
- To increase the wellbeing of people living in Scotland.
- To create sustainable and inclusive growth.
- To reduce inequalities and give equal importance to economic, environmental and social progress.

Policy Framework: National Performance Framework, the Programme for Government, SPIs, Local Manifesto Pledges

National Performance Framework

To help achieve the Scottish Government's purpose, the National Performance Framework sets out **'National Outcomes'**. These outcomes describe the kind of Scotland it aims to create.

^c Community Impact Assessment (CIA) Survey 2, 2021. In many instances, this will have allowed respondents to spend more time with family / children (another notable 'positive change')

The outcomes:

- Reflect the values and aspirations of the people of Scotland.
- Are aligned with the United Nations Sustainable Development Goals.
- Help to track progress in reducing inequality.

These national outcomes are that people:

- Grow up loved, safe and respected so that they **realise their full potential**.
- Live in **communities that are inclusive, empowered, resilient and safe**.
- Are creative and their vibrant and diverse **cultures are expressed and enjoyed** widely.
- Have a globally competitive, entrepreneurial, inclusive and **sustainable economy**.
- Are well educated, skilled and **able to contribute to society**.
- Value, enjoy, protect and enhance their **environment**.
- Have thriving and innovative businesses, with quality jobs and **fair work for everyone** are **healthy and active**.
- Respect, protect and fulfil human rights and **live free from discrimination**.
- Are open, connected and make a **positive contribution internationally**.
- **Tackle poverty** by sharing opportunities, wealth and power more equally.

There are 100 indicators and 141 measures used to track progress in respect of these National Outcomes.

Programme for Government

The latest annual **Programme for Government** outlines the Scottish Government's shorter-term priorities, of which there are six:

1. **Caring Nation**: setting out a new vision for health and social care.
2. **Land Of Opportunity**: supporting young people and promoting a fairer and more equal society.
3. **Net Zero Nation**: ending Scotland's contribution to climate change, restoring nature and enhancing our climate resilience, in a just and fair way.
4. **An Economy That Works For All Of Scotland's People And Place**: putting sustainability, wellbeing and fair work at the heart of Scotland's economic transformation.
5. **Living Better**: supporting thriving, resilient and diverse communities.
6. **Scotland In The World**: championing democratic principles, at home and abroad.

Scottish Government Spending Review and Budget

The Scottish Government's **Spending Review**^d was published in May 2022 – the first since 2011. The government warned that the outlook was challenging. The block grant from the UK government – the key factor determining the size of the Scottish budget – is projected to barely increase at all in real terms between 2022/23 and 2025/26, and then increase slightly in the final year of the forecast.

^d Alongside the Spending Review, the [Scottish Fiscal Commission \(SFC\) presented its latest economic and fiscal forecasts](#). SFC forecasts give estimates of the revenues that will materialise from tax receipts over the next five years, and the levels of spending that will be required to fulfil social security policy commitments. They also set out important judgements on the likely trajectory for economic growth and inflation.

The [Medium-term financial strategy \(MTFS\)](#) was also published as well as an [Equality and Fairer Scotland statement](#).

The Spending Review prioritises the following issues¹:

- Reform to improve outcomes for children currently living in poverty.
- Reform to help achieve the just transition to a net zero and climate resilient society where we play our part in tackling the global climate crisis.
- Reform in the way we experience our public services as we recover from the COVID-19 pandemic.
- Transformation of our economy to enable growth, opportunity and a sustainable outlook for our future.

Delving into the numbers in a little more detail, it appears that priorities of the government in a budgetary sense are **Health and Social Care and Social Security**.

Spending on the health and social care portfolio is projected to increase to over £19 billion in 2026-27, an increase of 2.6% in real terms over the course of the forecast period.

Social Security assistance is forecast to increase by just under 50% over the period, reaching £6.5 billion in 2026-27. Indeed, the Scottish Fiscal Commission point to an increasing gap between the amount the Scottish budget will receive in its block grant for Social Security and the amount the budget plans to allocate to social security benefits.

By prioritising health and social security, other parts of the Budget will be squeezed. For example, Local Government's "core" resource budget is projected to be cut by 7% in real terms over the period. The £10,616 million local government figure used in the Spending Review is the combination of the General Resource Grant, guaranteed non-domestic rate income and specific revenue grant figures (as set out in the Scottish Government's 2022-23 Budget).

Public service reform is clearly targeted as an area where the Government aims to achieve funding "efficiencies". Indeed, the spending review sets an "**expectation that public bodies will deliver annual efficiencies of at least 3%**" and that all public bodies are expected to "demonstrate that they remain fit for purpose against the present and future needs of Scotland's people, places and communities"².

The Spending Review provided examples as to how public sector reform may be achieved through such things as digitalisation; maximising revenue through innovation; operating fewer buildings; providing shared services; and improving public procurement.

A reduction in the headcount of the public sector is also likely, with "the broad aim to return the total size of the devolved public sector workforce to around pre-COVID-19 levels by 2026-27." Since the end of 2019, employment in the devolved public sector has increased by around 30,000 on a headcount basis.

As the Finance Secretary noted, the Spending Review is not a budget, and the fiscal position will inevitably change over the next few years³. The current Scottish Government budget focuses on **tackling the climate emergency, reducing inequalities** and supporting **economic recovery**.

Statutory Performance Indicators

The Statutory Performance Indicators (SPIs) are another important element in the drive to optimise the public sector in Scotland. The Accounts Commission has stated that each council will report a range of information covered by the following two indicators:

1. Improving local services and local outcomes
2. Demonstrating Best Value

Rather than prescribing in detail the information that councils should publish, the Accounts Commission has encouraged councils themselves to improve reporting in a way that reflects their respective local context⁴, i.e. to determine indicators within the context of the two SPIs above. Aligning Aberdeenshire Council priorities with locally determined indicators may ensure greater fidelity to performance improvement measures over the course of the new Council (and may prevent delays in determining KPIs for the eventual priorities).

Best Value speaks to optimising internal processes and systems, which, if successful, should facilitate our collective effort to deliver the best possible outcomes for Aberdeenshire's communities. Although Audit Scotland highlighted specific weaknesses in a previous Best Value Audit (i.e., too many priorities, a need for greater clarity about how services are performing, and the absence of a robust workforce plan, as well as a greater effort on empowering local communities and a focus on deprived neighbourhoods), Best Value could become synonymous with drives to improve internal systems and processes more generally.

Local Manifesto Commitments

A number of pledges contained within the local manifestos are yet another important facet of the policy environment, many of which arguably form part of the council's ongoing work. Examples include:

- Fixing potholes on roads and general road improvements.
- Anti-poverty drives and initiatives to address the cost-of-living crisis.
- A rolling programme of school improvements and replacements.
- Energy efficiency in homes.
- Develop and enhance existing Town Centre First policies and a renewed focus on Place and local neighbourhoods.
- Supporting the principles of GIRFEC.
- Increase the reach and quality of digital connectivity.

Some other pledges are ostensibly national in scope and may require administrative modifications on the part of Aberdeenshire Council should they come to pass.

UK Government Policy – Levelling Up

The Levelling Up Fund (LUF) is designed to invest in infrastructure that improves everyday life across the UK. The £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets.

LUF is a capital only fund, administered by the Department for Levelling Up, Housing and Communities, Department for Transport and HM Treasury.

Alongside other local authorities in Scotland and across the UK, Aberdeenshire Council has been offered the opportunity to prepare a bid of up to £20m to the Levelling Up Fund. These investment proposals are encouraged to focus on supporting high priority projects that will make a visible impact in local areas.

Aberdeenshire's bid consists of a 'package project' of three interlinked investments along the coastline and focuses on the towns of Macduff, Fraserburgh and Peterhead:

1. Peterhead Cultural Quarter – A cultural regeneration project rejuvenating the heart of Peterhead's town centre.
2. Macduff Marine Aquarium – A significant modernisation and extension project.
3. Seafood Centre of Excellence – An industry-led seafood training and skills hub in Fraserburgh.

Each project will respond to specific local needs previously identified through community consultation and development strategies. If the £20 million application is successful, the projects will be value-for-money investments generating economic impact and delivering significant benefits across the region over the coming decades.

Putting it All Together: The 'Golden Thread'

Based on the local and national evidence base, it is likely that Aberdeenshire Council will, to a greater or lesser extent, concentrate on the following themes over the next few years:

- Tackling Inequalities / Poverty / Deprivation / Improving Life Chances For All
- Sustainable Economic Growth / Economic Transformation
- Climate Change / Net Zero
- Focus on Local Communities / Place
- Health & Social Care
- Best Value
- Partnership Working / Regional Collaboration

Other activities not specifically mentioned above will continue as part of day business to ensure we generally improve local services and outcomes for the communities of Aberdeenshire.

As such, the use of data to identify general vulnerabilities – both in terms of population-based initiatives and drives to improve internal processes – will be integral to realising Aberdeenshire Council's ultimate goals.

In many ways Aberdeenshire is in an enviable position. The Council's system of financial management is robust and fit for purpose, a critical function given the current climate. Robust financial management is therefore a valuable organisational asset, allowing it to deliver services within well-defined financial parameters. This is a credit to all stakeholders, not just those with a financial role.

Other major assets for the region include, but are by no means limited to, the wherewithal of residents – relatively highly skilled, generally well paid, healthy, tolerant and peaceable – and the strengths of both the public and private sectors. These strengths will doubtless touch and positively affect the lives of residents and visitors alike.

Although the environment in which we operate is extremely challenging, Aberdeenshire, by most measures, offers an excellent quality of life and opportunities abound. These are solid foundations on which to advance.

Each theme is summarised below:



- Education and the life chances of children and young people are vital elements in realising the Scottish Government's overarching Purpose. In prioritising the issue, **Aberdeenshire Council is strategically aligned with the Scottish Government.**
- **Early Years are a critical component of future educational outcomes.** GIRFEC principles should be applied across the whole of Aberdeenshire Council, not just Children's Services. As far as practicably possible, service planning and the delivery process should be aligned so that they mutually reinforce activities and reduce duplication.
- The **COVID-19 pandemic has had an enormous impact on the delivery of all children's services.** In some areas, the redeployment of resources to support a crisis response to the pandemic has severely impacted delivery. The **pandemic also took a toll on pupils' mental health and the financial situation of families.** The Pandemic also had an impact on the ability of partners to gather data for useful analysis.
- Colleagues within the Northern Alliance regional improvement collaborative are working with the Data for Children Collaborative on a project to explore how to **make better use of data to assess the poverty-related attainment gap** across eight local authorities, including Aberdeenshire. The Northern Alliance is reviewing proposals for the second phase of works, which will aim to take a deeper look at the data identified and build meaningful measures for education practitioners to use.
- **Post-school destinations and activities around Developing Our Young Workforce appear satisfactory.** A greater proportion of school leavers in Aberdeenshire tend to go on to positive destinations compared to the area's virtual comparator and authorities within the Northern Alliance. This suggests opportunities are available for young people in the area, at least upon leaving school. It speaks to the strength of Aberdeenshire's education system in contributing to and facilitating pupils' post-school success. It also speaks to the determination of Aberdeenshire's young people to secure a positive future for themselves.
- **Developing Our Young Workforce is fast becoming a significant workstream within the council.** The evident success of the Foundation Apprenticeships scheme may augment Aberdeenshire pupils' post-school achievements.
- The overall teacher staffing position has stabilised, although there continues to be challenges within Aberdeenshire. **Staff shortages** have affected primary schools in north Aberdeenshire (Banff, Huntly, Fraserburgh and Peterhead) and in secondary schools across Aberdeenshire with most issues in English, Maths, Science, Technical and Home Economics. Aberdeenshire Council has been making use of schemes to alleviate teacher staffing issues, including Distance Learning Initial Teaching Education (DLITE) and the Aberdeenshire Student Incentive Scheme for Teaching (ASIST). The council also continues to advertise difficult to recruit posts with access to the corporate relocation scheme.
- **Governance arrangements in the Education sphere are due to change.** Three national organisations are to be created to drive improvement in education.

A new public body will be responsible for developing and awarding qualifications. It will replace the Scottish Qualifications Authority (SQA) and it will have a governance structure that is more representative of, and accountable to, learners, teachers and practitioners.

A national agency for education will see Education Scotland (ES) replaced. The new executive agency will provide improved support and professional learning to teachers and schools, and provide advice and guidance on curriculum, assessment, learning and teaching.

Thirdly, a new and independent inspectorate body will be created. It will develop new inspection models and help to assess the overall performance of Scottish education.

The organisations will be required to work more closely with learners and education professionals.

Operating models of the new organisations will be developed by winter 2022, before a period of so-called 'shadow operation' for the new bodies ahead of them being fully operational in 2024. At this point, the SQA and Education Scotland will cease to exist.

- The number of **schools exceeding capacity is forecast to increase to ten schools by 2026** (from 3 in 2021). These schools are: Meldrum Academy, Balmedie School, Foveran School (Formartine); Echt School, Kemay Academy (Garioch); Mearns Academy, Portlethen Academy, Newtonhill School (Kincardine & Mearns); Kennethmont School, Monymusk School (Marr).
- Coupled with ongoing teacher recruitment/retention issues, **school overcapacity could have a detrimental effect on the quality of pupils' classroom-based educational experience**. A number of initiatives/projects are underway to negate these developments.



People: Health and Wellbeing

- **There are health inequalities in Aberdeenshire** which, if left unchallenged, present a ticking time bomb for the NHS, the Aberdeenshire Health and Social Care Partnership (AHSCP), and the Council.
- There is a strengthened focus on **prevention and early intervention** to promote good, positive physical and mental health and wellbeing for all people across all ages and client groups. **Prevention must focus on all stages of life** including key transition points such as starting work, becoming a parent or a carer. The recent lockdown has shown that behaviours can be changed, and the momentum must be maintained.
- **Working in partnership** AHSCP, Council Services and third sector partners are ideally placed to raise the profile of health and wellbeing. This can be in their own workplaces, communities and schools encouraging pupils and staff to overcome existing behaviours and choose healthier behaviours.
- AHSCP is facing the **same demographic challenges** as Aberdeenshire Council's Housing Service in terms of an increasing elderly population and changes in household composition. They both have the **same shared objective of increasing resilience and empowerment within the community**.
- **The importance of food on health outcomes cannot be overstated**. The Healthy Eating, Active Living (HEAL) LOIP priority will be key to addressing the wider underlying causes of physical inactivity and unhealthy eating.



- **Continuing to improve the region's connectivity (both transport and digital), will enable residents to have choices** about how they work, study, move around, access facilities and live sustainable, healthy lives. It supports the 'open for business message' and encourages people to remain/move to Aberdeenshire to live, work and take advantage of the many leisure opportunities. **It is a necessity for the long-term wellbeing of the region.**
- The Council has **a strong focus on maintaining and improving critical infrastructure** with 10 year investment plans across a broad range of infrastructure types. These are funded through the Infrastructure Investment Funds.
- Many parts of Aberdeenshire are classed as rural and the road network provides the arteries for people and goods to move throughout the area either by car or via active travel for shorter journeys. Tourism is important to the area and travelling to most of the region's many visitor attractions is only possible by road. **The maintenance of roads related infrastructure assets is essential for their survival.**
- The A96 is aligned with one of the North East's identified strategic growth corridors (as identified in the 2020 Strategic Development Plan). **Dualling of the A96** would enhance the transport connectivity through Aberdeenshire between Inverurie and Huntly delivering the intended benefits for the North East, promoting facilities for non-motorised users along the corridor as well as effective future integration with the public transport network (bus and rail). A transparent, evidence-based review of the route between Inverness and Aberdeen to include a climate compatibility assessment to assess direct and indirect impacts on the climate and the environment is currently being undertaken. The review will report by end of 2022.
- **Housing has an important influence on poverty and health inequalities in Scotland.** This is through the effects of housing costs, housing quality, fuel poverty and the role of housing in community life⁵. The mixture of house sizes, types and tenures is an important consideration in the creation of strong communities.
- As Health and Social Care integration evolves with fully established partnerships, opportunities should emerge to **enhance joint planning and delivery between Housing and the Partnership.**
- **Risk that funding for affordable housing cannot be spent in a slowed down market.** Most affordable housing in Aberdeenshire is provided through section 75 agreements with developers and any slowing of the build-out rate may make affordable housing targets difficult to deliver.
- Climate Change and the decarbonisation agenda are forming an increasingly important element in infrastructure-related policies. **Aberdeenshire persistently records higher per capita emissions than Scotland as a whole.** This is largely due to the transport and domestic sectors. The Council faces **various external challenges** with regards to climate change action. Positively, carbon dioxide (CO₂) emissions in Aberdeenshire, as across the country, have decreased since 2005. However, there is still a lot of work to do.
- **Climate change action will require significant changes to organisational culture.** Aberdeenshire Council is in some respects leading the way in efforts to 'decarbonise', that is, to reduce CO₂ emissions. Although services are exploring innovative ideas and

opportunities, **further work is being carried out** in order to ensure carbon is being considered in all reports, proposals and projects so that the council's own reduction targets are met. **Making the link to financial savings** has and will continue to be key⁶.

- **The Council's Route Map 2030 identifies how Aberdeenshire will reach its 75% reduction in emissions by 2030 target.** Carbon Dioxide Equivalent (CO₂e) emissions and financial estimates are being made for all projects identified. This includes the development of a toolkit to identify a complete view of decarbonisation progress against planned CO₂e reduction and a view of the capital/revenue impact and cost effectiveness (£/tCO₂e) of each reduction project so that the Council can analyse the impact on the overall budget and prioritise project selection.



Our Environment: Resilient Communities

- **Income inequality appears to be rising after a decline following the recession.** With the projected increase in older people the number of pensioners in persistent poverty will rise increasing demand for support services and there are 5,105 households and 4,289 children classed as absolute low-income in Aberdeenshire. Increasing incomes through social security and benefits is a key driver of poverty reduction. The council and its partners should utilise the various take-up initiatives to ensure that all residents are aware of the services and benefits available to them.
- **Experiencing or growing up in poverty affects people's lifelong decision-making style.** People living in poverty make decisions based on coping with present stressful circumstances often at the expense of future goals. This means that people may not reach their true potential and never climb out of poverty.
- The pandemic led to many changes including increased use of automation in the workplace particularly in lower paid jobs. The importance of **continuing to invest in lifelong learning and retraining** cannot be underestimated.
- The Equality Act 2010 and related Public Sector Equality Duty and Scottish Specific Duties as well as the Fairer Scotland Duty together require public authorities to pursue and report on **advancing equality and tackling inequality**.
- Some people in Aberdeenshire are living in poverty due to low wages, high living costs, lack of accessible affordable childcare, transport and limited opportunities. Those who are not working overwhelmingly want to work, but face **barriers to employment**. Principally these are **ill-health, transport and childcare**, but also **caring responsibilities for family members**.
- Some parents worry about the impact poverty has on their children, particularly that they may be bullied because of the circumstances in which they live. They can also **feel stigmatised** when accessing services which can result in reluctance to access support in future. **Children living in poverty frequently report feeling excluded and embarrassed**, citing it as a key source of unhappiness, and worry about their parents.



- Developments over the first quarter of 2022 during which the situation in Ukraine – first and foremost a humanitarian crisis - has presented a new and **concerning shock to the global economy**, which risks **further slowing the recovery** from the pandemic and exacerbating inflationary pressures which have already risen to their **highest levels in 40 years**.
- Recent geo-political events appear to have precipitated a global drive towards energy independence. In the UK, renewable and cleaner energy sources may become ubiquitous in future – and perhaps operational earlier than hitherto envisaged. **Aberdeenshire should seek to be at the forefront of this global drive.**
- During 2020, Skills Development Scotland worked with Oxford Economics to develop a Vulnerability Index based on each local authority's economic diversity, business environment and digital connections. **Aberdeenshire was deemed to be the 4th most vulnerable local authority area in Scotland**, according to this index. This suggests work is required to make Aberdeenshire more resilient in the face of external 'shocks'. Digital connectivity will remain important as homeworking becomes the norm in the future, an area where Aberdeenshire historically lags.
- Approximately **13.0% of Aberdeenshire households are deemed to be 'workless households'**, which is considerably lower than the Scottish rate (18.1%) but only slightly lower than the UK rate (13.6%).

Although Aberdeenshire's rate is lower than the national rate, the national rate has decreased considerably since 2012 and looks poised to dip below Aberdeenshire's rate over the next year or so. This suggests **greater headway is being made with regards to worklessness in other parts of the country compared to Aberdeenshire.**

- The greatest opportunity for improvement in respect of the age-related **Claimant Count** in Aberdeenshire relates to the **18 to 24-year-old demographic**. The exceptional work in relation to Developing Our Young Workforce should positively affect this client group.
- Latest data (2021) show **median household income in Aberdeenshire amounted to £36,900**. This is 23% above the Scottish equivalent, and the 4th highest absolute figure in Scotland.

Median income in Aberdeenshire ranges from £50,900 (Blackburn) to £22,500 (Crimond). Of the 62 Settlements in Aberdeenshire, **24 recorded lower household incomes than the UK average (£32,700).**

Median household **income in Aberdeenshire fell by 0.8%** compared to 2019 (i.e. pre-pandemic). However, this compares favourably to the average reduction across local authorities in Scotland (-1.2%).

Aberdeen City saw the greatest reduction in household income in Scotland compared to the pre-pandemic figure, falling 6.2% between 2019 and 2021.

This is not insignificant as Aberdeenshire's economic fortunes are very much aligned with Aberdeen City. And although Aberdeenshire's unemployment rate has improved over the last year or so, a reduction in household income – coupled with the rising cost of living –

suggest **people in the North East may have fewer financial resources on which to draw** should the situation deteriorate over the next year or so.

- The most recent Scottish Household Survey (2019) showed that **approximately 20% of Aberdeenshire residents had less than £1,000 in savings** (10% had no savings). This was prior to the pandemic and the cost-of-living crisis. It compares favourably to the Scottish rate (35% in Scotland had less than £1,000 in savings, 22% had no savings). Nevertheless, it suggests that close to **50,000 people in Aberdeenshire may find it difficult to make ends meet** should the general financial situation deteriorate and inflationary pressures mount.
- Approximately **8,000 households in Aberdeenshire (or 7.1% of total households) earned less than £10,000 in 2021**. Unsurprisingly, a large proportion of these are found in either Peterhead or Fraserburgh, two of the largest towns in Aberdeenshire. Out of the larger towns, Fraserburgh's rate of low-income households relative to total households is higher than Peterhead's equivalent rate. Approximately 13.5% of Fraserburgh's households earn less than £10,000 compared to Peterhead's 12.3%. Certain areas in Peterhead and Fraserburgh are statistically among the most deprived in Scotland.

Other larger towns with relatively high rates of low-income households include Huntly (14.0%), Banff (13.5%), Macduff (13.1%), Turriff (11.2%), and Mintlaw (10.7%). In most cases, the proportion of low-income households in these areas increased between 2019 and 2021, likely a result of the pandemic.

Financial support measures will likely focus on these areas over the next year or so – and beyond.



Economy: Estate Modernisation

- The core local government budget is down slightly in real terms in 2022/23. But an additional £800m funding from other portfolios is transferred into the local government settlement to cover a range of priorities and commitments, including funding to pay a higher living wage to care staff, teacher recruitment, health and social care integration, and expansion of social care provision.

The additional funding means the overall local government funding settlement is up by more than 4% in real terms. This additional funding is not strictly speaking ringfenced, but it will be required by local government to meet the additional commitments expected of it. This therefore **limits councils' flexibility to respond to unforeseen challenges and circumstances** that may arise.

- **The long-term funding position for councils remains uncertain.** There are significant challenges ahead as councils continue to respond to the impacts of COVID-19 on services, finances and communities.

Councils must also address cost and demand pressures pre-dating COVID-19, as well as develop long-term plans with partners to address complex issues. This includes addressing child poverty, inequalities, improving economic growth and delivering Scotland's Net Zero ambitions.

- Public service reform is clearly targeted as an area where the Government aims to achieve funding "efficiencies". Indeed, the spending review sets an **"expectation that public**

bodies will deliver annual efficiencies of at least 3% and that all public bodies are expected to “demonstrate that they remain fit for purpose against the present and future needs of Scotland’s people, places and communities”⁷. The Spending Review provided examples as to how public sector reform may be achieved through such things as digitalisation; maximising revenue through innovation; operating fewer buildings; providing shared services; and improving public procurement.

- **Aberdeenshire Council’s Settlement amounts to £496.819 million for 2022/23, with a base budget (estimated income) of £476.406 million.**

Compared to the estimated income for 2022/23 the draft settlement sees the Council receive an increase in funding from Scottish Government of £20.413 million. However, of this, £15.088 million will be required to be passported to the Health and Social Care Partnership and £7.288 million of the increase relates to additional funding for teachers.

- **The Council estimates that, overall, it will need to close a financial gap of £48.040 million to 2026/27** (rising from £20.947m in 2023/24). The Council aims to ensure that its finite resources are used to maximum effect and continues to seek new and alternative ways of working as well as improving the efficiency of existing service delivery. **the Council must actively strive to find further long-term solutions and efficiencies going forward.**
- **The Medium-Term Financial Strategy (MTFS) provides a structured approach to financial planning across Services.** This approach has proved particularly important when combining service delivery considerations and financial planning in an environment of increasing demands and limited resources
- **Checks and balances within the Aberdeenshire Council system are robust.** Budget pressures are continuously reviewed as part of the budget monitoring process during each financial year. Reporting financial information to each Policy Committee with an overall report to Council has proved beneficial in terms of understanding and has enhanced the level of financial scrutiny
- **The Capital Plan is under review**, a review that is informed by the Corporate Asset Management Plan (which is itself currently being updated), the Estate Modernisation Strategy, the medium-term financial strategy (MTFS) and cost of borrowing, and service asset-based strategies that support Council priorities and national programmes.
- **The council is progressing its wider estates modernisation programme.** Directorates have been asked to review the estate controlled by them and to align usage with directorate and service plans. This project is also considering the potential to share any assets with other public sector partners and there is also an ‘asset challenge’ from the Property service to stimulate conversations around what is needed rather than because ‘it’s always been there’. This review was scheduled for completion by the end of 2021.
- The Council Tax cap was removed by Scottish Government for 2022/23 enabling Local Authorities to increase the Council Tax in their area at their discretion. The proposed revenue budget includes an Officer assumption of an annual 3% Council Tax increase for future years. This assumes there is no reinstatement of the cap by Scottish Government. A 1% reduction in the Council Tax increase would result in a reduction in income of around £1.5 million.

Reform to Council Tax is probable in the next few years as the major political parties are generally in favour of amending it.

- **An increasingly important element of the council's 'estate' in future will be our digital platforms and associated offerings.** The council's Digital Strategy (2020-2025) was approved in 2021 and sets out the council's priorities and commitment to optimising digital technology to improve our business, enable economic growth, support the environment and benefit residents whilst ensuring no one is left behind.

In the summer of 2021, twelve digital initiatives were commissioned after the strategy was adopted. These will help the council meet its aims and continue to **build a modern and effective local authority**; one that is **resilient** and makes **financially sustainable** use of technology to ensure **Best Value**.

Risks and Opportunities

The diagram on the next page aims to succinctly present the major strengths/opportunities & risks/threats that will help/hinder the Council in achieving its vision of being the best council, from mountain to sea.

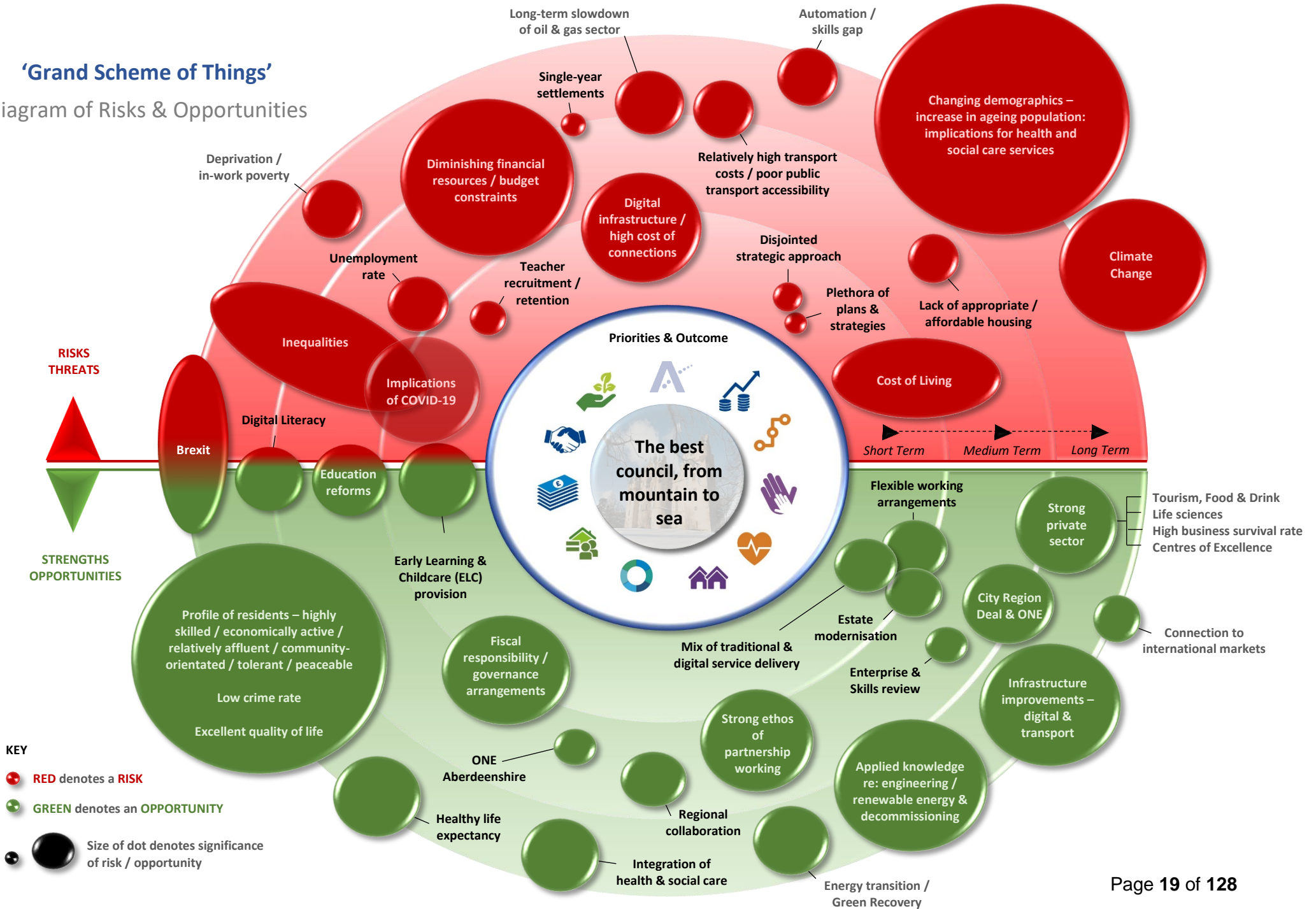
Risks are in the upper portion of the diagram, **opportunities** in the lower portion. The size of the circle denotes the significance of the respective risk/opportunity.

The closer the circle is to the centre of the diagram, the more immediate the effect (i.e. inner red/green segment = short-term; outer red/green segment = long-term).

Among other things, the new Council Plan – and, indeed, the new Council – should ultimately seek to take advantage of the opportunities presented to the area and the council whilst simultaneously negating the risks.

'Grand Scheme of Things'

Diagram of Risks & Opportunities



Council Priorities in Context

Aberdeenshire Council is one of the key players in terms of optimising Scotland's offering – both to the people of Scotland, and to the world. By improving local services and local outcomes for the people we serve, it should go some way in improving the lot of the nation.

The Scottish Government's purpose is to focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth. Local manifesto commitments, and local priorities, whilst limited geographically, tend to be consistent with this strategic goal. There are also clear overlaps in terms of UK Government policy, particularly with regards to the Levelling Up initiative.

The following page demonstrates diagrammatically where Aberdeenshire Council's priorities fit in terms of the overarching strategic purpose. It is presented in the form of a 'road map', with the overall purpose shown as a destination of sorts. Aberdeenshire Council is situated at the beginning of that 'journey'. The elements between these two junctures are graphical representations of the means by which we will ultimately get to our desired endpoint, e.g., via pertinent local priorities, national frameworks and benchmarks, and by working collaboratively with partners.



From mountain to sea

National Context: Where our Priorities (The Council Plan) Fits In...



UK Government Policy
(Reserved Matters, Levelling Up, and other policies)



Scottish Government's Purpose
(What we are all ostensibly aiming to achieve via the 11 National Outcomes):
"To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth."

National Performance Framework
(Measures Scotland's progress against the 11 National Outcomes)



Annual Programme for Government
(6 priorities this year)



UK / Scottish Government

COSLA

Businesses

Key Drivers

Local Government

Partners (CPP)

Communities

Key Drivers

Statutory Performance Indicators (SPIs)



SPI 1: Improving local services and local outcomes
SPI 2: Demonstrating Best Value



'Golden Thread' – Common Themes (Local & National)

- Tackling Inequalities / Poverty / Deprivation / Improving Life Chances For All
- Sustainable Economic Growth / Economic Transformation • Net-Zero • Health & Social Care
- Focus on Local Communities / Place • Best Value • Partnership Working / Regional Collaboration

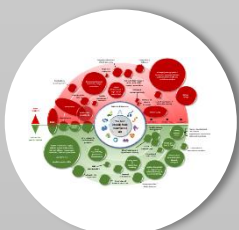
Local Government Benchmarking Framework



Provides high-level statistics which are designed to focus questions on why variations in cost and performance are occurring between similar councils.



Aberdeenshire Council



The new Council will determine Aberdeenshire Council's priorities. These will be supported by evidence from the Strategic Assessment (this document), previous local surveys, and local election manifesto commitments. The Council Plan will capture these and plot a way forward. As one of the main players in the system driving this forward, Aberdeenshire Council has an integral part to play in achieving common goals – both local and national. Other key drivers in this system include communities, partners, businesses, COSLA and the Scottish Government.

The council's priorities will likely capture some of the issues contained above, under the 'golden thread' heading. Tackling Inequality, Poverty, Deprivation, and generally improving Life Chances will have a positive impact on many other areas as these tend to be the wellspring of poorer outcomes. Focussing on Communities and Place will likely satisfy several local manifesto commitments.



1



Our People: Education

Key Judgements

- Education and the life chances of children and young people are vital elements in realising the Scottish Government's overarching Purpose. In prioritising the issue, **Aberdeenshire Council is strategically aligned with the Scottish Government.**
- Early Years are a critical component of future educational outcomes. GIRFEC principles should be applied across the whole of Aberdeenshire Council, not just Children's Services. As far as practicably possible, **service planning and the delivery process should be aligned** so that they mutually reinforce activities and reduce duplication.
- **The COVID-19 pandemic has had an enormous impact on the delivery of all children's services.** In some areas, the redeployment of resources to support a crisis response to the pandemic has severely impacted delivery. The pandemic also took a toll on pupils' mental health and the financial situation of families. The Pandemic also had an impact on the ability of partners to gather data for useful analysis.
- Colleagues within the Northern Alliance regional improvement collaborative are working with the Data for Children Collaborative on a project to explore how to make **better use of data to assess the poverty-related attainment gap** across eight local authorities, including Aberdeenshire. The Northern Alliance is reviewing proposals for the second phase of works, which will aim to take a deeper look at the data identified and build meaningful measures for education practitioners to use.
- **Post-school destinations and activities around Developing Our Young Workforce appear satisfactory.** A greater proportion of school leavers in Aberdeenshire tend to go on to positive destinations compared to the area's virtual comparator and authorities within the Northern Alliance. This suggests opportunities are available for young people in the area, at least upon leaving school. It speaks to the strength of Aberdeenshire's education system in contributing to and facilitating pupils' post-school success. It also speaks to the determination of Aberdeenshire's young people to secure a positive future for themselves.

Developing Our Young Workforce is fast becoming a significant workstream within the council. The evident success of the **Foundation Apprenticeships** scheme may augment Aberdeenshire pupils' post-school achievements.

- **The overall teacher staffing position has stabilised, although there continues to be challenges within Aberdeenshire.** Staff shortages have affected primary schools in north Aberdeenshire (Banff, Huntly, Fraserburgh and Peterhead) and in secondary schools across Aberdeenshire with most issues in English, Maths, Science, Technical and Home Economics. Aberdeenshire Council has been making use of schemes to alleviate teacher staffing issues, including Distance Learning Initial Teaching Education (DLITE) and the



Aberdeenshire Student Incentive Scheme for Teaching (ASIST). The council also continues to advertise difficult to recruit posts with access to the corporate relocation scheme.

- **Governance arrangements in the Education sphere are due to change.** Three national organisations are to be created to drive improvement in education.

A new public body will be responsible for developing and awarding qualifications. It will replace the Scottish Qualifications Authority (SQA) and it will have a governance structure that is more representative of, and accountable to, learners, teachers and practitioners.

A national agency for education will see Education Scotland (ES) replaced. The new executive agency will provide improved support and professional learning to teachers and schools, and provide advice and guidance on curriculum, assessment, learning and teaching.

Thirdly, a new and independent inspectorate body will be created. It will develop new inspection models and help to assess the overall performance of Scottish education.

The organisations will be required to work more closely with learners and education professionals.

Operating models of the new organisations will be developed by winter 2022, before a period of so-called 'shadow operation' for the new bodies ahead of them being fully operational in 2024. At this point, the SQA and Education Scotland will cease to exist.

- The number of schools exceeding capacity is forecast to increase to ten schools by 2026 (from 3 in 2021). These schools are: Meldrum Academy, Balmedie School, Foveran School (Formartine); Echt School, Kemay Academy (Garioch); Mearns Academy, Portlethen Academy, Newtonhill School (Kincardine & Mearns); Kennethmont School, Monymusk School (Marr).

Coupled with ongoing teacher recruitment/retention issues, school overcapacity could have a detrimental effect on the quality of pupils' classroom-based educational experience. **A number of initiatives/projects are underway to negate these developments.**

Assessment of Issues

Context & Importance of Early Years

The Scottish Government's ambition in respect of children and young people is that Scotland is the best place in the world in which to grow up, and that children and their families are at the heart of policy making and service delivery⁸.

Evidence from both UK and international evaluations and studies of early learning and childcare programmes support the fact that all children, and especially those from more challenging backgrounds, can **benefit in terms of social, emotional and educational outcomes from attending early learning and childcare**⁹.

A key finding from research is that if children are to benefit, early learning and childcare must be of **high quality**. Poor quality provision is shown to have detrimental effects on children¹⁰.

Getting it right at this stage of a child's development not only improves outcomes for individuals, their families and communities as a whole, **it can also save money on expensive interventions in health, social care, justice and welfare over several decades**¹¹.

Aberdeenshire Council Early Learning & Childcare

In March 2022, Aberdeenshire Council's Education and Children's Services Committee approved plans for the



introduction of an additional term for Early Years so more children and families can benefit from the Scottish Government's expansion of fully funded 1140 additional hours of early learning and childcare¹².

According to a report presented to the committee, a total of 443 children would benefit from the additional term which would translate as 240 hours of fully funded early learning and childcare over the duration of the additional term.

Advantages of the additional term include **fewer children transitioning into early learning and childcare**. This would assist practitioners in supporting children, thereby **making childcare more affordable**. It has the added benefit of simplifying the process for parents and carers by removing the requirement to reapply each year.

Another benefit is that children with siblings at the same setting will be given a place. This is to support accessibility due to Aberdeenshire's geography and the challenges in accessing public transport in remote rural areas.

Aberdeenshire 2020-2023 Children's Services Plan

The five priorities for the Aberdeenshire 2020-2023 Children's Services Plan are as follows:

1. Providing help for care experienced children & young people (Corporate Parenting).
2. Drive early intervention and prevention to support children and young people affected by their own or someone else's drug or alcohol use.
3. Support children with a disability and their families.
4. Making sure children get the best start in life by giving the best support to families in the early years (children aged 0 to 8 years old).
5. Improving Mental Health outcomes for children and young people.

Aberdeenshire Council's decision to prioritise parents and children therefore

demonstrates a clear link to national policy.

To ensure that the priorities are achieved, Aberdeenshire's Children's Services partnership has implemented a governance structure to support execution, quality assurance and oversight of the plan.

COVID-19 impact¹³

The pandemic has had an enormous impact on the delivery of all children's services. In some areas, the redeployment of resources to support a crisis response to the pandemic has severely impacted delivery. For example, Health Visitors and School Nurses were at times required to support the vaccination program; Active Schools' colleagues were on occasion realigned to support the delivery of adult social care and, in some instances, schools were closed and education was delivered online. Face-to-face support from across children's services' planning partners was reduced to critical visits only, and most colleagues moved from office to remote working. Staff absences also increased due to isolation requirements, which resulted in significant challenges and stretched resources.

The pandemic also took a toll on pupils' mental health and the financial situation of families. A couple of initiatives alleviated the strain to some degree: the Aberlour Urgent Assistance Fund supported families in Scotland who were in financial crisis because of the pandemic, providing cash grants to help families with children (aged 21 and under). The Educational Psychology Service Helpline supported parents with home learning and provided a 'safe space' for children and young people to talk to trained counsellors regarding any concerns they may have.

The COVID-19 Pandemic also had an impact on the ability of partners to gather data for useful analysis due to the fact that schools were closed for large periods of the academic year. This included Scottish Government data.



Consequently, school and education data were suspended for the census in 2020.

In most cases, the usefulness of comparison is compromised by the changed landscape in which the data was collected. Analysing results in this context is therefore challenging, and any conclusions made should be viewed with caution.

Identifying Meaningful measures to address the attainment gap

The places in which our children and young people grow up are extremely diverse and can greatly influence the outcomes of children and families across Scotland. Children and families can be negatively affected by a broad range of circumstances, including poverty and the associated impacts of it. Nonetheless, each place has its own unique context to consider when holistically assessing the relationship between child poverty and attainment and determining the actions required to mitigate the effects. Yet, the extent to which we understand the impact of these place-based characteristics can be limited by the availability and density of data and information at hand¹⁴.

Colleagues within the Northern Alliance regional improvement collaborative are working with the *Data for Children Collaborative* on a project to explore how to make better use of data to assess the poverty-related attainment gap across eight local authorities, including Aberdeenshire.

The international partnership includes researchers from University of Strathclyde Fraser of Allander Institute, the CivicDataLab, and additional support from Glasgow Caledonian University and East Neuk Analytics.

Addressing the poverty-related attainment gap is a huge challenge for schools and services across Scotland and globally. The project team has been

working closely with education practitioners to understand what data currently exists, how these datasets may link with one another and, crucially, how this may help inform issues associated with poverty and deprivation.

An in-depth analysis of the tools currently available to teachers has been completed, to understand what is needed to enable practitioners to make better decisions with the data that is available to them. The work provided an overview of existing features, their capabilities and limitations, and provided insight into potential alternative solutions.

The Northern Alliance is reviewing proposals for the second phase of works, which will aim to take a deeper look at the data identified and build meaningful measures for education practitioners to use.

Initial School Leaver Destinations

In the 2020/21 session, 2,635 pupils left Aberdeenshire Schools. Approximately **96.2%** of them went on to an initial **positive post-school destination**. This is similar to 2018/19 following a fall in 2019/20 due to the effects of the COVID-19 pandemic.

A greater proportion of school leavers in Aberdeenshire tend to go on to positive destinations compared to the area's virtual comparator^e and authorities within the Northern Alliance^f.

The majority of Aberdeenshire school leavers in 2020/21 went on to higher education (46.9%) followed by further education (26.0%) and employment (20.9%).

The Annual Participation Rate is used to measure the impact of the *Opportunities for All* National Outcome. The rate is published by Skills Development Scotland. It is the percentage of 16-19-year-olds

^e Insight provides a virtual comparator, based on pupils drawn from across Scotland with a set of similar characteristics to those within Aberdeenshire, against which performance may be compared.

^f The Northern Alliance is a Regional Improvement Collaborative between eight local authorities: Aberdeen City, Aberdeenshire, Argyll and Bute, Comhairle Eilean Siar [Western Isles], Highland, Moray, Orkney Islands and Shetland Islands.



participating in education, training or employment between 1st April and 31st March. **Aberdeenshire's Participation Rate in 2021 was 92.2%, which was almost the same as 2020 and the same as the National rate.**

Developing the Young Workforce

In policy terms, Developing the Young Workforce (DYW) is one the three main building blocks along with Curriculum for Excellence and Getting it Right for Every Child (GIRFEC) underpinning Scotland's offer for children and young people.

Governance and strategic overview of Developing the Young Workforce (DYW) in Aberdeenshire Council is through the DYW Project Board which is Chaired by The Head of Education and Chief Education Officer, with representatives from across the Council services, including both primary and secondary Head Teacher representatives.

As part of the Developing the Young Workforce programme, the Scottish Government seeks to significantly improve the work-related offer to pupils across Scotland and has identified **Foundation Apprenticeships (FA) as a central part of achieving this vision.**

From session 2019/20, Aberdeenshire Council has been a lead provider of Foundation Apprenticeships in local schools, funded by Skills Development Scotland (SDS). This was designed to improve the opportunities and positive outcomes for young people from this senior phase curriculum offer.

There has been a very significant uptake of Foundation Apprenticeships in Aberdeenshire: In 2020/21, 315 Aberdeenshire pupils undertook a Foundation Apprenticeship at Level 6, and 115 at Level 4/5, with very successful completion rates^g. **This resulted in an increase in pupil attainment among the FA cohort^h.**

Session 2021/22 FA delivery commenced on 1st June 2021. The number of FA participants increased considerably. Currently there are over 400 Level 6 and over 230 Level 4/5 Foundation Apprenticeships pupils across 12 FA frameworks, all of whom are undertaking an FA through the Aberdeenshire Council model. All FA courses remain on target to complete on time.

Education HMIE concluded a successful national inspection of Foundation Apprenticeship delivery and provided very positive feedback.

A survey of FA pupils and their parents provides further evidence of the scheme's effectiveness - 88% of pupils were satisfied with their overall FA experience; 88% of parents felt that the overall FA experience for their child was good, very good or excellent; and 92% of parents would recommend the FA to others.

Aberdeenshire Council will continue to be a lead provider of Foundation Apprenticeships for session 2022/23.

Employer Engagement: A fundamental element of the FA programme is employer engagement. Some real progress has been made in this area, but work remains. The impact of COVID-19 on employers cannot be underestimated. The FA Project Team will continue to work with Economic Development colleagues, SDS nationally and locally, as well as DYW North East, Opportunity North East and other employer groups to enhance and increase employer placement opportunities for our FAs.

As the Aberdeenshire DYW and FA offer expands, the DYW project is now a very significant workstream for the Council.

The DYW Aberdeenshire Priority Focus Areas for session 2022/23 continue to be as follows:

^g Aberdeenshire's FA Successful completion rate of 76% for 2020-21 compares very favourably with the national Successful Completion rates which have been adversely affected by the impact of the COVID-19 pandemic

^h School Leavers who achieved a FA on average scored 53% higher in terms of the cumulative Insight Tariff Points (ITP) compared to all Aberdeenshire School Leavers.



- Development of the 3-18 DYW Curriculum offer including embedding the Career Education Standard Entitlements 3-18 and the further development of Broad General Education (BGE) pathways and Foundation Apprenticeships in the senior phase.
- Skills Development – embedding skills for learning, life and work (Metaskills), skills profiling, Partnership Development with all stakeholders, including partnership with employers, colleges and universities.
- Promote, develop and support Equalities.

These priorities build on existing good practice and also prepare the council to take forward its work on DYW within Scotland's Curriculum.

School Empowerment – Devolved School Management System

Scotland has started a joint effort to build an empowered, connected, self-improving education system. This is to help achieve excellence and equity for all children and young people as set out in the National Improvement Framework.

The Scottish Government and COSLA entered into an agreement in 2019. This recognises that establishing an empowered system – which includes schools, school staff, pupils and parents – is crucial in improving the life chances of children and young people.

The agreement is based on the key principle that schools are empowered to make the decisions that most affect outcomes for their children and young people.

As a key element of the wider school empowerment agenda, the Scottish Government published updated Devolved School Management (DSM) guidelines in June 2019 with a requirement for local authorities to review and then implement their DSM schemes by April 2021. Due to the COVID-19 pandemic and following

consultation with local authorities, the Scottish Government extended this deadline to April 2022.

Consequently, all teacher staff budgets (including all teacher supply budgets) have been devolved to Aberdeenshire schools (from April 2022).

Developing a "safety-net" protocol was proposed to ensure all schools are protected should they have high levels of teacher staff absence, particularly long-term sickness and maternity leave. This protocol is currently under development. The protocol will set thresholds for support from 'central' budgets (reflecting the sector and size of school and related teacher staff budgets) and establish approval mechanisms. Engagement with the DSM Board and wider consultation with key stakeholders will take place once a draft protocol is developed.

Teacher representatives on the E&CS committee shared some concerns from primary colleagues. These included the timing for this change as the review of administrative support for schools is underway. They were given assurances that there will be targeted work with head teachers to explore the roll-out.

To date, colleagues in Finance have provided multiple cycles of training for headteachers, school administrators and cluster business managers on Power BI including technical orientation and budget monitoring. **Next steps in training need to focus on more strategic financial management and the linkages with school improvement planning.**

Teacher Staffing

The overall teacher staffing position has stabilised, although there continues to be challenges within Aberdeenshire.

Staff shortages have affected primary schools in north Aberdeenshire (Banff, Huntly, Fraserburgh and Peterhead) and in secondary schools across Aberdeenshire with **most issues in**



English, Maths, Science, Technical and Home Economics.

The additional pressure on Education and Children's Services from the COVID-19 Pandemic has had a particular impact on teacher staffing, occasionally resulting in the closure of some school buildings to all pupils or some year groups, with a move to online learning.

A total of 2,731 teaching staff were recorded at the last Aberdeenshire September census (2021), up from 2,720 a year earlier. This gave a pupil-to-teacher ratio of 13.4, which was the same rate as the previous year (and the same as the national rate).

Both primary and secondary probationer teachers are now required to apply for vacancies. This has resulted in a **lower retention rate per cohort**. For the 2020/21 probationer cohort, 34% of primary probationers were retained on permanent contracts (compared to 84% and 73% in the prior two years respectively). The retention rate for secondary probationers in 2020/21 equated to 57%, which was lower than the previous year's rate (74%) but higher than the rate set in 2018/19 (51%).

The probationer placement process for 2021/22 was **challenging due to the ongoing impact of COVID-19**. The number of secondary probationers allocated to Aberdeenshire was **lower than requested** and there was a subsequent **high withdrawal rate**. For primary probationers, out of the 97 allocated to Aberdeenshire there were 27 who were resident in Aberdeen City, this is a slight increase from last year and **makes the placing of probationers more complex** as the higher percentage of vacancies are in the north of Aberdeenshire.

Aberdeenshire Council has been making use of schemes that offer an alternative route into teaching including Distance

Learning Initial Teaching Education (DLITE) in primary & secondary.

The council is also working in partnership with the University of Aberdeen in relation to the Aberdeenshire Student Incentive Scheme for Teaching (ASIST). The aim of this is to attract students to undergo secondary teacher training through University of Aberdeen and continue their employment in Aberdeenshire Council.

Aberdeenshire Council has continued to advertise difficult to recruit posts with access to the corporate relocation scheme which allows new teaching staff to reclaim eligible expenses incurred in relocation up to a maximum of £8,000.

There is currently no agency recruitment of teaching staff in Aberdeenshire. However, the future demand for the use of agencies will be kept under review.

The Scottish Government have proposed to reduce the class contact time of teachers from 22.5 hours per week to 21 hours per week. It is anticipated that this will be introduced during the lifetime of the current Scottish Parliament. Planning is underway to establish the number of additional teachers that will be required in Aberdeenshire.

Forward Look

Putting learners at the centre: Scottish Government's Response to the Muir Report

The long-awaited publication of Ken Muir's report on the agencies that govern Scottish education comes at a time of turmoil in the systemⁱ, as schools continue to struggle with the impact of the pandemic. Added to the wider set of recommendations for reform stemming from last year's Organisation for Economic Cooperation and Development (OECD) reports, and the likelihood of significant change to qualifications that will follow the expected publication of Louise Hayward's review in December 2022, there is an

ⁱ Published March 2022



argument for saying **the education system in Scotland is being stretched**.

Muir's report offers an insightful view of the current system with its various strengths and weaknesses. While affirming the professionalism and expertise that reside in the system, it paints a vivid picture of an **overly complex landscape** of multiple, often conflicting agencies and policies, combined with poor support for curriculum making. These render the enactment of Curriculum for Excellence (CfE) very difficult for many schools.

Recommendations in the Muir report include:

- The establishment of a new national debate on education, to develop a strong vision for renewing the curriculum.
- The abolition of the Scottish Qualifications Authority (SQA).
- Separation of the current accreditation and awarding functions of the SQA (the replacement agency would lose the former to avoid potential conflicts of interest).
- The establishment of a new national agency with oversight of curriculum and assessment to replace (or reform) Education Scotland,
- The establishment of an independent inspection body.

Governance arrangements in the Education sphere are due to change. Three national organisations are to be created to drive improvement in education.

A new public body will be responsible for developing and awarding qualifications. It will replace the Scottish Qualifications Authority (SQA) and it will have a governance structure that is more representative of, and accountable to, learners, teachers and practitioners.

A national agency for education will see Education Scotland (ES) replaced. The new executive agency will provide improved support and professional learning to teachers and schools, and provide advice and guidance on

curriculum, assessment, learning and teaching.

Thirdly, a new and independent inspectorate body will be created. It will develop new inspection models and help to assess the overall performance of Scottish education.

The organisations will be required to work more closely with learners and education professionals.

Operating models of the new organisations will be developed by winter 2022, before a period of so-called 'shadow operation' for the new bodies ahead of them being fully operational in 2024. At this point, the SQA and Education Scotland will cease to exist.

The new examinations body will take on the SQA's remit for the design and delivery of Scotland's qualifications such as Nat 5s and Highers.

It will also take on responsibility for the exam diet, including writing exams and marking, alongside certification.

The Muir report calls for a redistribution of power, influence and resource within Scottish education that reflects the principles of subsidiarity and genuinely empowers teachers and practitioners, and where learners' voices, experiences, perspectives and rights are central to decision making.

However, the Scottish Government is understood to have said it will not transfer current education policy responsibilities to a new agency, despite a central recommendation for it being the creation of a "forum for ongoing and proactive discussion" around policy and to gather views to "develop and enhance key policies".

School Roll Forecasts

The 2021 pupil census shows that there are approximately 20,819 primary pupils and 15,654 secondary pupils in Aberdeenshire. This is a decrease of 121



primary pupils and an increase of 494 secondary pupils since September 2020.

Overcapacity (2021): Three schools in Aberdeenshire exceeded 100% capacity in 2021: Kemnay Academy (Garioch), Alford Academy (Marr), and Kennethmont School (Marr).

With regards to Kemnay Academy, it has a working capacity of 980 when the non-linked classrooms are taken into account and is currently operating within that working capacity. Plans are being developed for capital works to provide additional capacity to the school.

The provision of offering P7 pupils from Kinellar to attend either Kemnay Academy or Inverurie Academy continues for the 2022/23 session and may continue to be offered again in future years as a method of curtailing pupil numbers in the short term.

Alford Academy is currently operating over capacity, and this is expected to continue for the following three sessions. Officers are managing placing requests and are in discussions with the school management team to provide support regarding managing pupil numbers within the existing building footprint.

Kennethmont School is currently operating over the published capacity of 50 pupils. The school has three classrooms and has a planning capacity of 60 pupils. Plans are being developed to provide an additional toilet to the school which will then allow the capacity to be lifted to 75 pupils. This is the standard capacity for schools with three classrooms.

Overcapacity (up to 2026): The number of schools exceeding capacity is forecast to increase to ten schools by 2026. These schools are: Meldrum Academy, Balmedie School, Foveran School (Formartine); Echt School, Kemay Academy (Garioch); Mearns Academy, Portlethen Academy, Newtonhill School (Kincardine & Mearns); Kennethmont School, Monymusk School (Marr).

Formartine: A phased approach is being taken to increasing capacity at **Meldrum Academy**, with recent reconfiguration works increasing the capacity from 980 to 1,050 pupils. Discussions continue with the school management team to plan for future phases, and to support meantime.

By 2025, **Balmedie School** and **Foveran School** are forecast to be over capacity. Work continues on a South Formartine Assessment to ensure appropriate provision is delivered for schools in the Ellon to Blackdog corridor. A robust options appraisal has been carried out for Balmedie and other schools in South Formartine. This options appraisal identifies a range of solutions which will be subject wider engagement and consultation in due course.

Garioch: Echt School is currently forecast to exceed capacity in 2023. Pupil numbers will continue to be monitored in the first instance to determine whether this will be a short-term peak that can be managed within the footprint of the building, or a longer term trend requiring capital investment.

Kemnay Academy is forecast to remain over current capacity in 2026. However, the works in development will be delivered as quickly as is feasible to mitigate against the rising pupil numbers.

Kincardine & Mearns: Mearns Academy is expected to exceed capacity in the coming sessions. Plans are being developed for reconfiguration works to the school to increase capacity. Should further capacity be required in the longer term, the school was designed with the ability to extend capacity to 940 pupils.

Portlethen Academy has a rising roll due to continued house building within the catchment area. Officers are working with the school management team to identify ways to manage pupil numbers within the existing footprint of the building in the first instance. The extent to which Portlethen Academy will exceed capacity, is in part related to the speed of delivery at Chapelton. This is being carefully



monitored to assess future requirements.

Newtonhill School is expected to exceed capacity in 2026. There will be a requirement for a school at Chapelton in due course, and plans for this are in development. This will then relieve the pressure at Newtonhill School.

Marr: Kennethmont School is expected to remain over the current published capacity. However, the additional toilet will provide the extra capacity required by the Premises Regulations 1967.

Monymusk School shows a rising roll that may exceed the capacity of 75 pupils in 2026. Officers will monitor pupil numbers closely to identify whether this will be a short-term increase that can be managed within the existing footprint of the building, or whether longer term mitigation will be required.

2



Our People: Health and Wellbeing

Key Judgements

- **There are health inequalities in Aberdeenshire** which, if left unchallenged, present a ticking time bomb for the NHS, the Aberdeenshire Health and Social Care Partnership (AHSCP), and the Council.
- There is a strengthened focus on **prevention and early intervention** to promote good, positive physical and mental health and wellbeing for all people across all ages and client groups. **Prevention must focus on all stages of life** including key transition points such as starting work, becoming a parent or a carer. The recent lockdown has shown that behaviours can be changed, and the momentum must be maintained.
- **Working in partnership** AHSCP, Council Services and third sector partners are ideally placed to raise the profile of health and wellbeing. This can be in their own workplaces, communities and schools encouraging pupils and staff to overcome existing behaviours and choose healthier behaviours.
- AHSCP is facing the **same demographic challenges** as Aberdeenshire Council's Housing Service in terms of an increasing elderly population and changes in household composition. They both have the **same shared objective of increasing resilience and empowerment within the community**.
- **The importance of food on health outcomes cannot be overstated.** The Healthy Eating, Active Living (HEAL) LOIP priority will be key to addressing the wider underlying causes of physical inactivity and unhealthy eating.

Assessment of Issues

Determinants of Health

The social determinants of health are the conditions in which we are born, we grow and age, and in which we live and work. The eight factors below impact on our health and wellbeing.

- Childhood experiences
- Housing
- Education
- Social Support
- Family income
- Employment

- Our communities
- Access to health services

Health and Social Care Strategic Plan 2020-2025

The five key priorities of the Health and Care Strategic Plan are:

- Prevention & Early Intervention
- Reshaping Care
- Engagement
- Tackling Inequalities and Public Protection
- Effective use of Resources

The Strategic Plan 2020-2025¹⁵ asks residents to commit to:



- Take responsibility for living as healthy a life as they can
- Contribute to their own health and wellbeing, make their own views known and participate positively in their own care
- Help to create a thriving, resilient community and use community resources to help them stay healthy and active.

In turn AHSCP will commit to:

- Design care and treatment around the assessment needs of the person
- Provide the best possible advice, care and support in a timely way and in the right place, irrespective of people's circumstances
- Work closely with individuals and communities to understand their needs, maximise their talents and resources, support self-reliance and build resilience.

The most recent Scottish Burden of Disease Study (2019), summary of health loss in Aberdeenshire¹⁶ assessed how ill-health and early death due to disease and injury prevent us from living longer and healthier lives. The study assists policy makers and public health practitioners to plan interventions and deliver services to enhance prevention, improve disease outcomes, and reduce health inequalities.

The leading cause of **ill health** in Aberdeenshire is 'low back and neck pain'. In 2019, approximately 1,194 per 100,000 residents suffered from the condition, which is 5.9% lower than the equivalent rate for Scotland. Other causes of ill health include Depression and Headache disorders, Anxiety disorders, Osteoarthritis, Diabetes mellitus, *Other skeletal disorders*, *Age related and other hearing loss*, Cerebrovascular disease and *Skin and subcutaneous diseases*.

The leading cause of **early death** in Aberdeenshire is ischaemic heart disease, the rate of which is 13.4% lower than in Scotland. It is followed by Alzheimer's disease and other dementias, Lung Cancer, Other cancers, Cerebrovascular disease, COPD, *Colorectal cancer*, Self-harm and interpersonal violence, Other cardiovascular and circulatory diseases and Drug use disorders¹.

Life and Healthy Life expectancy in Aberdeenshire

Health inequalities are the unfair and avoidable differences in people's health across social groups and between different population groups¹⁷. Current average **life expectancy at birth** in Aberdeenshire is 78.9 years for men, 7th highest in Scotland, and 82.4 years for women, 8th highest in Scotland (previously 4th and 9th highest respectively).^k This is above the Scottish average but below the UK average. The disparities across the region are large with male life expectancy differing by 14.6 years and female life expectancy by 13.1 years. Deprivation is a factor: the lowest life expectancies tend to be associated with the most deprived areas and the highest life expectancies are found in some of the least deprived areas in Aberdeenshire.

Residents in the more deprived areas are less likely to rate their health as either 'good' or 'very good'. They are also more likely to report that their day-to-day activities are limited a little or a lot. In Aberdeenshire 77% of respondents to the Scottish Health Survey (2016-19) rated themselves as in 'good' or 'very good' health. This is above the estimate for Scotland (72%).

Healthy life expectancy (HLE) is taken from the annual population survey (APS). It relates to the number years a person could expect to live in 'good health'. The

¹ Text in *italics* indicates conditions where the rate is above the average for Scotland.

^k Life expectancy has increased in the UK over the last 40 years, albeit at a slower pace in the last decade. However, the coronavirus pandemic led to a greater number of deaths than normal in 2020. Consequently, in the latest estimates, we see virtually no improvement in life expectancy for females compared to 2015 to 2017 at 82.9 years, while for males, life expectancy has fallen back to levels reported for 2012 to 2014, at 79 years. This is the first time we have seen a decline when comparing non-overlapping time periods since the series began in the early 1980s. Source NRS



HLE of Aberdeenshire's residents at birth is 67.0 years for men and 65.9 years for women. This is the 4th and 6th highest HLE figures in Scotland respectively. By the time they reach 65, Aberdeenshire males can expect a further 10.9 years of good health; females can expect a further 11.7 years. In both cases, this is above the Scottish average and places Aberdeenshire at 12th and 13th respectively across Scotland.

Again, deprivation is a factor in HLE for both men and women. Approximately 43,500 (or 17%) of Aberdeenshire's population is in the bottom 50% most deprived in Scotland. In general, the HLE is much lower in more deprived areas - ranging from 45.4 to 61.8yrs in men and 48.6 to 62.6yrs in women. When compared with those in the least deprived areas this figure rises to 68 plus, a noticeable difference.

COVID-19 pandemic - direct and indirect health consequences.

The **direct** health impacts are those that are as a result of contracting COVID-19 in terms of mortality as well as morbidity for those surviving COVID-19. There are likely to be ongoing health consequences for those surviving COVID-19 or suffering the effects of Long Covid. This may include cognitive, mental and physical impairments.

Aside from the direct health impacts, COVID-19 has exacerbated existing structural and social inequalities¹⁸, which can affect a person's health. Financial insecurity, for example, can magnify peoples' anxiety and affects their physical symptoms, while a significant health problem can create financial insecurity. There is therefore a cyclical dynamic in play. Poverty means people may find it harder to access services because they cannot afford to travel to appointments, or their working hours and lack of job security makes it difficult to attend medical appointments. Tackling the day to day need for housing, food and warmth means that health comes a long way second for people experiencing poverty.

COVID-19 has also affected operations within the health sector. **Access to health care** has been disrupted throughout the pandemic affecting all age groups leading to a backlog of surgery and procedures across Scotland that could take five years to tackle. The recent NHS in Scotland 2021 report¹⁹ by Audit Scotland identified that **efforts to address the backlog pose a significant risk to the Scottish Government's recovery plans.**

Transforming services will be very difficult to deliver against the ongoing competing demands of the pandemic and an increasing number of other policy initiatives, **such as plans for a National Care Service.**

The necessary restrictions to slow the spread of the virus has caused harm to our broader way of living and society, including, for example, **the negative effects of increased isolation** - in particular, school children, children in care and older people. An independent review commissioned by the British Academy²⁰ suggests that we are in a COVID decade with the social, economic, and cultural effects of the pandemic casting a long shadow into the future.

Cost of living Crisis

The link between income and health is well established²¹ and acts through several mechanisms. Income is associated with health: people in the bottom 40% of the income distribution are almost twice as likely to report poor health than those in the top 20%. Poverty in particular is associated with worse health outcomes. This is especially the case for persistent poverty. Income and health can both affect each other – lower income is associated with more 'stressors' which can harm health and allow fewer opportunities for good health. Poor health can limit the opportunity for good and stable employment and so affect income. General poverty issues are considered in greater detail in the Resilient Communities chapter.

The minimum income for healthy living establishes a standard required to maintain health in different settings. In



2021, the minimum income standard was £20,400. By February 2022 it was already being reported that families could be £2,000 a year worse off due to the 'cost of living' crisis hitting the UK with more increases due later in the year. The percentage of Aberdeenshire households who earn between £0-20k is the 5th lowest in Scotland (24%). In the more deprived areas of Aberdeenshire there are 4,600 households where the % of the population earning below £20k is over 40%

The crisis has already begun to impact on households, more people are turning to food banks for help including those who are working. When it is cold people are having to choose – **'Eating vs Heating'** and this now includes a greater proportion of people who are working. The cheapest food is ultra-processed, and currently makes up 55% of the British diet. The higher the proportion of ultra-processed foods eaten, the greater the risk of obesity which in turn is a major risk factor for poor health and early death. The 'cost of living' crisis could last until 2024 according to the governor of the Bank of England.

All P1 - P5 pupils in Scotland are entitled to a free school meal. Local authorities in the North East, including Angus, Aberdeenshire, Dundee City, and Moray, are owed a combined total of £73,491.34 in school meal debt suggesting that families are already struggling financially.

The evidence has long been clear that food insecurity is driven primarily by lack of income. Tackling food-related inequalities is one of today's most urgent challenges if we are to stem the rising tide of hunger, obesity and diet-related ill-health. There is a range of work which has already been developed to address the areas outlined in the draft Aberdeenshire Food Strategy: Field to Fork.

Fair Food Aberdeenshire (FFA) was established and broadened to include a cross-sector partnership with representatives from public, private and community sectors. It is responsible for finalising the strategy. The aim of the partnership is to develop a co-ordinated,

holistic approach on tackling a range of food related issues. The partnership believes everyone should have access to affordable, healthy food that benefits their communities, the local economy and the environment. There are five key elements:

- Food Security
- Environment
- Procurement and Economy
- Food Culture
- Good Governance

The strategy will cover the entire food chain, from field to fork: the production, marketing, processing, sale and purchase of food (for consumption in the home and out of it), and the consumer practices, resources and institutions involved in these processes.

The contribution of health promotion is most readily identifiable through the learning, skills and wellbeing strand, and will be an important contributor to achieving equity. The Council provides a high-quality service to all Aberdeenshire's schools and pupils whilst complying with Nutritional Requirements for Food and Drinks in Schools (Scotland) Regulations 2008. A new Wellbeing Portal (Parents Menu Information Portal) is being developed for parents which will streamline work on allergens and nutritional specifications.

Prevention and Early Intervention

Given the significant and rising costs associated with ill-health and the delivery of health and social care services, there is both a public and economic benefit in improving health in Aberdeenshire. **One way to achieve this is placing a strong emphasis on prevention and early intervention.** Communities and the local environment play an important role in promoting good health and providing opportunities to be active, to be involved and to connect with others. By working towards achieving better outcomes for people, the Health and Social Care Partnership will focus on prevention and early intervention through its local 'condition specific' strategies and plans, and in line with national plans.



The ambition of the partnership's **Health Improvement Delivery Plan (HIDP)** is **that local people are able to look after and improve their own health and wellbeing and live in good health for longer**, it will achieve this by delivering seven priorities:

- ensuring every child has a good start in life
- encouraging healthy weight, diet and activity
- reducing smoking
- encouraging low risk alcohol consumption
- improving mental health and wellbeing
- minimising the impact of poverty and inequality
- making health improvement everyone's business

These priorities were chosen based on health data relating to long-term conditions (ScotPHO), overweight and obese figures (SHS), men and women in Aberdeenshire not meeting daily recommended activity level (SHS) and the average life expectancy (NRS) and Aberdeenshire's Child Poverty local action report (Tackling Poverty and inequality). People will be able to access support to maintain and improve their health and wellbeing enabling them to avoid unnecessary admissions to hospital.

Aberdeenshire Health and Social Care Partnership (AHSCP) have a grant fund that is used to support voluntary and third sector groups or organisations to provide services which contribute to the delivery of AHSCP's Strategic Plan. In response to the COVID-19 pandemic AHSCP is particularly keen to strengthen and build on the community response and resilience shown by continuing to work alongside community groups to support people across Aberdeenshire to live well and independently in their own communities. This will complement the services delivered by health and social care staff and maximise opportunities to promote physical and mental health and wellbeing.

LOIP Priority Health and Wellbeing

Aberdeenshire's community planning Partnership has a new LOIP priority – Health and Wellbeing. There are two strands to it:

- Mental Health and Wellbeing
- Healthy Eating & Active Living (HEAL)

Aberdeen Community Planning Partnership (ACCP) recognises that to help reduce the burden on services and to promote a mentally flourishing Aberdeenshire, action needs to be taken early. Research indicates that a few simple actions can go a long way to promote mental wellbeing, prevent poor mental health, reducing stigma and promote recovery. In April 2021, the HEAL Strategic Partnership Group was formed with the aim to support people living in Aberdeenshire to have a healthy weight. The group have adopted a 'Whole System Approach' (WSA) evidence-based method **to identify and focus on action that will make healthy eating and active living possible and achievable for Aberdeenshire communities.**

Mental Health

Research suggests a reciprocal link exists between obesity and mental health problems such as depression and anxiety.

There is evidence that there are links between a range of adverse childhood experiences and a risk of a range of health harming behaviours. However, it also shows that parents and families as a whole have the potential to benefit from good-quality, family-focused early learning childcare (ELC). In particular these studies have shown the importance of taking a holistic approach to ELC and focusing on the health and wellbeing of all members of the family.

As mentioned in the Education chapter, for school age children, the Educational Psychology Service Helpline supported parents with home learning and provided a 'safe space' for children and young people to talk through with trained counsellors any concerns they may have.



Health and Social Care provide a range of care and support services for adults experiencing mental health problems. Their Adult Mental Health & Wellbeing Strategy has four priorities:

- **Prevention & Self-Management:** People are supported to maintain and improve their mental health
- **Access:** People have access to the right treatment, care and support at the right time
- **Person Centred:** We deliver person-centred, recovery focussed services, that promote choice and control
- **Mental Health Inequalities:** We reduce the negative effects of mental health inequalities

The Council also sees the benefits of encouraging employees to look after their health and wellbeing. The Council's Employee Assistance Programme (EAP) called Time for Talking provides immediate access to a conversation with a counsellor along with a series of podcasts. Topics such as coming out of lockdown are covered. There is also a programme of activities to improve the health at work of its employees²². A variety of webinars and training on topics as diverse as the menopause, mental health peer support, suicide prevention and stopping smoking are available through the Wellbeing team. Assistance on financial wellbeing is also available through the employee benefits scheme.

Overall, data indicated that suicide rates in most countries did not rise early in the pandemic. However, there were indications of increased risk in young people and the longer-term impact of the pandemic and associated economic recession on mental health and suicide rates remains a concern, given the well-recognized link between suicidal behaviours and economic hardship²³.

Before COVID-19, only a minority of people with mental health problems received treatment. Studies show that the pandemic has further widened the mental health treatment gap, and outpatient mental health services have been

particularly disrupted, decreasing access to essential care. Reports indicated that disruptions were in-part mitigated by shifting services towards e-mental health care. However inadequate infrastructure, pre-existing inequalities and low levels of technological literacy were reported e-health barriers. There is no data comparing COVID-19-adapted psychological interventions with non-adapted interventions yet. However, social and family support, hygiene measures and physical activity appeared to safeguard mental health. Some of these are consistent with protective factors recommended for good mental health in general.

Loneliness

Loneliness matters for mental health because connections with others helps people cope with difficulties. Losing connections means less emotional support, at a time of global crisis that has challenged almost everyone. The extent of hopelessness has also risen among Scottish adults. Of those surveyed in March 2020, 15% said that they had felt hopeless because of the pandemic over the previous two weeks, rising to 20 percent in Feb 2021.

In February 2021, £120 million funding was made available to the Mental Health Recovery and Renewal Fund through the Scottish Funding Council (SFC) for Mental Health in colleges Academic Year 2021-22. The funding was aimed at improving how people can manage their mental health with appropriate early support and be referred to additional support when required.

The Scottish Government committed £20 million in the summer of 2021 of which Aberdeenshire received £562,000 to improve physical and mental health, address issues of social isolation and lack of access to normal activities by children and young people.

Overweight/Obesity

The positive effects of engaging in regular physical activity are particularly apparent in the prevention of several chronic



diseases including cardiovascular disease, diabetes, cancer, hypertension, obesity, depression and osteoporosis. Being overweight increases people's risk of a number of health conditions and reduces life expectancy by an average of 3 years, or 8-10 years for severe obesity.

There is a link with inequalities - the likelihood of obesity is higher for people living in deprived areas (measured using Scottish Index of Multiple Deprivation). The rates are higher in the second most deprived quintile (36%) than in the most deprived quintile of areas (32%)²⁴. Aberdeenshire has 30,127 people in the first and second most deprived quintiles. Latest available data suggest 41% of people in Aberdeenshire were overweight or obese (2013-2016).

- The risk of obesity in children is lowest for those living in more affluent areas.
- Around 32% of adults living in the most deprived areas are obese, compared with 20% of those living in the least deprived areas.
- Women and children in the most deprived areas are particularly affected by more extreme obesity.

The cost to the Health Service in Scotland of overweight and obesity combined is estimated to be between £363 and £600 million (most of these costs are incurred because of associated conditions such as cardiovascular disease and type 2 diabetes, rather than direct costs of treating or managing overweight and obesity). The latest estimate, in 2015, of the total (direct and indirect) costs of overweight and obesity in Scotland, including labour market related costs such as lost productivity, has been put at £0.9 - 4.6 billion²⁵.

The main findings of a poll²⁶ commissioned by Obesity Action Scotland to understand the effects of the Covid-19 outbreak on lifestyle, especially on diet and physical activity were:

- Eating out of boredom – biggest change in behaviour, ate more

unhealthy food and more prevalent in some groups such as young adults.

- Those who reported eating more unhealthy food since the outbreak of the pandemic also were most worried about diet and body weight.

In other words, knowing did not translate to action but instead to being concerned. This survey indicates that lifestyles of young adults, women, those with mental health problems and those who sought help to afford food from family and friends and from emergency services such as foodbank were affected by the outbreak of COVID-19 in different ways and more than others.

Physical Activity in Lockdown

Prior to the pandemic, Aberdeenshire's residents would have been able to take steps themselves, or with support in local sports centres, swimming pools, gyms and outdoor spaces/cycle paths to improve their health and wellbeing. Even then only 3 in 10 men and 4 in 10 women in Aberdeenshire did not meet the recommended daily activity levels (2014-2017). During lockdown periods one of the exceptions for a person to leave the place they were living was to take exercise, either alone or with other members of their household and for around an hour a day. **The ONS report that high-income households increased their time spent keeping fit during lockdown, while low-income households did not.**

New analysis shows that homeworkers have been more likely to leave the house for exercise during the pandemic than people with a daily commute. Those working from home were also more likely to visit a park or local green space than those who travelled to work. The most deprived people, those in low-paid 'essential jobs' such as nurses, care workers bus drivers, shop workers and delivery drivers had to go out to work and had less time available for exercise.

The use of parks increased in rural and coastal areas during the summer compared with pre-pandemic, having



fallen in the spring under lockdown restrictions. In Aberdeenshire²⁷ the increase was larger than that of Aberdeen, however this was likely to be driven by overnight tourism which would normally occur during this period.

During lockdown, Live Life Aberdeenshire (LLA) employees assisted with supporting pandemic relief efforts where appropriate and to delivering services through the Live Life at home initiative. Delivering programmes both online and face to face, taking bookings for activities and classes at the various sport, leisure, and outdoor facilities through the LLA app demonstrating their adaptability to changing demands. Live Life Aberdeenshire (LLA) have adopted an approach of reintroduction of services in line with government guidance from April 2022. To assist them in continuing to 'build back' capacity and spearhead their delivery of activities that promote mental health and wellbeing it has been agreed that they will continue with the flexible approach of the existing pricing policy.

The Council's Sport and Physical Activity Strategy 2018-2028 has four strategic outcomes to support the delivery of the Council Priorities over 10 years:

- We will help the people of Aberdeenshire to live longer, healthier lives
- We will promote diversity and tackle inequalities
- We will use sport & physical activity to build stronger communities
- We will support young people to reach their potential by providing opportunities for wider achievement

Over the past two years, in partnership with Aberdeenshire HSCP they have developed a physical activity pathway for people living with long term health conditions. This was extended to include a winter respiratory programme with participant feedback reporting that it exceeded expectations and benefits not only physical activity but also improvements in social isolation and

mental health. The strategy has an action to develop new health focused programmes that focus on Child Healthy Weight and Older Adults, in partnership with the NHS. Live Life Well continues to support to those living with long term health conditions and older adults to improve their health and wellbeing wither through self-referral or referral from a health care professional.

The implementation and success of the strategy is based on strong and meaningful partnerships, particularly between the Council, Health and Social Care Partnership, key partners, third sector organisations and people in the communities.

Early years

The importance of establishing life-long habits and skills for positive health behaviour through early life interventions cannot be understated. As previously mentioned, the earlier that children learn about nutrition from an early age, the better.

The authority has had a long-time commitment to the Active Schools programme²⁸ and has plans to increase its reach and impact. This supports one of the key priorities identified as being most relevant to Sport & Physical Activity Services:

- Provide the best life chances for all our children and young people by raising levels of attainment and achievement

Alcohol and Drugs

Both alcohol and drugs have been identified as a key factor in explaining the significant differences in health outcomes between Scotland and the rest of the United Kingdom and is also implicated in the country's high (and rising) levels of health inequalities. Nationally, COVID-19 deaths accounted for the vast majority of the drop in life-expectancy for both males and females. **Drug-related deaths came second with a negative impact on life expectancy for males.**

**In Aberdeenshire, Drug Use Disorders is the 10th leading cause of early death**

however the % difference from that in Scotland is -54.4%. Of the local authority areas, Aberdeenshire has the second lowest drug specific death rate in Scotland. The majority of those dying in Scotland were aged between 35 and 54 and men were 2.7 times more likely to have a drug related death than women, after adjusting for age. People in the most deprived areas of the country were 18 times as likely to die from a drug related death as those in the least deprived area. In relation to Drug use disorders, 2019 Age-standardised rate of disability-adjusted life year (DALYs per 100,000¹) dropped for Moray and Aberdeen City but rose for Aberdeenshire leading to an overall increase across NHS Grampian.

Aberdeenshire has the second lowest alcohol specific death rate in Scotland. Again, age-standardised rate of disability-adjusted life year (DALYs per 100,000) dropped for Moray and Aberdeen City but rose slightly for Aberdeenshire however the overall figure for NHS Grampian fell. Aberdeenshire is one of five local authorities to have seen increased death rates in 2016-2020 compared to their rates in 2000-2004 (+0.2). With data not yet available for the COVID-19 lockdown period, it is something to be aware of.

Alcohol problems are a major concern for public health in Scotland and many people have changed the way they drink alcohol over the past year. Alcohol Focus Scotland note that changes in drinking habits in Scotland are happening in two directions:

- Over 25% of people in Scotland reported that they have been drinking more than usual during lockdown
- 13% of people reported drinking less

Short-term problems such as intoxication can lead to risk of injury and is associated with violence and social disorder. Over the longer term, excessive consumption can

cause irreversible damage to parts of the body such as the liver and brain. Alcohol can also lead to mental health problems, for example, alcohol dependency and increased risk of suicide. In addition, alcohol is recognised as a contributory factor in many other diseases including cancer, stroke and heart disease. Wider social problems include family disruption, absenteeism from work and financial difficulties. The societal cost of alcohol misuse in Scotland estimated that the impact of excessive consumption is estimated to cost Scotland £3.6 billion a year. However, it is not one of the leading individual causes of ill health and early death.

The 2018 SALSUS²⁹ survey (reported at an Aberdeenshire level) indicated that there have been major changes in acceptability of young people (13 + 15 years) to trying alcohol and cigarettes to see what it is like – an increase of 22% and 7% respectively since 2013. There was also a rise of 4% in the number of 15yr olds reporting using drugs in the last month with 39% of 15-year-olds reporting that they had been offered cannabis. A high proportion (52% of 15-year-olds, 25% 13-year-olds) reported that it would be very or fairly easy to get illegal drugs.

However, involvement in extracurricular activities such as sport and culture remain a good way to divert attention from alcohol to physical activity, mental well-being and different social impacts.

One of the positives that occurred during the Covid-19 pandemic was the encouragement for the nation to get out and walk, cycle, and do other physical activities in our daily lives and minimise sedentary behaviour. There is strong evidence that regular sport and exercise benefits educational behaviour and attainment. It can contribute to reduced social and ethnic tensions and reduce crime and anti-social behaviour. Therefore, there are links to resilience as the relevant chapter highlights.

¹ DALYS count how many years of healthy life are lost due to death and non-fatal illness or impairment. It reflects the number of individuals who are ill or die in each age-sex group and location.



Cycling and walking to work are great forms of exercise that can contribute to improved health and well-being. Discussions are continuing with Sustrans, Transport Scotland, Regional Transport Partnership and Public Health to identify what capacity there is for the introduction of measures to cope with the renewed appetite for activities particularly for cycling in the future. By encouraging a change in travel behaviour in favour of cycling or walking this can lead to safer communities with less vehicular travel on the roads, reduce accidents and carbon emissions.

Guidance for the public on the mental health and wellbeing aspects of COVID-19 were published encouraging people to find the right strategies that would help them cope. It was also recognised that:

- **Regular physical activity of at least moderate intensity (such as brisk walking or cycling) provides general health benefits across a range of diseases and across all ages**
- **The greatest health benefits occur when the least active people become moderately active**

Allotments

For all age groups, activities such as gardening and accessing allotments can provide access to fresh air and a healthy lifestyle. For some the health benefits of exercising in green spaces are greater than exercising in the gym. The use of community gardens can help foster a spirit of community. Aberdeenshire Council is currently looking to increase the number of available allotments and are developing a process that allows community groups and members of the public to suggest possible areas of land that may be suitable for food growing³⁰.

Green Spaces

Green spaces are more than just places for recreation or to help wildlife thrive – they also provide important functions to society which have an economic value. For example, the Land Trust states that woodlands absorb pollution and lock up carbon, which cleans our air, and wetlands

store water, reducing flows which help to reduce the risk of flooding. These functions benefit society and help reduce costs on local and wider communities, such as to the NHS, other public sector services and local businesses³¹.

The Council is currently reviewing the Play Park Strategy to ensure that it supports the delivery of the council's priorities particularly those around health and wellbeing. The Ranger service in Aberdeenshire runs several events for adults and children and provide support to help people enjoy the outdoors. During lockdown they proactively kept up engagement with residents, involving them through social media and use of videos to share the best of Aberdeenshire's countryside.

Place Principle

During the pandemic and due to necessity, staying closer to home, residents were reconnecting and rediscovering town centres in a new way and using them differently. COVID-19 impacted upon businesses and shared spaces in different ways and not always in a good way.

In September 2020, the Scottish Government published a list of the actions and legislative programme for the next parliamentary year: Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-2021³².

It included the commitment for 20-minute neighbourhoods: Places that provide easy, convenient access to most of the services and facilities that people need in their daily life. Being able to live and work locally, pursuing opportunities, learning and wellbeing in their own neighbourhood. Being supported and cared for locally in a place that offers quality of life in nurturing and sustainable surroundings. With local infrastructures, active travel networks, and the connections which make it possible to bring together essential activities from across the sectors, located at the heart of communities.



Evidence shows that if the quality of these environments (including town centres) is improved, it can improve the wellbeing of the people living there and contribute to a reduction in health and other inequalities (whether from gender, disability, race, poverty or age for example).

Aberdeenshire Council's Economic Development service currently manage several Scottish Government funding programmes such as the Town Centre Fund, Place Based Investment Programme and Coastal Communities Fund. Programmes are increasingly focusing on promoting coherent investment-making in support of the 'Place Principle'.

- Scottish Government Town Centre Fund (2019-2021)
- Scottish Government Place Based Investment Programme (PBIP) 2021-2026
- Aberdeenshire Town Centres Phoenix Fund (2020-2021)
- Towns and BIDs Resilience Fund and the Scotland Loves Local Fund (2020-21)

Adopting digital technologies will be crucial to the transformation needed to make sure NHS services are sustainable in the future. But this cannot be done in isolation. It must be part of wider overall service redesign plans that are built around the needs of patients and staff. The health and care system as a whole – and its partners in wider society – need to continue to embrace the change required.

Key actions to reduce inequalities are delivered through fair and equitable access to good quality housing, education, health and other public services. The public services should be planned and delivered in proportion to need.

Public Health Scotland have produced an estimate of the burden by deprivation level (SIMD 2020 quintiles) for each NHS region in Scotland (North, East and West). Estimates have not been produced at smaller geographic level due to the

uncertainty in the data which would be introduced. Analysis of the health inequalities in the North region estimate:

- that the rate of health loss in the most deprived 5th of the population in the North region was 1.8 times as high as the rate in the least deprived 5th of the population.
- That 45% of the health loss in the most deprived 5th of the population in the North region could have been avoided if the population in this quintile experienced the same rate as those in the least deprived 5th of the population.

In the case of Aberdeenshire there are 7,753 residents in the 20% most deprived areas.

Health data trends show that there are growing numbers of people of all ages with long term conditions such as diabetes, Chronic Obstructive Pulmonary Disease (COPD), heart disease and anxiety. This pattern of demographics results in a rising demand for services without the immediacy of corresponding increases in resources. One of the outcomes from the COVID-19 pandemic is that patients with these underlying conditions who were hospitalised with coronavirus may need additional support for some time afterwards.

In order to maximise its resources AHSCP will work closely with partners in the third sector allowing it to increase the capacity of the health and social care support needed.

Workforce Supply

There was a risk that Brexit would impact as well with the majority of EU nationals employed in teaching, care, and facilities. No significant impact is expected on the current workforce. As before, the Council continues to monitor the situation for any adverse impact and to promote the organisation as an employer of choice. Job applications have reduced overall, and should the jobs market continue to strengthen, health care workers may seek employment elsewhere. The council continues to monitor the resilience of the



private care sector. In the case of lower paid jobs within the council, the impact of high fuel costs may, depending upon the job role, lead to some employees looking for a different job that does not include travel.

Unemployment rates increased sharply during COVID-19, however although the rate has significantly reduced since then, Aberdeenshire's rate is still trending upwards.

There are a variety of reasons affecting recruitment however it is not restricted to health and social care. Teacher recruitment and retention is also an issue. As in the Education sphere, having the right people, in the right place, doing the right thing, at the right time will be crucial to the success of the AHSCP.

The recent Workforce Strategy includes workforce planning as a key area of work for the partnership along with the Third Sector.

The strategy recognises the importance of support for unpaid carers. They help people to remain at home and reduce their need for health and social care services. Carers will be offered Adult Carer Support Plans or Young Carer Statements as part of the implementation of the Carers (Scotland) Act. This will enable people to continue in their caring role and help families to stay together.

Reshaping Care at Home

Emerging solutions can help deliver more care at home through the provision of suitable accommodation and care. The right mix of housing may include care homes and very sheltered housing in locations where there is need and demand. By shifting investment to support people to live at home as their dependency increases with age it is anticipated that there will be a reduction in people moving into residential care.

There is a steady demand for funding for major housing adaptations. The AHSCP approach is to make clear advice and information available to homeowners and

tenants who can anticipate and take responsibility for their future housing needs. The Anticipatory Care Strategy³³ is aimed at empowering people to take more responsibility for their own health care: ihub³⁴ provides access to an anticipatory care planning toolkit with advice about thinking ahead. This includes access to documents where people can identify how they wish to be cared for should their health and care needs increase or circumstances change in the future.

Aberdeenshire offers a number of accommodation options for people who have particular housing needs because of a long-term condition or frailty. Work is in progress to evaluate the current model of support with the aim of achieving the most efficient model, with the appropriate mix of options, for our population. This work will be carried out in partnership between AHSCP, Aberdeenshire Council's Housing Service and the Third Sector. From supported accommodation options to the availability of home adaptations, those with a particular need will have the right to the practical assistance and support required to participate in society and to live an ordinary life.

Tackling Inequalities and Public Protection

Death rates of people who are in contact with the criminal justice system are three times higher in Aberdeenshire than in the UK (2019). Community based commissioning of health and social care services means that the Courts have wider sentencing options that have better health and offending outcomes. A review of the Mental Health (Care and Treatment) (Scotland) Act 2003 will improve the rights and protections of people with a mental health problem and remove barriers to those caring for their health and welfare. People with mental health problems will have their social, economic and cultural rights respected and will not be detained unnecessarily.

The work of AHSCP and its partners will provide the prison population with the same access to health and social care



services as people living in the community and continue to benefit from continuity of care on their release.

The Partnership will reduce the health inequalities of people in contact with the criminal justice system through:

- Improving access to health and social care services
- Reducing stigma
- Supporting self-management

This helps tackle the cyclical links between inequalities, offending, becoming a victim, fear of crime and poor health. It fits well with the existing themes and priorities including looking after and improving their own health and living longer. In line with the Local Housing Strategy and the Rapid Rehousing Transition Plans Aberdeenshire is part of a consortium which builds on the support offered by the Housing First Scheme. Over 120 Housing First tenancies were provided within Aberdeen City and Aberdeenshire by March 2021.

These homes will benefit people who are unintentionally homeless – many of whom are disadvantaged due to a mental health problem or drug or alcohol dependency. This is a joint approach with Aberdeen City, Aberdeen Cyrenians, Aberdeen Foyer and Turning Point Scotland and therefore there is the added benefit of encouraging partnership working and information sharing.

People at risk of becoming homeless will get the support they need to find **and** manage a tenancy. People will be linked into other services which can provide support in other areas which are affecting their ability to manage their housing needs. Having an address helps resettle prisoners back into the community, allowing them to access more appropriate services such as primary care.

Accessing Health and Social Care

The ability of patients to access health and social care by appropriate means is an essential component of their treatment or

care pathway. The complexity of the challenge in managing journeys to health and social care is large. Transport can be a barrier to accessing services, particularly for people living in rural locations. The projected demographics will place additional needs on the service providers to effectively meet individual needs. Coordinating it is not a one agency job - Aberdeenshire are a key driving force in helping to deliver this.

The Health & Transport Action Plan (HTAP) sets out how this will be done. It is comprised of two themes: transport and public health, and access to health and social care. The vision for transport and public health is:

- For people in Grampian to choose to travel by active modes such as walking and cycling whenever appropriate and to have the ability to do so conveniently and safely, in order to improve activity levels and public health.
- For everyone in the region to live without unacceptable risk to their health caused by the transport network or its use.

The vision for access to health and social care is:

- For everyone in the region to be able to access the health and social care they need and if transport is required for this to be appropriate, convenient and affordable.
- For the environmental impacts of journeys to be minimised.

The objective is to have high quality infrastructure for active travel and to promote, inspire and enable more people to walk and cycle as part of their everyday lives. This links in with the work being done by the Council on providing safe cycle routes and improving active travel outcomes. The Assisted Transport Policy is in place for those who require additional support in accessing health and social care.

THInC is the Transport to Healthcare Information Centre for the NHS Grampian



area. It is a **joint initiative** between Aberdeen City Council, Aberdeenshire Council, NHS Grampian, The Scottish Ambulance Service and Nestrans and provides travel advice for those attending health and social care appointments.

The COVID-19 pandemic has altered travel plans for patients and the workforce. With the advice being to use own transport where possible, and restrictions on the number of people able to be carried on public and health transport, costs are rising.

Of course, not all travel is essential, with the right digital infrastructure in place technology can be used to deliver services more efficiently using video and online information. **NHS Near Me** is a confidential and secure service which is being used to allow patients to attend a pre-arranged appointment using a video call rather than attending in person. Patients see the same consultant or healthcare professional they would have seen in the clinic, and they use their own internet-enabled device (mobile phone, tablet, laptop, PC etc) to make the call. The roll out of digital health options to support remote and rural locations will be key in supporting people in new ways of working.

Accessing tools for the job

The 2020/21 budget included planned savings to address the funding gap. The COVID pandemic led to additional costs, including increased use of personal protection equipment and agency workers. It was also identified at an early stage that, as a result of the pandemic, a significant proportion of planned savings would not be met.

Aberdeenshire Council, AHSCP and its partners recognise that they need to transform services to overcome the financial, demographic and rural challenges. Going digital is a key part of the transformation. Engagement with the public fed back that the 'roll out of digital health options to support remote and rural locations is important'.

Staff need to have access to the digital information, tools, and services they need to help maintain and improve health and wellbeing. There are technological challenges for AHSCP in being able to have systems in place that can be accessed by health **and** social care staff. However co-located sites are now operational allowing NHS and Aberdeenshire Council staff to work together. Both organisations have been using Office 365 software to allow AHSCP (NHS and Aberdeenshire Council staff) to share information allowing them to be more informed when dealing with clients and patients. Other improvements include:

- Access to systems for joint use to allow both NHS and Aberdeenshire Council staff access.
- Mobile devices set up with software to allow staff to meet with clients/patients virtually.
- Discussions ongoing for opening up access to systems and system reviews to allow further joint working.

As well as streamlining processes technology has another role to play in communicating differently with service users. Limited access to digital technology is most likely to affect vulnerable and excluded groups. There is a digital engagement team in place within the Council whose remit is to stimulate demand in programmes and and voucher schemes, engage with communities for aggregation, and support residents, businesses and communities in matters relating to digital connectivity.

Digital should not be the only way to access council and health services, but it should be an efficient and easy option of communication for those who choose to use it³⁵. If it works well, residents are more likely to use the technology again. Public and partner engagement will also inform and raise awareness.



Forward Look

The council has made promotion of health and wellbeing one of its key priorities. Improved outcomes for health and wellbeing are the cornerstones of effective early intervention, having a significant positive financial and social impact for individuals, communities, and a range of public sector partners. It supports the work of the Community Planning Partnership and its priorities³⁶.

Tackling Health/Looking Forward

The EAVE-II study³⁷ - used patient data to track the COVID-19 pandemic and vaccine effectiveness across Scotland. It used a rich dataset of all 4.5 million people registered with a GP in Scotland (approx. 98% of the Scottish population). This resulted in impactful findings that have been central to the Scottish and UK Governments' responses to the COVID-19 pandemic. What it showed was that by linking data it is possible to learn about the difference a whole series of interventions can make to Scotland's health. Similarly, the availability of robust and reliable data, including health inequality data could support decision-making and to ensure policy decisions are delivering the best outcomes for people.

A recent project linking health data with data on homelessness has illustrated the impact that data can have on outcomes for vulnerable people. The **Equality Data Improvement Programme** aims to better understand what equality data is available and the barriers to collecting it, and to promote good practice in collecting better evidence. This aims to improve the analysis of equality characteristics and to enable more preventative work to take place when tackling health inequalities.

As our understanding of the impacts of the pandemic increases, it is also apparent that demand for the third sector's services and support is likely to increase in light of the 'Cost of Living' crisis. Over a third of Scottish charities reported an increase in demand for their services, particularly health and social care services. They

anticipate a post-lockdown surge in demand for services including health, mental health, sport, communities, employability, children and families and youth services. At the same time, Scottish charities predict a 30% drop in income and 70% believe there will be cuts to services and budgets after the pandemic with more demand for their services.

A member of the Accounts Commission recently said: "Despite these enormous challenges, the flexibility, innovation and quality of response has been impressive. Indeed, the rapid response to the pandemic by the voluntary sector, statutory partners, regulators, and funders has shown what can be achieved through positive partnerships, in many cases without unnecessary bureaucracy". It does, therefore, seem that they will be looking to see that the value of the sector is understood and appreciated once the immediate health crisis is over.

The Audit Scotland Report 'Local Government in Scotland Overview 2020'³⁸ reported that the pace of progress with integration across Scotland has been too slow and that adapting to new ways of working continues to be challenging.

Building on the positive learning and experience from COVID-19, the AHSCP Strategic Delivery Plan provides the detail and focus for the next 12-24 months in terms of both the transformational and improvement work required to provide services that are safe, agile and sustainable for the future. This is centred around the four key themes of: Digital First, Partnerships, Operation Home First and Reshaping Care; through which a range of projects will be implemented.

The plan proposes that this will be done through service transformation and changing relationships. This will include delivering services digitally. The rate of change will need to speed up to make the financial savings that are needed. Addressing barriers early and leveraging facilitators (for example: ease of use, access to mobile devices, effective treatment outcomes) can help create



eHealth services that better meet the needs of users and provide higher benefits for patients and caregivers.

Reducing health inequalities will help increase life expectancy and improve the health of people in disadvantaged groups. It could also bring considerable economic benefits. Tackling the problems most commonly associated with health inequalities would also help to reduce the direct costs to the NHS and wider societal costs. Shifting resources from dealing with the consequences of health inequalities to **effective early intervention and access to preventative services** is essential to tackling health inequalities. However, it will be challenging for the public sector, particularly in the current financial climate.

The strengthened focus in prevention and early intervention, a key priority of Aberdeenshire's Health and Social Care Partnership, will promote good, positive physical and mental health and wellbeing for all people across all ages and client groups.

Adopting digital technologies will be crucial to the transformation needed to make sure NHS services are sustainable in the future. But this cannot be done in isolation. It must be part of wider overall service redesign plans that are built around the needs of patients and staff. The health and care system as a whole – and its partners in wider society – need to continue to embrace the change required.

Aberdeenshire Council's Housing Service is facing the same demographic challenges as AHSCP. They both have the same shared objective of increasing resilience and empowerment within the community. Any future budget cuts to council services due to impact of COVID-19 on budgets such as housing would have an impact on the delivery of services by AHSCP and the support provided by Aberdeenshire Council and other partners.

Currently just under 60% of Aberdeenshire Council's housing stock meets the Scottish Housing Quality Standard (SHQS). Due to previous delays and, in

addition, the COVID-19 pandemic there is a backlog of work to be completed. There may be further challenges in terms of materials and labour that mean it is very unlikely that the original target of 80% compliance by the end of 2021/22 will be met.

Aberdeenshire Council has recently started implementing a Choice-Based Lettings system (CBL), which changes the way properties are allocated. Rather than waiting to be allocated a property, applicants can enter a bid on any vacant property that meets their requirements, which will then be allocated to the bidder with the highest priority. This change places more responsibility on applicants but gives them greater control over the properties they are matched with and allows them to consider properties that they might not have done before. It should also reduce staff workload by reducing the number of offers and refusals that need to be processed, since someone bidding for a property will naturally be interested in it.

COVID-19 has meant thinking outside the box to deliver services and there should be opportunities to continue with some of these changes and to involve employees in their implementation. Changes to ways of working have been made quite swiftly and staff have adapted. One of the risks to the AHSCP Strategy is a failure to deliver transformation at a rate or scale required by residents and financial pressures in the system.

The pandemic also brought worrying and uncertain times to all age groups. Daily life has changed for everyone and has had a real impact on how people are responding to the changes. Children and young people have been isolated from friends, family and other relationships that are vital to keeping them mentally healthy. Instead, they have spent more time at home, and it has been harder to do the things that would normally help keep them well e.g., taking part in sport or cultural activities. It is certain that there will be a requirement for additional mental health support for children and young people in the near future.



Public Health Priorities for Scotland

The Scottish Government have just published the Public Health Priorities for Scotland. The six priorities are³⁹ a Scotland where we:

- live in vibrant, healthy and safe places and communities
- flourish in our early years
- have good mental wellbeing
- reduce the use of and harm from alcohol, tobacco and other drugs
- have a sustainable inclusive economy with equality of outcomes for all
- eat well, have a healthy weight and are physically active

These are all reflected in the Council's own current priorities. It should be the case that the social, economic and physical environments we live in help create health and wellbeing, and that local communities and public services make it possible for individuals to take positive decisions about their own health and feel supported to do so⁴⁰.

Risks

Not building on the opportunity to build on the increased uptake of active travel, health activities and changes in how the Council interacts with the residents of Aberdeenshire.

Poor digital connections which lead to a poor service and in turn a lack of interest/faith in accessing systems, and/or support from the Council and Aberdeenshire HSCP.

It is clear from consultations and Place setting that residents do want to have retain their sports centres. Continued engagement with users will identify if we are providing the right services. Not adapting to changing requirements of residents e.g., opening times; availability of sports facilities, could limit opportunities for success in terms of the Business Unit's aspirations.

As funding and resources are stretched further, funding cuts to bodies such as

Sport Scotland may impact on our ability to deliver Active Schools and initiatives of that nature. In light of the ongoing physical and mental impact of COVID-19 this would be a very short-term view that would have a long-term impact on several of the Council's priorities.

Fairer Scotland Duty

The Fairer Scotland Duty Part 1 of the equality Act 2010 comes into force in Scotland from April 2018. It places a legal responsibility on public bodies in Scotland to actively consider (pay 'due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. The IJB and Aberdeenshire Council are covered by the Duty.

The new Duty should enable Aberdeenshire to do things differently and to put tackling inequality genuinely at the heart of key decision making as it supports delivery of the AHSCP strategic plan.

Community Involvement

There are opportunities to raise the profile of health and wellbeing to encourage people to take responsibility for their own lifestyle ensuring that health and social care services are targeted on those that need this the most. Aberdeenshire Council including AHSCP need to consider carefully how to continue to change behaviours of people in order to overcome resistance.

Locality Plans based on the six Areas in Aberdeenshire (2018-21) were endorsed by the integrated Joint Board (May 2018). A wide variety of engagement and consultation across Aberdeenshire informed the Locality Plans and the recent updated Strategic Plan 2020-2025.

Access to Health & Social Care Services

As noted elsewhere the demographics indicate that the need for healthcare will increase more rapidly given the projected increase in the 75+ population and needs becoming more complex. This coupled with growing financial pressures allows an opportunity to be innovative in the way the Council and AHSCP supports people in



local communities to stay healthy and continue to provide an effective and sustainable health and social care service.

The impact of COVID-19 has required the Partnership to review all of its services across health and social care. The increased use of technology to support clinical care and non-clinical work and the prominence of the public health response are examples on which the foundations for further changes can and will be made. Waiting times and availability of face-to-face appointments still remain a concern as does the capacity of services to meet the growing needs of those whose health & wellbeing, especially mental health, has been affected by the pandemic.

Partners are reporting more clients are feeling isolated or marginalised. There is an increase in harmful behaviour including increased number of those self-harming, increase usage of alcohol & drugs, and an increased number of clients who are anxious or scared to go out which has a negative effect on people's health & wellbeing. These are nationwide issues.

Following the independent Review into Adult Social Care recommendation for the establishment of a National Care Service (NCS), the Scottish Government has said that legislation will be introduced in the Scottish parliament in summer 2022, most likely June, and it intends to establish it by the end of the parliamentary term. This means centralisation of the service and increased accountability for the provision of social care by Scottish Ministers.

It is not yet clear how or if this will have any impact on local service delivery. It is recognised that funding for all public sector organisations is finite and there may be competing demands which could see resources invested in the NCS to the detriment of the resources available to the Council.

In terms of transportation and ensuring that those who need to can physically access health care choices such as the continued use of volunteers or even

driverless cars may become a viable option in the future.

The development of the digital infrastructure for the North of Scotland cannot be applied without a comprehensive programme to improve access to mobile, broadband and 4G with the aspiration to match urban network speeds and reliability in urban settings. Both the Council and AHSCP will need to ensure that they have staff with the right skills to maximise the potential of new digital technologies^{41 42}.

Following the UK's exit from Europe, the mitigation measures put in place by Aberdeenshire Council suggest that no significant impact is expected on the current workforce. The majority of EU nationals are employed in teaching, care, and facilities. As before, the Council continues to monitor the situation for any adverse impact and to promote the organisation as an employer of choice. There is no evidence to suggest EU nationals are leaving however a reduction in job applications overall has been identified and the with a buoyant jobs market there could be competition from other organisations. The council continues to monitor the resilience of the private care sector. In the case of lower paid jobs within the council, the impact of high fuel costs may, depending upon the job role, lead to some employees looking for a different job that does not include travel.

Health outcomes for COVID-19 have followed patterns of existing health inequalities. The NHS's ability to plan for recovery from COVID-19 remains hindered by a lack of robust and reliable data across several areas. This includes workforce data, as well as primary, community, social care and health inequality data. The collection and use of this data must improve to support decision-making and to ensure policy decisions are delivering the best outcomes for people.

The disproportionate impact of COVID-19 on certain groups has led to the Scottish Government increasing its



focus on tackling health inequalities.

The Health Improvement Unit established December 2020 is developing a single health equity vision. This aims to provide NHS boards with clear priorities, but work is at a very early stage.

Improving health and reducing health inequalities require holistic action across the Scottish Government and its partners.

Public sector partners can play an important role in changing behaviours.

As well as providing health services, it is necessary to create the conditions that lead to good health, such as employment, education and good quality housing. Better health will also have wider benefits to society and the economy.

There are health outcomes because of food and the question is how can deprived families afford to have healthy diets and good health outcomes? It is possible to afford a diet that will not affect your health, but people need the skills to do it. Cooking is a valuable life skill which is often linked with **improved diet quality**, such as improving the uptake of fruit and vegetables and an increased recognition of healthier foods. Schools should continue to educate children about nutrition and food preparation throughout their education. The Schools (Health Promotion and Nutrition) Scotland Act 2007 imposes duties on (amongst others) education authorities to endeavour to ensure that our schools are health-promoting. The Act also provides education authorities with the power to provide pupils with snacks, either free of charge or subject to a charge.

The recent LOIP priority addition: Healthy Eating, Active Living is being taken forward by the Healthy Eating Active Living Strategic Partnership Group (HEAL SPG). The HEAL SPG have agreed to progress the development of an action plan/programme using the evidenced based Whole System Approach advocated by Public Health Scotland.

The stakeholders network analysis was completed to understand which services and partners are working (together) on

HEAL, where our local strengths lie and where there are gaps. A total of 247 contacts from 94 organisations were identified as being engaged in HEAL work in Aberdeenshire, with significant joint work happening particularly in relation to active travel, food standards/environment and communities. The analysis indicated limited connections with education / children's services, highlighting the need for the SPG to proactively engage with these services on the HEAL agenda. Links have subsequently been made with the schools catering management team, with further connections to be identified and strengthened.

The action mapping process has also been completed with 16 SPG members providing their HEAL activity in Aberdeenshire, showing 46 future/planned and 96 current HEAL activities highlights potential gaps in our local action to address the wider underlying causes of physical inactivity and unhealthy eating. With most reported local action targeting individual lifestyle factors. Of the limited number of local actions mapped under 'wider conditions' and 'living and working' conditions the majority were associated with spatial planning and environmental improvements to improve active travel, with a small number focussed on access to income / affordable food. Of the 136 causes (Foresight report) mapped against these two themes, there is a much stronger focus on the food environment (**accessibility, availability, affordability**), working school environment and policies, culture and advertising. The HEAL SPG needs to ascertain what realistic local actions can be taken in these areas.

The Scottish Government is introducing a Health and Wellbeing census⁴³ in schools starting in the 2021/2022 academic year with the aim of local level evidence identifying and driving forward local improvements and monitoring the results of any changes made.

When ensuring partnerships are as effective as they can be in tackling socio-economic disadvantage and reducing inequalities it requires targeting resources



to reflect the needs of areas with historically high levels of deprivation and poorer health outcomes. This is done by using both quantitative data (numbers and things that can be measured) and qualitative data (data that can be observed subjectively). This builds up a fuller picture of an issue.



3



Our Environment: Infrastructure

Key Judgements

- **Continuing to improve the region's connectivity (both transport and digital), will enable residents to have choices** about how they work, study, move around, access facilities and live sustainable, healthy lives. It supports the 'open for business message' and encourages people to remain/move to Aberdeenshire to live, work and take advantage of the many leisure opportunities. **It is a necessity for the long-term wellbeing of the region.**
- The Council has **a strong focus on maintaining and improving critical infrastructure** with 10 year investment plans across a broad range of infrastructure types. These are funded through the Infrastructure Investment Funds.
- Many parts of Aberdeenshire are classed as rural and the road network provides the arteries for people and goods to move throughout the area either by car or via active travel for shorter journeys. Tourism is important to the area and travelling to most of the region's many visitor attractions is only possible by road. **The maintenance of roads related infrastructure assets is essential for their survival.**
- The A96 is aligned with one of the North East's identified strategic growth corridors (as identified in the 2020 Strategic Development Plan). **Dualing of the A96** would enhance the transport connectivity through Aberdeenshire between Inverurie and Huntly delivering the intended benefits for the North East, promoting facilities for non-motorised users along the corridor as well as effective future integration with the public transport network (bus and rail). A transparent, evidence-based review of the route between Inverness and Aberdeen to include a climate compatibility assessment to assess direct and indirect impacts on the climate and the environment is currently being undertaken. The review will report by end of 2022.
- **Housing has an important influence on poverty and health inequalities in Scotland.** This is through the effects of housing costs, housing quality, fuel poverty and the role of housing in community life⁴⁴. The mixture of house sizes, types and tenures is an important consideration in the creation of strong communities.
- As Health and Social Care integration evolves with fully established partnerships, opportunities should emerge to **enhance joint planning and delivery between Housing and the Partnership.**
- **Risk that funding for affordable housing cannot be spent in a slowed down market.** Most affordable housing in Aberdeenshire is provided through section 75 agreements with developers and any slowing of the build-out rate may make affordable housing targets difficult to deliver.
- Climate Change and the decarbonisation agenda are forming an increasingly important element in infrastructure-related policies. **Aberdeenshire persistently records higher per**



capita emissions than Scotland as a whole. This is largely due to the transport and domestic sectors. The Council faces **various external challenges** with regards to climate change action. Positively, carbon dioxide (CO₂) emissions in Aberdeenshire, as across the country, have decreased since 2005. However, there is still a lot of work to do.

- The Council's Route Map 2030 identifies how Aberdeenshire will reach its 75% reduction in emissions by 2030 target. Carbon Dioxide Equivalent (CO₂e) emissions and financial estimates are being made for all projects identified. This includes the development of a toolkit to identify a complete view of decarbonisation progress against planned CO₂e reduction and a view of the capital/revenue impact and cost effectiveness (£/tCO₂e) of each reduction project so that the Council can analyse the impact on the overall budget and prioritise project selection.
- **Climate change action will require significant changes to organisational culture.** Aberdeenshire Council is in some respects leading the way in efforts to 'decarbonise', that is, to reduce CO₂ emissions. Although services are exploring innovative ideas and opportunities, **further work is being carried out** in order to ensure carbon is being considered in all reports, proposals and projects so that the council's own reduction targets are met. **Making the link to financial savings** has and will continue to be key⁴⁵.

Assessment of Issues

Geographic Access

Aberdeenshire is among the most geographically deprived areas in Scotland with almost 48% (up 2% from 2016) of its Data Zones in the bottom quartile nationally. As well as drive and public transport times, geographic access now includes the percentage of premises that do not have access to superfast broadband. Geographic access may become more of an issue with residents if it leads to a feeling of isolation.

Aberdeenshire's journey times per square mile are lower than the Scottish average. This suggests Aberdeenshire's infrastructure and the positioning of various key destinations, is relatively appropriate considering the size of the area, and therefore residents are generally well served. However, the picture could change depending on the viability of the various key destinations, and whether they remain open. It is also the case that some 'very rural' residents will experience far longer journey times than the average.

Geographic deprivation does not necessarily translate into overall deprivation. Although remote in SIMD terms, a large proportion of those in the

most geographically deprived areas tend to experience some of the best outcomes in the country, particularly in relation to health, income, and employment.

Air Transport

There is a regional airport at Dyce which in 2021 handled 1.1m terminal passengers⁴⁶ (in 2019 the figure was 9m). With easy access from the AWPR, A96 and A947 the airport is well placed for Aberdeenshire residents and businesses with plenty of hotels and a new conference centre close by. As well as offering flights to over 30 destinations it provides access to worldwide destinations via international hubs at Heathrow, Gatwick, Manchester and Amsterdam. This access is extremely important to the North East area in terms of encouraging economic growth in the region.

In recent years domestic and international traffic rose, mainly due to demand for holiday destinations. It is not known what the long-term impact of COVID-19 will have on the future availability of both flights and passengers. The airport owners recently invested £20 million in an expansion of the terminal based on an expected rise in passenger numbers.

Destinations to regional airports have been taken over by Loganair and more



recently Eastern Airways has just launched a new service to Wick after a public service obligation need was proven. The airport also serves as the main heliport for offshore North Sea oil and gas industry. The COVID-19 threat saw a return to direct helicopter flights from Aberdeen to offshore platforms to prevent any spread of the disease.

The successful use of digital technologies to enable collaborative working will also have an impact on demand for business flights from Aberdeen. Anecdotally it appears that organisations are still offering options for home and hybrid working and re-examining office space requirements. However, it is also clear that the demand for air travel still remains as has been seen in the recent increase in passenger numbers at a national level (April 2022).

Ports and Harbours

Peterhead Harbour is one of the leading fishing and manufacturing ports in Europe. Fish landings in 2021 were broadly in line with those for 2020, although the headline figures concealed a range of different trends. Vessels diversified throughout the year to make the best use of their quota. Measures implemented by the market enabled trading to continue through lockdown.

The Scottish Government's Fisheries Management Strategy 2020-2030 states: "We see fisheries as a vital part of Scotland's 'Blue Economy', defined as 'the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health'. The Blue Economy Action Plan will encourage collaboration across the public sector, marine industries and marine environmental interests to unlock cross-sectoral synergies that can support growth and jobs, benefit coastal communities and help deliver a just transition to net zero." It is not yet clear what, if any, impact the closing or restricting access to fishing grounds for renewable energy developments and conservation measures will have on the industry and in turn, ports such as Peterhead.

Peterhead Harbour is involved in Oil and Gas with fabrication work, subsea, renewables. Subsea and diving support vessels regularly use the harbour. It benefits from deepwater access and berths, and fabrication and mobilisation contract work can be undertaken. The deepwater harbour also makes it accessible to larger cruise ships whose passengers are then encouraged to visit Aberdeenshire's visitor attractions. Future development will be led by demand from the private sector with competition from the new, still under construction, South Harbour in Aberdeen.

Fraserburgh Harbour is a major white fish port and busy commercial harbour with a state of the art six berth slipway facility, storm gates and fully refrigerated fish market facilities. Significant funds have been invested in the infrastructure of the port to ensure it can continue to provide a high level of service. The dry dock is available to meet the demands of the fishing, oil and gas industries. Moray East Offshore are now based at the port, carrying out operations and maintenance of the Moray East Offshore Windfarm. With an expected 200+ jobs due to be created in renewables it will bring benefits to the surrounding area, including higher skilled job opportunities.

Macduff is primarily a commercial fishing and maintenance port. A large fishing fleet operates out of the port supported by an enclosed fish market. It is also a construction yard with various types of boats and survey craft built onsite but is capable of working in the renewable industry.

The Port of Aberdeen Harbour is one of the UK's busiest ports providing access for cruise ships, forest product exports, agricultural products and supplies, international exports of oilfield equipment and freight, vehicle, livestock, and passenger access to the Northern Isles. Its contribution to the local economy has been estimated at £1.5 billion GVA. The Harbour is currently being extended to provide a facility for oil industry decommissioning work and to attract



cruise ships with a completion date of October 2022.

The Council is working with partners such as Visit Aberdeenshire, Aberdeen City and transport operators focusing on potential transport issues and assisting tourism businesses in the area to become more competitive in the marketplace. It is not clear how soon the cruise ship holiday market will return to normal following COVID-19, possibly late 2022 when the South harbour is due to open.

Freeport Bid

A partnership agreement to establish two Green Freeports in Scotland has been reached between Scottish and UK Ministers. As a result of the recent negotiations, UK Ministers are expected to provide up to £52 million in seed funding to help establish Green Freeports in Scotland which is in line with funding offered to Freeports across England. Aberdeen Harbour, Peterhead Port Authority and Aberdeen International Airport, Aberdeen City Council and Aberdeenshire Council, and industry representatives, including Opportunity North East and ETZ Limited, are taking forward the bid proposal for a Freeport in the North East of Scotland.

Conservative estimates suggest that securing the Aberdeen City & Peterhead Region Freeport will deliver over 14,000-22,000 jobs over a 10–15-year period, many of which will be high-skilled and high-value jobs, attracting new talent and new investment into the region to cement its status as a major UK economic hub. An initial feasibility study suggests this could equate to an equivalent of a 20% saving on the capital invested depending on the specifics of the business. These would be of particular benefit to businesses likely to be attracted to a freeport including fish processing, Carbon Capture, Usage and Storage (CCUS), Hydrogen production and Offshore Wind.

The competition to decide which sites which will be chosen has begun, with a decision due later this year.

Rail

There are nine train stations in the North East of Scotland. Seven in Aberdeenshire and two in Aberdeen – both of which are key work destinations for Aberdeenshire commuters (Aberdeen and Dyce). Passenger rail usage during the financial year 2020-21 was affected by the coronavirus (COVID-19) pandemic and a main line closure due to derailment. The estimated percentage change in rail use varied from a reduction of 76% at Dyce to 90% in Laurencekirk.

Pre-pandemic passenger numbers were up over 4 million per year suggesting that there is **an appetite for rail transport**. Nestrans have indicated a desire to increase the number of stations in the North East, and to focus development within station catchments, thereby increasing the proportion of the population with access to the railway.

The Regional Transport Strategy (RTS) 2040⁴⁷ aims to encourage use of public transport and a key factor is promoting rail patronage. Communities have recently called for the reopening of the Cove and Newtonhill stations and for a review of the Buchan line feasibility study 2017 to be revisited.

The line to the North provides a route from Aberdeen to Inverness. To the South, there are rail services to Edinburgh, Glasgow and beyond via Aberdeen. The **Aberdeen to Central Belt (A2CB) Enhancements Study** is being progressed by Network Rail to examine opportunities for improvements between Aberdeen and the Central Belt to support enhanced capacity and reduced journey times through the removal of constraints on the Aberdeen to Dundee line.

The COVID-19 pandemic impacted on the airline industry which is currently affecting availability of flights to and from (and within) Scotland. With recent cancellations of flights from regional airports due to staffing issues access to mainline rail services provides an alternative means of transport for the area.



On 1st April 2022 ScotRail came under public sector control with the government stating that rail plays a key role in helping to meet climate change targets and cut transport emissions. ScotRail passenger services are a central plank in the ambitious decarbonisation plans, backed by £5 billion over the current Parliament to support thriving, resilient and diverse communities.

Bus (Public) Transport

Travel by rail (where available) is still too expensive for low paid workers so bus services are the main form of travel for those who have no access to cars. The Scottish Access to Bus Indicator (SABI)⁴⁸ provides an objective measure of accessibility to public transport by bus in Scotland by weekday and weekend services. Aberdeenshire generally compares poorly to Scotland as a whole. Only four local authorities in Scotland recorded a lower average score than Aberdeenshire. A similar situation arises when comparing Aberdeenshire Council to local authority areas that share similar urban/rural characteristics, that is, Aberdeenshire generally ranks poorly relative to these areas.

The impact on the commercial bus sector due to COVID -19 is likely to see a contraction in the network and more pressure to support journeys by the Council. With severe budget pressures this is very unlikely and so there will be far fewer bus journeys available and so poorer accessibility.

For those who do travel by bus and train, the price of a ticket is influenced in part by the cost of fuel. Similarly, the cost of travelling by car (including by taxi) will also rise due to the rise in fuel prices. It is not clear if rises in fuel costs for private use would lead to an increase in the use of public transport or what the impact will be on the price of public transport.

Bus accessibility scores are higher in Aberdeenshire's urban areas. The highest scores relate to areas in Peterhead, Fraserburgh and Inverurie but these areas barely fall within the top 30% in Scotland.

At the other end of the scale most of Aberdeenshire is in the bottom 30% in Scotland for Bus Accessibility, that is, **they are among the least accessible in terms of bus services in the whole of Scotland**. Pre-pandemic only 5% of Aberdeenshire residents commuted to work by bus in the area, compared with 11% in Aberdeen and 27% in Edinburgh⁴⁹.

The council is seeking to arrest the decline in bus passenger numbers seen over the past five years by collectively working with bus operators and transport authorities. The 'Clean Sheet Review' of the supported bus network by the Passenger Transport Network review Member Officer Working Group (MOWG) was to agree a proposed revised approach to supported bus service delivery along with an indicative implementation timeline. Whilst the future remains unpredictable there is a consensus that travel demands will not revert to pre-COVID-19 levels. The review highlighted the following as being of greatest importance:

- access to employment;
- access to town centres;
- social inclusion;
- equality; and
- 'quality of life'.

In particular, how the ***importance of bus service provision in addressing social isolation had been highlighted by the current public health emergency***. An enhanced Demand Responsive Transport (DRT) pilot project is testing the replacement of Council supported timetabled bus services. The new service Ready2Go Around Inverurie began mid-August 2021⁵⁰ and in 2022/23 a further experimental service will begin covering the Balmedie/Newburgh area.

From the 31st January 2022, nearly a million 5-21 year olds living in Scotland became eligible to benefit from free bus travel. Using the latest demographic data available this amounts to approximately 50,210 children and young people in Aberdeenshire potentially benefitting from free bus travel.



The North East of Scotland Bus Alliance has been successful in its bid for £12 million from Transport Scotland's Bus Partnership Fund to significantly transform public transport provision in the North East. The success of the bid means that early work can begin on the development of an Aberdeen Rapid Transit system, as well as delivering significant bus priority in the city centre, and on key routes into the city from Aberdeenshire.

The rapid transit system is set to revitalise public transport for the region, delivering a prioritised, high-frequency solution for travel. The project is an integral part of the new Regional Transport Strategy: Nestrans 2040, offering high-capacity, modern vehicles and supported by infrastructure to ensure efficient operation and competitive journey times. The Bus Action Plan⁵¹ is the first action plan produced under the new Alliance and draws on the findings of the State of the Network Report. It sets out the priority actions of the Bus Alliance partners over the next 5 years.

An overall bus network operations model encompassing commercial operations, demand responsive travel, community transport and other shared transport is likely to be required to enable an affordable network offering essential connectivity, especially in the more rural parts of the region.

Transport & Public Health

The pandemic has highlighted and amplified existing health inequalities, with Public Health colleagues and transport professionals agreed that **being in good health is determined by social, economic factors and the physical environment**. Given the limitations of public transport in many rural areas, having access to a car can be vital. **Transport can also have a negative impact on health outcomes** by contributing to air pollution, road traffic casualties and inactive lifestyles. These issues do not equally impact all communities and demographics within the region resulting in health inequalities.

The Health and Transport Action Plan (HTAP) continues to promote equality in transport, sustainability and active travel, to improve health and wellbeing". Funded by the partners, the THInC project has acted as a recognisable and trusted single point of contact for health-related transport during the pandemic.

Roads and Bridges

Aberdeenshire is well served by around 3,456 miles of road and 1,308 bridges, which equates to a bridge every 2.7 miles. With the lack of local railway provision, the road network provides the arteries for people and goods to move throughout the entire area. Every journey starts and stops on a local road and the "permeability" that this extensive network provides is essential for a successful and prosperous Aberdeenshire.

In 2020 1.6 billion⁵² vehicle miles were travelled on Aberdeenshire's roads (down from 1.856 billion in 2018). Considering the pandemic which limited travel for most residents, it demonstrates how most of the freight through Aberdeenshire has to go by road due to the lack of suitable alternatives. As of 31 December 2017, Aberdeenshire had the 3rd largest number of private cars licensed per thousand population aged seventeen and above. It is therefore no surprise to find out that Aberdeenshire is in the top five local authorities along with Glasgow, North Lanarkshire, Fife and Edinburgh with the highest traffic volumes. Together they account for 33% of all traffic on Scotland's roads⁵³. This has an impact on the Council's road infrastructure and, in turn, the budget.

The two trunk roads in Aberdeenshire are the A90 Edinburgh to Fraserburgh road and the A96 Aberdeen to Inverness Road and are maintained by Transport Scotland. There are plans for a £300 million project to upgrade the A96 between AWPR and Inverness to dual carriageway with grade separated junctions by 2030 which will, along with the Aberdeen Western Peripheral Route/Balmedie - Tipperty (AWPR/B-T) reduce travel times across



the region. As part of the cooperation agreement with the Scottish Green Party the Scottish Government has agreed to conduct a transparent, evidence-based review of the A96 dualling programme which will report by the end of 2022. The SG document entitled 'Outcome of the Targeted Review of the Capital Spending Review – Updated Spending allocations for 2023-24 to 2025-26 made reference to problems of funding capital projects due to rising inflation. Transport Scotland's national transport strategy - second delivery plan 2022-2023⁵⁴ states that it will complete the A96 corridor review with a view to implementing appropriate bus priority measures. A transparent, evidence-based review of the route between Inverness and Aberdeen to include a climate compatibility assessment to assess direct and indirect impacts on the climate and the environment is currently being undertaken. The review will report by end of 2022.

The planned investment in the A96, would support sustainable economic growth by providing opportunities to grow the regional economies in the corridor through improved access to the wider strategic transport network and enhanced access to jobs and services; enhance transport connectivity along the route; reduce journey times and improve journey time reliability; support access to tourist and recreation sites; improve road safety for motorised and non-motorised users and facilitate active travel in the corridor.

Improvements to the A96 support the objectives of the Regional Economic Strategy and Nestrans will continue to work closely with both Transport Scotland and Aberdeenshire Council to ensure improvements deliver the intended benefits for the North East.

The opening of the AWPR and Balmedie-Tipperty dualling has significantly changed travel patterns and journey times and provided economic benefits for Aberdeenshire. With less congestion and dual carriageway available from Stonehaven to Ellon, journey times from the north to the south of the city have

been cut by at least the predicted 20 minutes resulting in reduced fuel consumption, congestion and emissions⁵⁵. Consideration is being given to the provision of service and rest facilities along the trunk road network within the North East. Businesses in the North East of Scotland already contribute more than 20% of Scotland's total export value⁵⁶ and the bypass is expected to generate an extra 6 billion in economic benefits and create around 14,000 jobs over the next 30 years.

The **Annual Status and Options Report** is a product of the Road Asset Management Plan (RAMP), which records the level of service that the Council is aiming to achieve and provides a means of identifying and prioritising the overall funding needs of our road assets through the Infrastructure Investment Funds. The report summarises the status of the authority's road assets in terms of size, value and condition and presents a number of investment options for the major road assets. It also highlighted the positive condition of Aberdeenshire's network compared to the rest of Scotland, despite investment below the Steady State figure. The scenarios presented in the report and issues raised are designed to assist with the budget setting process.

Strategic Transport Appraisal

The Aberdeen City Region Deal Strategic Transport Appraisal (CRD STA) was initiated as a means to collate and rationalise the current and future problems and opportunities within the transport system, and to act as the mechanism to facilitate the delivery of transport projects to support the Regional Economic Strategy (RES).

Recent policy developments have had significant implications for transport, particularly with respect to decarbonisation. There is ever greater urgency in the need to focus on 'greener' transport, moving away from fossil fuel-based transport towards electric and alternative fuelled vehicles, increasing use of public and active travel.



Many of the options identified in the appraisal seek to encourage behavioural change including increasing use of public and active travel modes and reducing the need to travel.

The Strategic Development Plan

(SDP)17 adopted in 2020 identifies the Aberdeen to Laurencekirk corridor as one of the region's Strategic Growth Areas, with around 7,600 houses and 150 hectares of employment land proposed in the study area over the next 20 years. **A determining factor in identifying Strategic Growth Areas is good communication links including rail lines, road connections and other public transport links.** These areas are the main focus for development with 75% of all homes built and employment land developed to take place within them.

The Nestrans Active Travel Action Plan (2014-2035)

identifies various active travel corridors including the Aberdeen to Laurencekirk corridor and recognises several missing links associated with walking and cycling on this corridor. Active travel routes are also under consideration between Kingswells and Westhill and the Ellon to Garthdee corridor. It maximises opportunities for short trips by walking and cycling in Aberdeenshire's Integrated Travel Towns, transport interchange hubs (Bus stations, rail stations and park and ride sites) and school catchment areas. Cycling and walking to work are great forms of exercise that can contribute to improved health and well-being and support the Council's LOIP priority: Health and Wellbeing.

Transport Scotland's second delivery plan remains committed to 'Generation Active Travel' with at least 10% of the total transport budget to be allocated to active travel by 2024-25. The Sustrans Places for Everyone programme reopens on 25.07.2022 with a focus on school-based projects.

Transport Strategies and their links

The four priorities of the **Scottish National Transport Strategy** are:

- Reduce Inequalities
- Takes Climate Action
- Helps Deliver Inclusive Economic Growth
- Improves our Health and Wellbeing

The **Regional Transport Strategy** is a long-term strategy for the areas of Aberdeen and Aberdeenshire, which sets the visions and direction for transport in the region up to the year 2040. It has been guided by the NTS which embeds and supports a Sustainable Travel Hierarchy and a Sustainable Investment Hierarchy in decision making.

In line with this, the RTS promotes walking, wheeling, cycling, public transport and shared transport options in preference to single occupancy private car use for the movement of people as well as making the best use of existing assets and capacity. Its vision is to provide a safer, cleaner, more inclusive, accessible, and resilient transport system in the North East, which protects the natural and built environment and **contributes to healthier, more prosperous and fairer communities.**

The development of a revised Aberdeenshire **Council Local Transport Strategy** will complement the objectives and priorities of the NTS and RTS while providing a local Action Plan for delivering on the targets and objectives that will be set within the LTS. It will retain the core values of **Travel Less, Travel Actively and Travel Effectively** but will reflect changes in policy at national and regional levels and the Council's Road Safety Plan 2021-2030.

Its development will be considered against a backdrop of increasing global awareness of the issues associated with climate change, the increasingly volatile energy sector, a transition in the North East away from oil and gas industries, the changed relationship with Europe and a rapidly developing market in travel and transport technology.

Road Safety



The Council's latest Road Safety Plan 2021-2030 has just been published. Developed in accordance with Transport Scotland's Road Safety Framework to 2030 the plan builds upon the achievements and learnings gained through the delivery of previous road safety plans and the Scottish Government's new Road Safety Framework to 2030. The principal aim is to achieve the vision where no-one is killed on North East roads and the injury rate is much reduced.

As the population ages, there will be increasing numbers of older drivers and users of public spaces and there is an aspiration that Road Safety work gains greater emphasis as a public health issue and is mainstreamed within the thinking of all transport professionals. The approach taken by Road Safety North East Scotland is seen as a good example of multi-agency working on an issue which has seen significant numbers of casualties over many years.

There are other work improvements planned or in the pipeline for Aberdeenshire which have the potential to improve road safety and possibly increase rail use through integrated travel. The council is working with five towns in Aberdeenshire (Peterhead, Huntly, Inverurie, Ellon and Portlethen) to deliver the infrastructure designed to support more active and integrated travel.

The Council was successful in receiving £310,000 from Sustrans for temporary infrastructure projects to provide increased space for safe walking and cycling as lockdown is eased and traffic volumes increase. In addition, a new initiative '**Share Space**' has been launched to encourage travel on rural roads. In partnership with Nestrans, the project will create provisions for active travel on rural roads, allowing space for all modes of transport. Signs approved by Transport Scotland will be installed along the routes to help implement the scheme and encourage motorists to make space for any pedestrians, cyclists, or horse riders who may be sharing the road.

Place Principle and Local Place Plans

The Place Principle is about places that provide easy, convenient access to most of the services and facilities that people need in their daily life including living and working locally, pursuing opportunities, learning and wellbeing in their own neighbourhood ideally without having to travel more than 20 minutes by foot, bike or public transport. The council is currently developing Place plans building on the Place Principle. Local Place Plans (LPPs) are a new type of plan giving communities an opportunity to develop proposals for the development and use of land in the place where they live. The aim of the provisions is to significantly enhance engagement in development planning, effectively empowering communities to play a proactive role in defining the future of their places. Once registered, LPPs will be considered in the preparation of the Local Development Plan and therefore will have weight within the planning process.

LPPs and Community Action Plans can essentially be the same thing. They can include projects related to Active Travel with good walking, cycling and vehicle networks.

Travel by Car

For the most recent year data is available (2020)⁵⁷ in Aberdeenshire there were 555 cars registered per 1,000 people aged 17+ down from 690 in 2018. This is still considerably higher than the Scottish average of 461 per 1,000 people. Aberdeenshire's rate is the third highest in Scotland – only Renfrewshire and Stirling are higher.

Costs associated with public transport are expensive⁵⁸ (around 14% of household spending) and due to the rural nature/lack of public transport it is often easier to travel by car however it increases the number of miles travelled on Aberdeenshire's roads.

People on low incomes are less likely to own or use a car and, when taken into consideration with accessibility and insufficient provision of cycle paths on



main transport routes may be more restricted on employment and education choices. Unable to access public transport especially during unsocial hours where there is less availability, some households may be forced to use a car which could put them into fuel poverty

Electric Vehicle Infrastructure

The Council's Low Emission Vehicle Delivery Plan clearly sets out how Aberdeenshire Council will deliver infrastructure and soft measures to support a greater uptake in Low Emission Vehicles across the area. Designed to support the Council's LTS aims, and objectives centred around 'Effective Travel' and effective car use, the delivery plan identifies measures to better promote eco driving, car sharing and importantly develop the infrastructure to support the growth in electric vehicles.

As of December 2020, over 26,000 licensed vehicles in Scotland were classed as Ultra Low Emission Vehicles or OLEVs. By December 2021, 14% of all new cars in Scotland were electric. The DVLA area Aberdeen combines figures for both Aberdeen and Aberdeenshire and in March 2022, 8.7% of all new registrations were electric compared with 2.25% in March 2020. This is still a small but steadily increasing % of the total number of registered vehicles in Aberdeenshire.

In order to support EV owners, the authority has produced a new policy on Electric Vehicle Charging. **Transport Scotland do see an important role for the authority in the provision of chargers at this early stage.**

Advancements in battery technology have seen much improved ranges and with the ever-growing public electric charging network it is more than feasible to own an electric vehicle without an at home charging unit. Tariffs have been set for use of publicly available EV charging infrastructure hosted by Aberdeenshire Council and this tariff should allow for full cost recovery.

The newly opened Kintore rail station also has the largest electric vehicle charging location in the North East of Scotland with

24 of the 168 places at the new transport hub fitted with charging points. Transport Scotland now advise that, with charge points having a potential life of 10 years, local authorities face rising costs in just continuing their current level of service provision and should consider factoring in these costs along with an allowance for future technology upgrades when setting tariffs.

The Council, through its Climate Change Declaration, is committed to work with others across the region to ensure that Aberdeenshire reaches Net Zero by 2045 by promoting energy transition, and to adopt a positive, genuine, and collaborative spirit to working towards tackling the climate crisis. The facilitation of electric vehicle charging in appropriate locations can make an important contribution towards this objective.

Action continues to be taken to reduce the carbon footprint of the Council's fleet. The introduction of telematics has allowed for more effective utilisation of fleet assets. With a deadline of 2032 for new petrol and diesel cars and vans in Scotland. Aberdeenshire Council now has 24 zero-emission and hybrid vehicles in its fleet and, as technology advances and more vehicles come to market, the authority is introducing vehicles which are fit-for purpose and suit the distances staff need to travel to provide frontline services across the region.

Staff have also been encouraged to make use of e-bikes which are available at certain Council offices, some of which can be booked out for a trial period to encourage staff to consider purchasing one for personal use such as commuting to work.

Scotland has legislated for net zero greenhouse gas emissions by 2030. There is a recognition that the magnitude and pace of implementation will need to change to reach this target; and that progress is needed to address sectoral carbon reduction challenges, as well as structural and system barriers to change⁵⁹.



Connected and Cohesive Communities

The Community Planning Partnership has three priorities one of which is **connected and cohesive communities**. Connected and cohesive is based on a recognition that whilst access to transport is critical, transport is an **enabler** for the delivery of a range of key outcomes. Quite apart from economic considerations, a lack of mobility is inextricably linked to social disadvantage and exclusion⁶⁰.

Digital Overview

The Council recognises the importance of high-quality digital connectivity to its citizens and has been at the forefront of efforts to improve infrastructure and services to businesses and residents in the area. Aberdeenshire is generally not as 'well connected' as other parts of Scotland⁶¹. It ranks relatively poorly in relation to a selection of indicators relating to digital connectivity, both in the context of a group of peer local authorities and Scotland as a whole. This is particularly the case in relation to upload/download speeds – even for households with access to superfast broadband (SFBB).

Superfast broadband is **available** in 78.2% of Aberdeenshire's area making it the 9th highest in Scotland. However, nine authorities have improved their infrastructure to the extent that over 70% of premises have ultrafast broadband available to them. Aberdeenshire's equivalent rate is just 1.6% (one of the lowest in Scotland). The Council is currently working with and supporting several national schemes to ensure that everyone in Aberdeenshire has access to the broadband infrastructure they need through the Digital Engagement team.

SFBB availability at a more local level is inconsistent. For example, in the Peterhead CSN area the values range from 0% - 100%. Some of the fastest download speeds are found in Blackburn,

Fraserburgh, Peterhead, Ellon, Banchory, Stonehaven and Westhill. However, these areas do not match the average median speed for Scotland as a whole.

Download speeds are correlated to data usage. The higher the median download speed, the more data downloaded per household. An inference that may be drawn from this is: **people are more likely to use the internet if download speeds are higher**.

The annual Ofcom Online Nation report 2021 said that 86% of UK adults used the internet in September 2020 and the times spent online per UK adult visitor per day was 3hrs 37mins per day. **This is not surprising because during lockdown culture, communication, entertainment, retail, work, health and education moved more services online.**

The shift away from computer-only use may also have been partly due to the take-up of new connected devices. However, **it is the use of smartphones that is driving UK internet use to an all-time high** with more users in lower socio-economic groups relying on this device for internet access without a computer. This raises questions about how restricted some groups may be in activities like filling in online forms. In Aberdeenshire, the percentage of the population in the DE socio-economic group is 20.2% (Source: Census 2011)^m.

A small percentage of the population do not have internet access – with older people and those in lower socio-economic groups less likely to be connected – but **other barriers also exist**, in the lack of skills and confidence that some internet users have, and in the availability of suitable devices to access internet services. More than one in ten adults do not use the internet. Data from ComScore, the UKOM-accredited online audience measurement currency, the largest increase in users was among the

^m Approximated Social Grade with its six categories A, B, C1, C2, D and E is a socio-economic classification produced by the ONS (UK Office for National Statistics). Those in Category "DE" tend to be in Semi-skilled & unskilled manual occupations, Unemployed and lowest grade occupations.



over 54s; up by 4% over the past year to 71%. However, 13% of adults aged 16+ never go online, a figure that has been consistent since 2014.

Older adults and those in a lower socio-economic group (DE) are more likely than average to be non-internet showing that differences in non-use of the internet are driven both by socio-economic group and age.

Related to their lower internet use, Ofcom's 2019 media literacy research also indicates that over 65s and adults in DE households are less likely to use online services including council and government services, banking or to look online for public services information. Age UK report that when pressure to access public services online makes it harder to claim vital support it may put people off applying in the first place.

The majority of internet users in the UK are experienced users, with most people in all adult age groups first going online ten years ago or more. But **7% of users went online for the first time in the past four years.**

Digital literacy is critical if consumers are to be able to navigate, and get the most out of, the internet, as well as to understand the basics of internet safety. While confidence in using the internet is high in the UK, it is not universal, and not everyone employs security measures to protect themselves online.

There is now more informative data available about take up and use of devices at a national level. This can be used to help ensure that residents are supported to access public services without barriers.

Digital Service Transformation

The Council, AHSCP, Scottish Government and other public sector bodies have committed to transforming service delivery by embedding digital ways of working within the public sector – **digital by default**. The main driver behind this is financial, however digital technology is at the heart of daily life and

continues to have an unprecedented impact on the wider economy through innovating household activities, education, employment, and public services.

With no legal requirement on suppliers to invest in service improvements to widen the availability of superfast broadband in more rural areas, Aberdeenshire Council has been taking action to address the situation. There is a Digital Engagement Team based within Economic Development who are there to assist residents and business to get access to the broadband infrastructure they need.

NHS Near Me is a confidential and secure service which is being used to allow patients to attend a pre-arranged appointment using a video call rather than attending in person. This was already being used within the AHSCP however the COVID-19 pandemic meant that it is being used far more and has proved successful.

There is potential for the care sector (Housing) to use digital to support greater independent living. Scotland's Digital Health & Care Strategy⁶² is described as a significant opportunity for digital to support the way people access services, become more actively engaged, and manage their own health and wellbeing.

Businesses, fishing and farming industries are all dependent on the availability and access to good quality broadband services; home working is an option particularly suited to those who live in the more rural areas; social care workers able to access mobile devices; fast and reliable online booking systems to list but a few.

Residential homes are increasing their network usage – controlling their white goods, heating and lighting systems remotely, High definition TVs, downloads of video clips, working from home all add to the broadband speeds that are required for daily consumption.

Two other projects under development within the City Region Deal digital umbrella are a regional sensor network which could help manage road capacity,



provide flood warnings, monitor residents at risk of hypothermia and help rural businesses run more cost effectively and a regional data exchange, which would allow data to be pooled to create more statistically valid sample sizes to be measured and better decisions to be made through having access to more information. Outline Business Cases for these two projects have been approved by the Joint Committee and are likely to progress to procurement of a contractor to further investigate their viability.

Future proofing projects such as that delivered by the Community Fibre Partnerships⁶³ projects provide open access solutions for consumers. Other programmes such as the Local Full Fibre Networks Programme are less accessible to community groups due to the conditions placed on it. The pandemic increased the rate of change in how services and associated transactions are delivered. It is unlikely that it will slow down any time soon, therefore the digital infrastructure needs to remain capable of using new technologies.

Ultrafast broadband is virtually non-existent in Aberdeenshire. Many of the European and Scandinavian countries have better broadband access than Scotland. Digital Access is something that will continually need reinvestment to take advantage of new technologies.

Investing in an ultrafast infrastructure will have many benefits including improved mobile phone coverage and access to fibre.

A Digital Engagement Team has been funded by and created within the Digital workstream of the City Region Deal. Their remit is to stimulate demand in programmes and voucher schemes, engage with communities for aggregation, work with stakeholders and funders and support residents, businesses and communities in matters relating to digital connectivity.

Housing Strategy and Plans

There is an evidence-led Housing Strategy agreed and in place covering 2018-2023.

Various assessments and plans fed into the document. Externally there is significant pressure on local authorities arising from the volume of Scottish Government housing policy commitments and wide range of priorities much of which is in the Housing to 2040⁶⁴ vision document.

Tenure and affordability

The lack of affordable housing has in the past made the recruitment and retention of key workers, such as teachers, social workers, emergency services and health professionals, difficult. The need for key worker housing had lessened compared to previous years. However, it is likely that the ongoing cost of living crisis will increase the demand for homes that are more energy efficient.

Aberdeenshire have developed a strategic housing investment plan for 2020-2025. This identifies opportunities for up to 2,173 affordable homes over the next five years subject to the build out rate of the development industry. Of these 2,173 homes, around 333 are potentially suitable for particular needs households, of which 92 are wheelchair accessible.

House prices are still above the Scottish average. Following several years of declining prices in Aberdeenshire resulting from the oil price crash in 2014 and the subsequent local economic downturn, average prices have begun to increase again over the last year. The average price in Jan-March 2020 fell to just £197,560, the first time it had dropped below £200,000 since early 2013 but it has been increasing since then, despite the COVID-19 pandemic. This could be down to changing buyer needs for both increased indoor and outdoor space leading to a shift in demand.

In Scotland as a whole, prices have tended to rise quite steadily over the period since 2014 and as a result the gap between the Aberdeenshire and the Scottish average has narrowed significantly from around £70,500 in early 2015 to £25,900 in the most recent quarter⁶⁵. It is not clear how the COVID-19



pandemic and the ongoing cost of living crisis will affect house prices although there are signs that the market is responding with more long term mortgages of 30 and 40 years. Whilst this is helping people to afford their home, it may further fuel house price rises and create an issue for the future.

Aberdeenshire's owner-occupied sector is high at 72.6% compared with Scotland at 62% and therefore there has smaller social and private rented sectors. As older people look to downsize, they often want to remain in the same area but have difficulty finding suitable accommodation so remain in their home which may not meet all their needs.

Aberdeenshire's Housing Stock Strategic Housing Investment Plan 2022-2027

The Strategic Housing Investment Plan (SHIP) sets out the strategic policy approach by Aberdeenshire Council and its partners to delivering affordable housing in accordance with the Local Housing Strategy. The SHIP will enable the delivery of high quality and energy efficient homes including specialist housing provision (and appropriate support) as well as assisting in reducing fuel poverty and carbon emissions. It also contributes towards the delivery of the Scottish Government's Housing to 2040 vision.

There is pressure across properties of all sizes, with significant pressure on one-bedroom stock. In addition, the Housing Need and Demand Assessment states that, according to the 2014 household projections, there will be a 42% rise in the number of single-person households over the next 25 years.

Rapid Rehousing

Increasing the supply of affordable housing in terms of location and house size will assist in meeting the Rapid Rehousing Transition Plan's strategic aims. Rapid Rehousing requires that where homelessness cannot be prevented it should be brief, with households accessing settled accommodation quickly

and stays in temporary accommodation minimised. 'Move on' accommodation should be sustainable to ensure that homelessness does not recur and that the cycle of homelessness is ended. The Housing service continue to work closely with Aberdeenshire AHSCP to further develop understanding of the housing requirements for older people and people with disabilities to enable them to stay in their own home where possible.

Access to housing is a fundamental aspect of any person's effort to stop reoffending, fulfil requirements on community sentences or reintegrate back into the community after a custodial sentence or release from remand. Support from Aberdeenshire and other partners in having temporary accommodation or sustaining tenancies during short periods of imprisonment is key to breaking the cycle of homelessness and crime.

Affordable Housing and RSLs

During the period April 2019 to March 2020, 249 affordable homes were completed in Aberdeenshire across all partners. Between 2021 and 2026, **2,027 affordable homes** will be built across the six council areas dependent upon the timing and alignment with funding from the Scottish government and other funding streams.

Registered Social Landlords provide over 10,000 properties across the City and Shire region in both the Aberdeen and Rural Housing Market Areas. In 2020 there were 5,630 empty owned properties across Aberdeenshire and around 3,167 (2.6% of total housing) was classed as long-term empty in total.

Increasing the supply of quality affordable housing continues to be a key priority for Aberdeenshire Council. As well as meeting housing need and demand it also supports a strong and successful economy; and assists in creating and maintaining mixed and sustainable communities where people want to live and work taking a 'Place Making' approach.



There are a number of tools in place to address the significant need for housing and bringing empty homes back into use is one such tool. The Council does provide assistance to owners who are looking for help to bring their property back into use.

The council is working with partners to identify new funding streams for affordable housing. A higher proportion of people in Scotland live in the social rented sector and this tends to lower the poverty levels after housing costs.

The birth rate in Scotland is continuing to fall, some of this may be down to perceived barriers in starting a family. This generation is one of the first for whom home ownership may not be possible and there may be insecurities about housing constraints and starting a family. This may need to be considered when planning for housing.

The Council prioritises investment through the Strategic Housing Investment Plan to ensure a sufficient land supply is available for affordable housing. They maximise infrastructure investment including digital infrastructure.

Housing and AHSCP

Housing has the potential to reduce or reinforce health inequalities. Scottish Government policy supports independent living for all ages and for people with a disability. Independent living means that people of all ages can maintain their independence and are able to access appropriate support when they need it. In many instances mainstream housing with access to support and care, services and infrastructure can meet individual needs appropriately and adequately and is the best housing solution. For others supported accommodation can also provide the necessary safety and security for some and may be the right choice to support independent living.

Older people are more likely to live alone or in a household where all persons are aged 65 or older. Unsuitable housing impacts directly on health and providing

appropriate housing of suitable quality and standard offers the potential to reduce costs to health and social care and allows older people and people with a disability to remain independent. As people live longer there is a requirement for a range of housing with appropriate care and support to suit changing needs as people age. However, supported accommodation can also provide the necessary safety and security for some and may be the right choice to support independent living.

Aberdeenshire is shifting investment to support people to live at home as their dependency increases with age. It is anticipated that there will be a reduction in people moving into residential care. Current provision will be sufficient until 2022 when demand will rise. However, it is expected that in most areas the capacity will outweigh demand. It is anticipated that as the requirement for care homes decreases the demand for very sheltered housing will outweigh availability. Across Aberdeenshire demand for very sheltered housing is expected to increase by 500% between 2012 and 2032.

Aberdeenshire continue to review the balance of sheltered housing and very sheltered housing to support the national policy direction to “Shift the Balance of Care”. There may be opportunities for greater collaboration and integration to deliver future services. Opportunities will exist for independent housing and care organisations to develop specialist care housing.

The number of people living with dementia is expected to increase which presents challenges for Aberdeenshire. In 2016 Alzheimer Scotland⁶⁶ reported 4,189 people with dementia living in Aberdeenshire with 96% in the 65+ age group. Increasing specialist design provision to meet future demand is not practicable, however well-designed housing including access to adaptations and technology enabled care can extend the amount of time a person with dementia can live at home.



There has been significant recent reduction in Scottish Government funding for adaptations carried out by Registered Social Landlords (RSL). This may lead to delays in carrying out adaptations when the funding runs out.

A consequence of this will be an increase in costs for AHSCP due to additional support requirements either at home or in a different care setting. It might be more cost effective over the longer term to invest in adaptations sooner rather than later.

When considering the needs of disabled people Aberdeenshire will continue to improve processes for adaptations and working to enable access to suitable accommodation for people with a physical disability. Housing will work with AHSCP, disabled people, carers, and voluntary organisations to develop a strategy for disabled people to develop priorities and actions to ensure access to learning, employment, health and social care, leisure and sport and housing.

Housing and Fuel Poverty

Homes with poor energy efficiency, challenging weather, and reduced heating options (especially in rural areas) can make fuel bills unaffordable, resulting in fuel poverty. A household is in fuel poverty if it would be required to spend more than 10% of its income (including housing benefit or income support for mortgage interest) on all household fuels to maintain a satisfactory regime. Extreme fuel poverty is when the spend is more than 20%.

In 2018 approximately 39,000 households across Aberdeenshire were living in fuel poverty, 33,000 of them in private sector housing. Fuel poverty remains a harsh reality for these households with many facing difficult choices of spending money on heating or on other essential items. The links between fuel poverty, social exclusion, debt issues and physical / mental health problems, are well known.

The majority of Aberdeenshire is defined as rural in terms of the 6-fold Urban Rural category. As such, Aberdeenshire has a

high proportion of households living in off-gas areas, with limited fuel choices and also in older 'hard to treat' properties. While Aberdeenshire remains a relatively wealthy area, there are nevertheless pockets of deprivation and rural isolation. Energy Efficient Scotland⁶⁷ is a 20-year programme containing a set of actions aimed at making Scotland's existing buildings near zero carbon wherever feasible by 2050, and in a way that is socially and economically sustainable. Energy Efficient Scotland delivers across two key policy areas - fuel poverty and climate change. Because of this it has two main objectives:

- Removing poor energy efficiency as a driver for fuel poverty.
- Reducing greenhouse gas emissions through more energy efficient buildings and decarbonising our heat supply.

By 2040, all Scottish homes will be EPC C (where technically feasible and cost effective). In the social rented sector landlords have been working towards this already. In the private rented sector properties will be required to meet EPC by 2022 and EPC D by 2025. The government is now consulting on its ambition for the private rented sector to reach EPC C by 2030.

Owner occupiers (largest sector) will take the longest time to bring properties up to standard – 2040. Consultation is underway on the intention to consider the role for requiring action to improve owner occupied properties in the later stages of the programme. The council is already investing heavily in its own social housing stock to meet the Energy Efficiency Standard for Social Housing (ESSH) tackling both climate change and fuel poverty by 2020.

Households of all tenures across Aberdeenshire have access to practical advice to change behaviours to reduce energy usage through its contract with SCARF. In recent months this has been targeted to those who are most likely to experience challenges as a result of COVID-19. This needs to be expanded



out to everyone in light of the cost-of-living crisis.

Rent Arrears/Evictions

In line with restrictions on evictions introduced by the Scottish Government in response to the Pandemic, Aberdeenshire Council has not evicted any tenants since the start of the Pandemic. Similarly, the number of properties abandoned during the year reduced compared to pre-Pandemic levels. However, the moratorium on Evictions has resulted in a number of cases building up a significant **level of arrears**, which will have to be addressed. Tenants are being encouraged by Housing Officers to seek specialist support and assistance. A member-office working group has the remit of identifying a rent strategy for 2022/23 that balances the ongoing challenges of the Pandemic for tenants with the need to fund improvements and services from the Housing Revenue Account.

Implementing Aberdeenshire Council's digital strategy is likely to further embed digital ways of working within the public sector and increasingly move transactional-based services online including those within Housing. The council and other providers must make sure their services are equally accessible to all and not consign those who do not use the internet to second class services.

The draft Gypsy/Traveller Site Provision Strategy 2020-2025 aims to increase provision of Gypsy/Traveller sites in the central and south Aberdeenshire areas.

Potential Governance Implications

Fairer Scotland Duty will impact on issues such as planning applications for affordable housing. Access to services and transport will have to be considered and reasons given for decisions made.

Housing to 2040 commits to a new requirement from 2021/22 that all new build social rented homes delivered through the Affordable Housing Supply Programme are digitally enabled. Digital connectivity will be included in the review

of the Social Charter in 2021 and will be included in the consultation on the new Housing Standard to see how it can be made available in all homes, no matter what tenure.

Child Poverty

The Scottish Government has just published The Tackling Child Poverty Delivery Plan. It includes actions to tackle fuel poverty and keeping rents affordable. There are similar actions in the Housing Strategy and SHIP so any work already underway will complement them. Aberdeenshire's Child Poverty Action Plan identifies that child poverty after housing costs is highest in the Banff and Buchan and Buchan areas. The SHIP identifies up to 531 affordable homes to be developed in these settlements, of which 483 will be targeted for social rent. These properties will meet the energy efficiency standard for social housing and will complement the significant investment from the Council and local RSLs to meet the standard for its existing stock.

The Child Poverty Action Plan also highlighted the increased inequalities that those with a disability or medical condition have faced as a result of COVID-19. The commitment in the SHIP to support independent living by ensuring that a minimum of 15% of new affordable homes are suitable for those with particular needs will contribute towards reducing these inequalities. These combined efforts across new build, fuel poverty and independent living will help to close the inequalities gap and improve the life chances for children and their families living in poverty.

Another action under 'Income maximisation' would see low-income families claim council tax reduction. This may have financial implications for the authority. The use of Local Energy is something that could be investigated with a view to combatting fuel poverty in more urban areas.

Risks in terms of Housing

There is a risk that the Council will be unable to meet Affordable Housing targets



due to the availability of suitable land and the budget implications of new build on the business plan.

The increase in rent arrears due to COVID-19 will also impact upon the ability of the authority to fund various planned works. The Council is reviewing its Housing Revenue Account Business Plan in light of these pressures. Housing is closely linked to the success of the Aberdeenshire Health and Social Care Strategic Plan 2020-2025. Lack of funding for housing adaptations/support could impact on the capacity of the service to meet the expected demand due to a rise in the number of people living with dementia

Capital investment costs will be affected by COVID-19 as social distancing is embedded into working practices, while there be some challenges around the supply chain and labour, which in turn may also be affected by exit from the EU. This will affect both housing improvement and new build programmes.

Lack of knowledge of the state of repair of owner owned housing particularly for older people in particular in relation to energy efficiency makes it harder to identify owners who could apply for grants to make improvements.

The following sections consider infrastructure and other issues as they pertain to Climate Change and other environmental matters in Aberdeenshire and beyond.

Global Context

The concentration of Greenhouse Gases (GHGs) in the atmosphere has been increasing since the beginning of the industrial era – and at an accelerating rate – largely as a result of human activities. Emissions of GHGs caused by human activity, particularly carbon dioxide (CO₂), is the primary driver of the observed changes in climate. Increasing global temperatures will result in continued melting of ice caps, glaciers and sea ice, changes in rainfall patterns, and a further

rise in global sea levels by the end of this century⁶⁸.

Locally, the increasing incidence of abnormal weather may lead to more frequent flooding events in vulnerable areas and may affect crop and other agricultural output over time.

Policies:

The COP26 Agreement, to which the UK and Scotland subscribe, came into effect in November 2021. The agreement - although not legally binding - will set the global agenda on climate change for the next decade:

Emissions:

It was agreed countries will meet next year to pledge further cuts to emissions of carbon dioxide (CO₂). This is to try to keep temperature rises within 1.5C - which scientists say is required to prevent a "climate catastrophe". Current pledges, if met, will only limit global warming to about 2.4C.

Coal:

For the first time at a COP conference, there was an explicit plan to reduce use of coal - which is responsible for 40% of annual CO₂ emissions. Aberdeenshire Council has begun replacing open fireplaces with new quantum electric heating. This meets the legislative requirements of the Scottish Government in its drive towards Net Zero.

In December 2020, the Scottish Government published its Climate Change Action Plan update reflecting the new reduction targets in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 ('the Act') as:

- at least 75% lower than the baseline year by 2030
- at least 90% lower than the baseline year by 2040
- Net Zero by 2045 ('Net zero' refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere)



The Climate Change Plan update includes a number of transformational commitments to deliver on both emissions reduction targets and ensure a green recovery. It includes:

- £1.6 billion for heat decarbonisation over the course of this Parliament
- a commitment to plant 18,000 hectares of new woodland each year by 2024
- a commitment to restore at least 250,000 hectares of peatland by 2030
- a £100 million Green Jobs Fund, to provide investment to support low-carbon businesses, including the creation of a Green Workforce Academy
- a £180 million Emerging Energy Technologies Fund to support the development of hydrogen and CCS and add impetus to the development of Negative Emissions Technologies
- an aim to reduce the number of kilometres travelled by car by 20% by 2030
- a commitment to phase out the need for new petrol and diesel cars and vans by 2030
- a £120 million investment in Zero Emissions Buses, driving forward a fully decarbonised future for Scotland's bus fleet and supporting the Scottish supply chain
- an investment of £50 million to create Active Freeways, providing a sustainable link between our towns, cities and some of our most beloved national landmarks

Aberdeenshire Council Carbon Budget

Aberdeenshire Council has utilised a Carbon Budget process since 2017/18 as a method to plan and manage emission reduction across the organisation.

The Carbon Budget underpins the longer-term Plan with actions in the short term aimed at meeting the Council's target of a 44% reduction in carbon emissions by 2025. Aberdeenshire Council is now in a position to consider an ambitious change has amended the current emission reduction target to 75% by 2030 and Net Zero by 2045 in line with the Act.

If a new target of 75% by 2030 is to be realised, as per the proposed Climate Change Declaration, then the required linear reduction would set a Carbon Budget of 52,145 tCO₂e for 2020/21. The figure achieved was 45,281 tCO₂e.

The total emission reduction in 2020 – 2021 also demonstrates the impacts COVID-19 has had on the Council's emissions where a large decrease was evident in electricity use from the Council's operational buildings, fuel from fleet vehicles and business miles claims (personal vehicles, trains, flights). However, impacts of COVID-19 on 2021 - 2022 emissions are likely to demonstrate the challenges in relation to the guidance on improving air quality in Council buildings. Windows are required to be opened more to improve ventilation with the result being increased energy use through heating.

In August 2021 a project outline for developing a Road Map to 2030 which will consist of a costed Carbon Budget, meeting the target of 75% reduction in carbon dioxide equivalent (CO₂e) emissions by 31 March 2031 was agreed at committee.

Actions have already been identified in each Directorate totalling an overall 1,219 tCO₂e reduction at this time. During 2022/23 further CO₂e savings of 1,445 will be developed to meet the reduction target of 3,400 tCO₂e.

The annual reduction requirement for Aberdeenshire Council will be to identify projects which will save 2500 tCO₂e each year. This will ensure the Council stays on track to reach its target and takes into consideration the decarbonisation of the grid and progress to date.

Risk Factors Associated with the Carbon Budget

Outlined below is a non-exhaustive list of risks, budget pressures and significant developments which may negate the efforts of Aberdeenshire Council to meet its Carbon Budget for 2022/23 and beyond:



- Calculations of emission reductions are a best estimate with the data available therefore all calculations must only be considered as an estimate. Any changes in consumption or emissions data will be monitored and reported on at the appropriate time.
- In some cases, full CO₂e savings of actions listed will not be fully accounted for until the following financial year. Part year savings may need to be considered if there are delays in projects being put into action. This would mean that projected savings would be less than originally calculated and therefore action elsewhere may be required to make up the difference. This can be captured and considered during the quarterly update process with appropriate action taken if needed.
- There have been significant impacts due to Brexit and COVID-19 which have delayed roll out of projects. These impacts are likely to still be of concern in 2022 - 2023 and include: Paused projects due to short staffing and the prioritisation of COVID related work; Unusual demands on energy consumption across the estate altering typical and known patterns of usage; Increase in general waste due to additional cleaning needs; Issues with materials and contractor supply chain. Many climate change mitigation actions require behaviour change by staff and members across the organisation. To be successful this will require both top down and bottom-up visible action and support across all services. This can be monitored through regular updates to Strategic Leadership Team and service team meetings.
- Funding through the Renewable Energy Reserve has motivated services to consider opportunities for investing in projects which will reduce their carbon emissions. All monies within this fund are now nearly allocated to projects so a new funding stream or ways of seeking funding opportunities must be taken on board for continued progress in investment in climate change mitigation and adaptation.
- Changes in climate change mitigation and adaptation legislation will need to be monitored and targets adjusted to meet any additional statutory requirements. This will continue to be monitored by the Sustainability & Climate Change team and reported on to the Sustainability Committee. An example of this is the latest target of zero direct emissions from Public Sector buildings by 2038.
- There is a political risk associated with not meeting the Council's agreed emissions reduction target. The Carbon Budget process of Aberdeenshire Council is recognised as best practice by public sector organisations and should continue to be the process used for supporting progress towards the Council's reduction target. Reporting on emissions is a mandatory requirement through the Public Bodies Climate Change Duties and therefore allows the Council to monitor and assess its progress on an annual basis. This reporting is monitored by the Sustainability Committee.
- Changes to regulations, introduction of carbon taxes etc. are ways in which there may be a future added cost to not working towards reducing the Council's emissions now. Similarly, not considering impacts of future climate predictions for the region when retrofitting and building new could mean dealing with reactive costs instead of investment being in place already.
- The development of the Route Map 2030 and Toolkit for generating a Marginal Abatement Cost (MAC) curve will support the need for the Carbon Budget to become better integrated with the financial budgets. This will provide members with a clearer link in demonstrating the costs and savings being met through carbon saving initiatives. This will be an important step in assisting the Council to make decisions that allow it to meet its emission reduction targets in the most cost-effective way. This requires cross



service working to ensure savings are captured correctly and will remain an ongoing process.

- Reaching the required reduction target of 75% by 2030 and net zero by 2045 will require innovation and investment as well as a desire within leadership and across the organisation to continue to progress towards this new ambitious target. There is a reputational risk if this is not achieved and therefore progress will continue to be monitored by the Sustainability & Climate Change team and reported on to the Sustainability Committee for appropriate action.

However, changes to the way services are being provided, and with many buildings closed for an extended period of time, there is an opportunity to try and capture savings made through these necessary changes during this challenging time.

Aberdeenshire Council Policies and Other Developments

Built Heritage:

The Built Heritage Strategy 2021-24, Archaeology Strategy and the Historic Asset Management Project (HAMP) help to protect the Council's historical environment. There are over 500 assets covered by HAMP. The Project is in its fifth year and this year saw all the assets resurveyed to assess their condition. The condition survey information identifies priorities for maintenance. £2,362,333 was invested on heritage schemes in priority regeneration areas in Fraserburgh, Banff and Peterhead. With a renewed emphasis on climate change and the circular economy, discussion has been ongoing with the Sustainability Team about the future of the store and in particular to consider possible ways forward to keep the store operational as the purpose of the store was still felt to be credible.

Local Development Plan 2020⁶⁹:

The National Planning Framework and Scottish Planning Policy (SPP) identifies four planning outcomes to support the general vision for the planning system in

Scotland that we adopt: "We live in a Scotland with a growing, low-carbon economy with progressively narrowing disparities in well-being and opportunity. It is growth that can be achieved whilst reducing emissions and which respects the quality of environment, place, and life which makes our country so special. It is growth which increases solidarity – reducing inequalities between our regions. We live in sustainable, well-designed places and homes which meet our needs. We enjoy excellent transport and digital connections, internally and with the rest of the world".

These four outcomes are as follows:

- **Outcome 1:** A successful, sustainable place – supporting sustainable economic growth and regeneration, and the creation of well-designed, sustainable places.
- **Outcome 2:** A low carbon place – reducing our carbon emissions and adapting to climate change.
- **Outcome 3:** A natural, resilient place – helping to protect and enhance our natural and cultural assets and facilitating their sustainable use.
- **Outcome 4:** A more connected place – supporting better transport and digital connectivity.

The Local Development Plan helps promote Aberdeenshire as:

- An area with a high quality of life and distinctive places, and where new developments are designed as effectively as possible to improve this and help deliver sustainable, low carbon places.
- An area that promotes sustainable development that reduces the need to travel, reduces reliance on private cars and promotes safe and convenient active travel opportunities.
- An area where natural and cultural heritage are protected and enhanced, and where we recognise the multiple benefits of local green spaces and networks as an integral component of successful placemaking.



The pending Local Development Plan (2022) and the next and future 'new look' Local Development Plan (2027) (incorporating National Planning Framework 4 and Scottish Planning Policy (SPP)) and other related plans including Local Place Plans will focus on and become a fundamental part of a mechanism that aligns carbon reduction policies across the North East of Scotland.

Aberdeenshire Council are working to further embed adaptation, future proofing and resilience throughout services and communities. Some examples of actions already underway across services include: The proposed new Local Development Plan has identified climate change adaptation as an element of their vision and plans include flood risks and prevention. Aberdeenshire Council services are also working with partner organisations to adapt to climate change, assess risk and implement actions. This includes our Environmental Health Services working with SEPA to manage drought in the region due to higher temperatures and heat spells. In addition, an Integrated Impact Assessment which examines the impacts of proposals on climate change adaptation has been introduced and requires consideration for every Committee report.

Waste Strategy:

The focus of the 2019-2023 Waste Strategy is the Waste Hierarchy and Circular Economy. The main aim of a circular economy is to revolutionise the way in which products are designed, used, re-used, repaired and recycled. In 2017 the recycling rate in Aberdeenshire was 43.7% - lower than the Scottish average and below the 70+% that extensive waste analysis indicated. The strategy is aligned with the Scottish Household Recycling Charter making the service fit for any future policy changes.

Following approval to accept the grant funding offer from Zero Waste Scotland for a new 180 litre bin for mixed containers which will see a change in kerbside waste, a revised collections from a 2 weekly to a 3 weekly collection cycle has been

introduced. This new cycle is expected to divert between 1,249 and 6,434 tonnes of material into recycling, increasing the council's recycling rate from 44% in 2019 to 45-49% by 2023. Estimated annual revenue savings to the council are anticipated to be in the region of £700,000.

Aberdeenshire Council has already committed to reducing its consumption of resources in support of circular economy principles and zero-waste through its Environmental and Climate Change Policy.

The Resources and Circular Economy Commitment has been carefully developed to provide clear direction for the local authority as it strives for greater sustainability and responsibility in the way it considers, purchases and manages physical resources, and towards supporting a more circular economy. The transition to a society and economy in which fewer resources are consumed and wasted will benefit our environment, economy and communities⁷⁰.

Additionally, Aberdeenshire Council supports the introduction of a Scottish Government's Deposit Return Scheme (DRS). The scheme increases the quality and quantity of materials captured for recycling and reduces litter. In the main DRS is expected to have positive impacts for Aberdeenshire in terms of increased recycling and reduced litter. It also provides opportunities for income generation for the Council and 3rd sector organisations and has the potential to fundamentally change societal attitudes to bottles and other relevant drinks containers⁷¹. Although delayed due to COVID-19, implementation is expected to go live in 2023 with a target of achieving 90% collection rates by 2024.

The Council continues to support the Energy from Waste project which is expected to become operational in 2022. This is the 'last resort' for waste material that cannot be dealt with in different ways. The plant will take the Council's residual waste and will allow it to comply with the



landfill ban due to come into effect in 2025.

Council's Fleet

Action continues to be taken to decarbonise the Council Fleet and it forms part of the Council's Route Map to 2030 and beyond. The Scottish Government's Programme for Government 2019/20 commits to phasing out all petrol and diesel cars from public sector fleets and removing the need for any new petrol or diesel light commercial vehicles by 2025. Considerable work has been undertaken by the council to consider the challenges associated with decarbonising the Council fleet to meet the regulatory timescale.

Aberdeenshire Council's Fleet Services Strategic Plan 2020-2030 is based on the requirement to phase out the need for all new petrol and diesel vehicles in the fleet by 2030.

In order to achieve this there will need to be significant changes to the vehicles operated by the Council and how/where they are used by Services. This will require specific Capital and Revenue support to be put in place which will ultimately see a modern ultra-low emission fleet supporting Council teams. To that end, the Fleet Services Strategic Plan sets out Aberdeenshire Council's approach.

The strategic objective is:

"The provision of optimised Fleet Management planning and service to Aberdeenshire Council Services to enable the Council to achieve its priorities and objectives".⁷²

Fleet Services will focus on supporting frontline operations in the most efficient way and this strategy aims to improve on that with a drive towards continued improvement, cost savings and the introduction of a more environmentally friendly fleet.

The role of Fleet Services is to support all other Services both in the long term as the Council negotiates a changing environment and in the day-to-day

operations of their services through the delivery of efficient, reliable and safe fleet assets.

Given the robust process involved in producing strategic plans within Aberdeenshire Council, a number of risks were identified. These include budgetary, workforce, and climate change risks:

- **Budget Pressure Risk:** Alternative vehicles are not currently available or are currently unaffordable preventing the Council making progress into decarbonising the fleet, from 2025 a higher number of vehicles will need changing and will have an impact on budgets.
- **Budget Pressure Risk:** Charging infrastructure is insufficient to support a rapid change to electric vehicles and will require investment. Other alternatively fuelled vehicles such as CNG or Hydrogen are in their infancy and expensive, refuelling stations for these options are complex, expensive and take time to construct.
- **Workforce Risk:** Attracting, training, and retaining technicians to service and maintain Ultra Low Emissions Vehicles.
- **Climate Change Risk:** Delays in decarbonising the Council fleet will result in the Council not achieving a reduction in CO2 emissions from its fleet and emission targets will need to be revised to reflect this.

Hydrogen Technology:

Aberdeenshire Council is one of several local and international partners associated with the Hydrogen Transport Economy project⁷³. This seeks to accelerate the adoption of hydrogen as an alternative energy solution in the North East region.

The H2 Aberdeen initiative⁷⁴, for instance, aims to stimulate innovative hydrogen projects, advance the take-up of hydrogen technologies and position Aberdeen City Region as a centre for excellence in terms of hydrogen technology.

Delivery of the H2 Aberdeen vision will further enhance Aberdeen City Region's



reputation for energy innovation, and support Scotland's ambitions to become a world-leading destination for investment in renewables and low carbon energy.

Local Climate Impact Profile (LCLIP):

A Local Climate Impact Profile (LCLIP) was completed in February 2019 covering the years 2011-2018. The purpose of an LCLIP is to portray the ways that Aberdeenshire Council's services are affected by weather events through drawing together evidence from interviews, media articles and internal documents following the LCLIP framework. The main recommendation that came from the LCLIP was that Aberdeenshire Council should consider developing a Climate Change Adaptation Strategy that outlines how it can build capacity to manage the opportunities and threats associated with a changing climate. The strategy development is currently underway in its early stages of research.

North Sea Commission:

Internationally, Aberdeenshire Council remains committed to its membership of the North Sea Commission. The Team Leader for Sustainability and Climate Change was recently appointed an Advisor to the Energy and Climate Change Group and is involved in the development of the new strategy for 2030 which prioritises, among other things, a climate neutral North Sea region. Collaborative action on mitigation and adaptation across regions that border the North Sea is another key area the Council must remain engaged in as it supports Scotland's climate emergency⁷⁵.

Wider Local Context

The Carbon Budget 2020/2021 relates to Aberdeenshire Council's own emissions and not to the wider community or business emissions that relate to the area of Aberdeenshire. Work being done on the North East Scotland Sustainable Energy Action Plan (NESSEAP) will capture this separately alongside Climate Ready Aberdeenshire the new climate change mitigation and adaptation strategy which is in its very early stage of development.

However, latest data suggest carbon dioxide (CO₂) emissions in Aberdeenshire, as across the country, have decreased since 2005. That fact notwithstanding, **Aberdeenshire persistently records higher per capita emissions than Scotland as a whole**, largely due to the domestic and transport sectors⁷⁶.

Aberdeenshire's high *transport* emission rate per capita is likely due to a number of factors, including: a relatively strong regional economy, close proximity to a major industrial hub (Aberdeen City), high vehicle ownership among residents, and an expansive geography – Aberdeenshire is the fourth largest local authority in Scotland and contains the 2nd highest number of settlements; a number of settlements are relatively large and rail infrastructure is not as extensive as in other parts of the country. Consequently, Aberdeenshire is in the top five local authorities with the highest traffic volumes.

The high *domestic* emission rate per capita suggests Aberdeenshire homes are relatively *energy inefficient*. The high incidence of fuel poverty in the area also supports this theory. Aberdeenshire's domestic consumption of petroleum products and coal may be a factor: Aberdeenshire accounts for nearly 2% of the UK's total consumption of petroleum products within the domestic sector, and over 1% of the UK's domestic sector coal consumption⁷⁷. **These are disproportionately high figures** given that Aberdeenshire accounts for just 0.4% of the UK population. However colder and longer winter weather and house build materials (granite with no cavity walls to insulate) will account for much of this.

High domestic consumption of petroleum products and coal may also be due to the fact that a relatively large proportion of Aberdeenshire's households are not connected to the gas network – gas is a 'cleaner' energy source than petroleum products or coal. Solutions other than gas are available. For example, much of the domestic energy demand could be met through renewable technologies – Solar PV and Solar thermal panels for electricity



and hot water, and heat pumps for efficient heat generation – yet few new major housing developments currently offer these, even as options. In order to be feasible, more work needs to be done to quantify demand, available resource, and cost of production⁷⁸.

Consequences of COVID-19 on Energy Consumption In Scotland (and latest data)

As a result of the **COVID-19 lockdown, electricity use** in Scotland declined significantly. Since lockdown until the end of phase 1, average daily electricity demand in Scotland in **2020** was **16% lower** than the equivalent period in **2019**. In 2020, average daily demand was **24% lower after lockdown** than before. Even though more people are working from home, the presumed increase in domestic consumption is more than offset by the inactivity from non-essential commercial and industrial premises.

Renewable electricity generation in Q1 2021 in Scotland dropped for the first time since 2016 – 8.8 TWh were generated between January and March 2021. This is down 24% on the same period last year, and is likely due to decreases in wind and rain levels compared to previous years. Renewable electricity capacity has levelled off after a consistent upward trend since 2000.

In March 2021 Scotland had 11.9 GW installed capacity, up just 0.2 GW from June 2020. However, there is a further 14.6 GWh of renewable electricity capacity at various stages of development in the pipeline.

In 2019, each kilowatt hour of electricity generated in Scotland added an estimated 40.9 grams of carbon dioxide into the atmosphere (gCO₂e/ kWh). This remains below the 50 gCO₂e/kWh ambition for 2020 outlined in the Climate Change Plan. However, remains above the 2017 low of 22.9 gCO₂e/kWh. This is due to increased fossil fuel generation to compensate a fall in nuclear generation since 2017.

Natural Environment Strategy and Action Plan:

The Natural Environment Strategy and Action Plan has now been revised and awaits approval. It sets out how the Environment Team in Planning will work to protect and promote our natural heritage. The strategy covers natural heritage work in relation to development management, tree protection, site management, biodiversity and partnership working. In addition, North East Scotland Biological Records Centre (NESBReC) maintains a database of biodiversity information and uses this to provide comments and advice to developers.

Biodiversity

The planet is facing a Biodiversity Emergency. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Report on Global Biodiversity and Ecosystem Services 2019, concludes that nature and its vital contribution to people, which combines both biodiversity and ecosystem services, is deteriorating worldwide at an increasing rate.

The First Minister of Scotland recently highlighted that “Biodiversity loss and the climate crisis are intimately bound together: nature plays a key role in defining and regulating our climate and climate is key in shaping the state of nature.”⁷⁹

Climate change has severe direct and indirect impacts on biodiversity and is predicted to be a dominant driver of future biodiversity loss. At the same time, the loss of biodiversity magnifies the adverse effects of climate change. Biodiversity protection and climate change mitigation are strongly co-dependent. Managing and protecting biodiversity will mitigate the negative impacts of climate change and help humans adapt to it; policies and actions aiming at limiting the effects of climate change will contribute to the protection of biodiversity.

Local Biodiversity Work:

Many aspects of Aberdeenshire Council’s work contribute to the protection and



enhancement of biodiversity⁸⁰. For example, the work of Infrastructure Services through its roles in development management (Planning), flood risk management, roads management, the Rangers service and greenspace management. The Education Service and the schools of Aberdeenshire develop and administer educational programmes which promote engagement with and awareness of biodiversity. The work of Economic Development promotes Aberdeenshire's natural heritage both within and out with the region.

The Parks and Open Spaces Strategy deals with a number of themes but one of its aims is to drive up biodiversity across the 3,000 hectares of open space controlled by the Council.

Aberdeenshire Council employ two Green Space Officers with the specific remit of driving forward the biodiversity agenda. The creation of biodiversity champions has also raised awareness of biodiversity issues with Council Members. Aberdeenshire Council is involved in several partnerships that seek to enhance biodiversity in the region.

Additionally, the proposed Aberdeenshire Local Development Plan 2020 (following adoption it will become the ALDP 2022) identifies a range of policies that aim to protect and enhance environmental quality in the local development plan area. Notably Section 10 of the Plan, which covers policies that specifically relate to Natural Heritage and Landscape. The Local Development Plan will guide future development within the area.

Biodiversity also feeds into the organisation's formal decision-making structure. For example, the Sustainability Committee reports to Full Council and has a remit for issues related to environment, sustainable development and climate change.

The Forestry, Biodiversity, Water and Landscape Cross Team Working Group also allows for discussion on relevant issues and ensures a consistent approach

across Aberdeenshire Council areas and Services.

Aberdeenshire Council identified several challenges in relation to biodiversity work over recent years. These will likely remain a consideration in future years. These challenges include:

- **Pressure on Council budgets.**
- **Land use for built development.**
- **Climate Change.**

Forward Look

Awareness of how society has changed may require professionals to learn new skills, gain greater insight into issues, such as health inequality, transport poverty and social justice. There are opportunities to improve transport & public health including:

- Take steps to formalise a link between known health inequalities and the geographies in which transport partners develop active travel
- Strategically sustain and expand the capacity of community transport organisations
- Health and social care delivery will change and links between these developments and transportation teams need to be managed strategically
- In a Grampian context can more be done to audit the levels of perceived transport poverty and its impacts?

Infrastructure Improvements

An historic deficit in infrastructure spending needs to be addressed. Aberdeenshire will need to ensure that infrastructure and digital improvements continue to be made and are future proofed so that the area can take advantage of improvements in technology infrastructure in order remain an attractive place to live and work. The pandemic has shown us that **if an employee can work from home, then the home location of the employee is not key to their employment.**



Quality, speed and extent of connectivity will be increasingly important factors in improving the prospects for economic recovery and business in the future, including where companies decide to expand or locate new facilities or employ home based employees.

Digital service sectors have evolved along many different paths, but they have certain key attributes in common: **adequate digital infrastructure, technology-literate end-users, technology talent with entrepreneurial spirit, and a friendly business environment**, some of which may be influenced by local policy makers. Digital connectivity is an essential enabler of growth, productivity and inclusion. The crisis has confirmed the foundational importance of digital technologies in all aspects of our lives, and enhanced investment will likewise be a foundation of economic recovery and a robust and resilient wellbeing economy.

The Advisory Group on Economic Recovery has been established by the **Scottish Government** to provide independent expert advice on supporting the sectors and regions of Scotland's economy to recover from the impact of COVID-19. Its report⁸¹ published June 2020 warns that Scotland faces an economic challenge of monumental scale. Employment and Education are at the heart of the plan, while accelerating action to tackle inequality.

One of its guiding principles (8) states '**We must restore employment, by prioritising a green investment and education-led recovery, with a prominent role for digital technologies**'. An inclusive approach to IT infrastructure is required to ensure social mobility as both study and work feature higher use of digital platforms and creative solutions to unused office space in the medium term, and a proactive approach to the consequent drop in business rates which will impact local authority budgets as remote working patterns normalise.

One of the most striking changes that may come out of the crisis is the normalisation

of digital learning. In future there may be more opportunities for digital learning so that school pupils and university students do not lose learning time.

Aberdeenshire Council are one of the main employers in the region and continue to promote flexible working among the workforce. Service transformation will require access to high speed, reliable broadband for the authority, households, and organisational partners. Mobile connectivity is important to rural areas but the existing underlying infrastructure limits delivery. In order to provide fast, efficient, low-cost services that residents will use trust and use a reliable digital offering in Aberdeenshire needs to be available.

The authority's Digital strategy is a five-year strategy that sets out the priorities and commitment to optimising digital technology to improve our business, enable economic growth, support the environment and benefit residents whilst ensuring no one is left behind. It sets out high level goals underpinned by core principles - aligned to overarching Council priorities. An accompanying roadmap will be a key element for the delivery of this document.

Investments in both digital and transport improvements will also support the work (and Aberdeenshire's funding) of Visit Aberdeenshire to sell Aberdeenshire as a world class tourist destination be it for food lovers, culture and heritage buffs or adventure seekers.

Aberdeenshire is popular with tourists and areas in which the Council can assist include the provision of signage for tourist facilities and attractions e.g., brown traffic signs, tourist trails etcetera. Funding may be required, however signs for roadside picnic areas of a satisfactory standard providing a resting opportunity for motorists will be provided and paid for by Aberdeenshire Council on road safety grounds. A policy – 'Signing of tourist facilities and attractions' was agreed in November 2021. With the increased interest in 'staycations' access to facilities such as car parks, toilets and fuel



(including EV charging points) is important for both visitors and local communities.

Cross boundary issues in transport supports a regional approach to transport policy. This is true whether it is an urban area where commuting is a key consideration and in rural areas where remote accessibility and lifeline services are key considerations. As the recent lockdown proved, households still need food and pharmacy deliveries, waste collections maintained, and in some instances access to hospitals i.e., **connectivity both physically and digitally** is required. The transport strategies will assist with maintaining connectivity physically and the plans to have ultrafast connectivity for business premises should provide the backbone hubs for residential superfast connections in the Aberdeen CRD area.

Ultrafast broadband is virtually non-existent in Aberdeenshire and the North East generally, albeit a similar story may be said of most regions in Scotland. Ultrafast broadband to mobile masts will likely improve mobile coverage, an important consideration in an increasingly mobile world – nearly 95% of adults in the UK own a mobile phone, smartphones have overtaken laptops as internet users' device of choice, and there are now more mobile devices than people⁸².

World class digital infrastructure is also fundamental to the Aberdeen City Region Deal (CRD) in supporting the delivery of the objectives of the Oil and Gas Technology Centre and the export and internationalisation aspirations of the sector, as well as facilitating the effectiveness of the Hubs for Innovation in Life Sciences and Food and Drink⁸³. It will also be required for the proposed Freeport in the area.

Plans to provide ultrafast connectivity for business premises should also lay the 'vital spines' for residential superfast connections in the Aberdeen CRD zone (effectively the Aberdeen Housing Market Area)⁸⁴.

Failure to support the development of ultrafast infrastructure will likely result in a **market failure situation**. It will increase delivery costs for public bodies, inhibit business competitiveness, and diminish the attractiveness of Aberdeenshire as a place in which to live, work, and invest at regional, national, and international levels – critical elements to consider in what is increasingly a global economy⁸⁵. The COVID-19 crisis has confirmed the foundational importance of digital technologies in all aspects of life, and enhanced investment will likewise be a foundation of economic recovery and a robust and resilient wellbeing economy.

Risks in terms of transport links

The effect of budget cuts at a regional and national level may impact on future planned infrastructure improvements. In addition, there may be reluctance on the part of operators to get involved following the collapse of Carillion while working on the AWPR.

Alternative vehicles are not currently available or are currently unaffordable preventing the Council making progress into decarbonising its fleet, from 2020 a higher number of vehicles will need changing and have an impact on budgets. The current charging infrastructure is insufficient to support a rapid change to electric vehicles and will require investment. Other technologies are still in their infancy and expensive with complex, expensive refuelling stations which will take time to construct.

With an aging population set to increase over the next few years, lack of mobility could lead to increasing loneliness and isolation which in turn can lead to poor physical and mental health making it difficult for the CPP to deliver priority 3 of the LOIP – connected and cohesive communities.

Regional Economic Strategy Action Plan and Energy Transition

Sustainability is a key theme within the Action Plan, spanning economic diversification to deliver a broader economic base, opportunities associated



with the circular economy, carbon capture and storage, and energy transition as the oil and gas industry and its supply chain evolves to a lower carbon future. The region's natural assets and clean environment are also its economic assets and therefore must be safeguarded to support the region's sectors particularly tourism, food, drink, agriculture and fisheries.⁸⁶

Community Climate Action Hubs

The North East Scotland Climate Action Network (NESCAN) Hub is a **regional community climate action support hub**, fully funded by the Scottish Government, which has grown out of a wide network of community climate action groups in Aberdeen City and Aberdeenshire. Its vision is to contribute to the creation of a flourishing, connected and sustainable North East Scotland through the provision of dedicated training, help and support for community led climate action.

The airline industry has been under pressure for some time and the impact of COVID-19, increasing fuel prices and climate change concerns has put more pressure on operators. It is not clear how Aberdeen airport will adapt to the challenges in the mid to long term.

Fuel Poverty

There will be many challenges in improving the energy efficiency of homes. The Scottish Government have been consulting on a proposal that no social rented homes should be let if their energy efficiency is lower than EPC D. **Time and funding could be an issue.** The council is taking steps to alleviate fuel poverty and private sector households are being encouraged to install energy efficiency measures by participating in Scottish government schemes. The Council was successful in receiving £15,322,000 in funding to improve energy efficiency in the private sector housing however there is currently no available government funding for individual home owners to access. Even with the proviso "where technically feasible and cost effective" this work is going to be expensive and time consuming to complete.

Keeping to timescale on the improvements to its own housing stock will be a challenge with demand for supplies outstripping demand nationwide.

North Sea Oil Industry & Future Energy Sources

Fossil fuels were expected to continue to play a significant role in the supply of energy in the near to medium term as the majority of energy use is currently provided by oil and gas. North Sea Oil & Gas is a diminishing resource. Funding for projects to reduce emissions in the North Sea Oil sector have been made available by both the Scottish Government and UK governments.

The SNP/Green Party coalition included commitments to a strengthened framework of support for the marine renewables and offshore wind sectors and to take forward a ten-year £500 million Just Transition Fund for the North East and Moray.

However, unless there is a change in policy oil and gas production looks set to continue and possibly increase. The war in Ukraine and the higher returns on investment in the oil and Gas sectors look set to encourage companies to continue drilling for oil.

This presents both challenges and opportunities. Continued support to retain the skills and transition the industry is vital for the North East economy. The engineering skills gained in working in the offshore environment should facilitate marine energy solutions that are both innovative and exploit the extensive energy resources offshore.

The Moray East offshore windfarm is one such example. The 950MW project will generate power at £57.50/MWhr – less than half the price of power generated by offshore windfarms today. It represents a step-change in the delivery of renewable power in terms of cost and scale. The 190-turbine windfarm, with an electricity substation near New Deer, will process enough renewable electricity to power up to 900,000 homes⁸⁷. It will lessen the



dependence on fossil fuels and improve the UK's security of energy supply as well as driving down costs for consumers⁸⁸.

The development is expected to produce renewable electricity for 30 years and will create nearly 2,000 jobs in the process.

However, this project notwithstanding, higher grid access costs associated with distance-to-electricity markets may undermine efficient conventional power generation and related potential CCS development. It could also inhibit the development of future technologies to exploit the extensive offshore energy resource.

Local Energy Systems

Unlike traditional energy generation (by burning fossil fuels such as gas or coal, for example), **renewable energy** is generated from natural sources that are continually replenished, such as sunlight, wind or waves. Scotland is committed to reaching net zero emissions by 2045. Local energy will play an important role in helping Scotland reach its net zero targets.

The Scottish Government's Scottish Energy Strategy sets its vision for the future energy system in Scotland and has set a target for Scotland to generate 2GW of locally owned energy by 2030. The Scottish Government's local energy policy statement contains a set of key principles and associated outcomes that represent the values it wishes to see adopted.

- **Community energy** is the delivery of community-led renewable energy projects, whether wholly owned and/or controlled by communities, or through partnerships with commercial or public sector partners. The Scottish Government views community-led energy projects as a priority within the wider local energy landscape.
- **Local energy** is more wide ranging, involving a range of different organisations (public, private, and community sector), who are delivering an energy service/project for the benefit

of local people operating within a defined geographical area.

- **Local energy systems** are ones which find ways to link the supply and demand of energy services within an area across electricity, heat and transport, delivers real value to everyone in local areas, and support the growth of vibrant, net zero local economies.

There are several projects already underway in the Aberdeenshire area⁸⁹.

The Local Energy Policy statement states that the way that energy will be generated and supplied and used will continue to change fundamentally in the coming years, and these changes will differ from place to place - based on local need and opportunity. In this transitional phase, the overall approach to energy is driven by the need to decarbonise the whole energy system. This is in line with Scotland's target to reach net-zero emissions of all greenhouse gases by 2045, set under the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

Strong Partnerships Required

Delivering the 2050 vision for energy in Scotland will require strong partnership between National and Local Government and the private sector to carry forward the various projects required.

Local authorities, the NHS and the public sector generally need to work more closely together on energy-related policies, and also need to engage more with the private sector⁹⁰.

There will always be a demand for transport in one form or another. The COVID-19 pandemic has led to a significant change in people's travel behaviours and uncertainty remains around future travel patterns including future attitudes to travel. As mentioned earlier every journey in Aberdeenshire starts and stops on a local road and the "permeability" that this extensive network provides is essential for a successful and prosperous Aberdeenshire. Many of the



issues that will be identified in the revised Local Transport Strategy will be new however it will keep the core principals from the 2012 LTS: the need to travel less, travel actively and travel effectively.

Looking ahead, one of the key actions will be to strengthen the relationship between health and road safety with the aim of reducing the burden of public health services and achieving the public health priority of a Scotland where we live in vibrant, healthy and safe places and communities, as well as Scotland's National Performance Health Outcome: 'We are healthy and active'.

Enabling Active Travel

With renewed interest in cycling and walking, the state of Aberdeenshire's roads and footpaths is important in providing safe routes, encouraging residents to maintain their new travel to work/exercise routines. Analysis shows that pre-COVID 19, around 70% of journeys to work across the North East were by car and 30% by sustainable modes (including 0.5% by bicycle). It will require significant enhancements to provision for walking, wheeling and cycling, along with other measures such as re-prioritisation of road space to increase the figure to 50% by 2040.

Road Maintenance: in terms of road repairs e.g., potholes, repairs are just as important to cyclists as they are for road users. The Council's Capital allocation for Cycling and Walking schemes funds new schemes only and does not contribute towards maintenance. The Council's Annual Status and Options Report in November 2021 identifies the budget necessary to maintain the current level of provision for Bridges and Structures, Carriageways, Footways, Street Lighting, Traffic Signals. Any reduction in expenditure would pose risks at a strategic level including – Economic Development, Road and Street-Active Travel and Climate Change.

Improvements to encourage more people onto bus and rail will help commercial operators and the public sector to further

invest in improvements to services therefore enhancing provision and helping to remove barriers to accessing employment, health, education and leisure opportunities

The Scottish Government's **Programme for Scotland 2020-2027** also outlines the commitment towards delivering on health, economic and environment goals by investing £500m over the next five years in active travel infrastructure, access to bikes and behaviour change schemes to promote walking, wheeling and cycling, in addition to a reaffirmed commitment to a £500m Bus Partnership Fund to support authorities' ambitions around tackling congestion so that bus journeys are quicker and more reliable, and more people make the choice to take the bus. The **Programme for Scotland 2021-20228** continues to support this focus under its action to 'Support a net zero nation'.

Health and transport issues have a bigger impact on those who are already disadvantaged. In coming years as the economic impacts of the pandemic, the changing travel patterns and social impacts unfold, it is important that both health and transport providers understand and proactively seek to understand where and how these issues contribute to multiple disadvantage and poor outcomes.

As new Transport Strategies emerge, there is more of an emphasis on such considerations that Health Transport Action Partners (HTAP) take steps collectively to inform and guide partnership working across road safety, equalities, accessibility, transport poverty and so on. As pressure on public finances increases, it will be important to maximise synergies between policy aims with a focus on outcomes. Again, partnership working will be key.

Section 75 agreements allow Local Authorities, prior to planning permission being granted to the land owner, to include a Section 75 agreement. The council should investigate the use of section 75 agreements to support non-car related



travel. Planning should innovate and lead the way into embedding new infrastructure into development to ensure that climate change targets are met.

Many older people are reluctant to claim the financial support which they are due and any pressure to claim online could pose an additional barrier to those who may need the help most. ***The council and other providers must make sure their services are equally accessible to all and not consign those who do not use the internet to second class services.***



4



Our Environment: Resilient Communities

Key Judgements

- Income inequality appears to be rising after a decline following the recession. With the projected increase in older people the number of pensioners in persistent poverty will rise increasing demand for support services and there are 5,105 households and 4,289 children classed as absolute low-income in Aberdeenshire. Increasing incomes through social security and benefits is a key driver of poverty reduction. The council and its partners should utilise the various take-up initiatives to ensure that all residents are aware of the services and benefits available to them.
- Experiencing or growing up in poverty affects people's lifelong decision-making style. People living in poverty make decisions based on coping with present stressful circumstances often at the expense of future goals. This means that people may not reach their true potential and never climb out of poverty.
- The pandemic led to many changes including increased use of automation in the workplace particularly in lower paid jobs. The importance of continuing to invest in lifelong learning and retraining cannot be underestimated.
- The Equality Act 2010 and related Public Sector Equality Duty and Scottish Specific Duties as well as the Fairer Scotland Duty together require public authorities to pursue and report on advancing equality and tackling inequality.
- Some people in Aberdeenshire are living in poverty due to low wages, high living costs, lack of accessible affordable childcare, transport and limited opportunities. Those who are not working overwhelmingly want to work, but face barriers to employment. Principally these are ill-health, transport and childcare, but also caring responsibilities for family members.
- Some parents worry about the impact poverty has on their children, particularly that they may be bullied because of the circumstances in which they live. They can also feel stigmatised when accessing services which can result in reluctance to access support in future. Children living in poverty frequently report feeling excluded and embarrassed, citing it as a key source of unhappiness, and worry about their parents.

Assessment of Issues

Poverty Definitions

Poverty is not clear cut so there are several measures available. The main figures used by the Scottish Government are referred to as **absolute and relative**

Poverty, measured before and after housing costs⁹¹.

Relative poverty generally means that a person cannot afford an 'ordinary living pattern'⁹² and are excluded from the activities and opportunities that an average person enjoys. A household is in



relative poverty (also known as relative low income) if its income is below 60% of the median household income. This measures spending power, so it counts incomes after taxes and benefits. Household incomes also take into account the number of adults and children who live there. There are different poverty thresholds for different household sizes. It is the most commonly used poverty indicator in Scotland.

Absolute Poverty

This measures whether incomes for the lowest income households, those living in households with equivalised net incomes of less than 60%, are changing in line with inflation (i.e., maintained over time).

Food Security

Food security is measured at a household level. Not everyone in the household may experience this in the same way. For example, a parent may have worried about running out of food or reduced their own meal sizes but protected their young children from this experience.

Combined low income and material deprivation is the percentage of households living in low income that lack certain basic necessities. Low income here is defined as equivalent net household income of less than 70% of the UK median household income.

Persistent Poverty is when a household is living in relative poverty for at least three years out of a four-year period. This measure is important because the longer someone is in poverty, the more it impacts on their health, well-being, and overall life chances. It is more damaging than brief periods spent with a low income, with the impacts affecting an individual through their lifetime.

The measures listed above are then looked at in two ways – **Before Housing Costs (BHC)** and **After Housing Costs (AHC)**.

The **work intensity** of a household is the ratio of the total number of months that all working-age household members have

worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

Fuel Poverty

A household is in fuel poverty if it spends 10% of income (including housing benefit or income support for mortgage interest) on all household fuels. Extreme fuel poverty is when the spend is more than 20%.

In work poverty

In work (or working) poverty refers to paid employment. At least one member of the household is in either full or low intensity part-time paid work, but where the household income is below the relative poverty threshold.

Current Status

The Scottish Government report: Poverty and income Inequality in Scotland 2017-2020⁹³ estimates that relative poverty rates in Scotland remain stable at 19% (1,000,000 people). This is lower than England and Wales (22% and 23%) respectively. These statistics do not yet tell us anything about the impact of the pandemic on poverty and income inequality. Poverty measured before housing costs is very similar between Scotland and the rest of the UK. However, measured **after housing costs** there are statistically significant differences in poverty levels, with lower levels in Scotland. Lower housing costs particularly in the social rented sector, are a key cause of the divergence. Other factors involved include:

- a higher proportion of people in Scotland live in the social rented sector and fewer in the private rented sector;
- weaker emergence of the private rented sector and stronger growth on the number of owner-occupiers who own their home outright.

After a period of stability in levels of poverty over the past decade most rates⁹⁴ have started to rise slowly. Income inequality appears to be rising after a decline following the recession. The cost-



of-living crisis with high fuel bills and food prices will only increase the inequality. Statistics show the incomes of poorer households fell further behind those of middle-income households in recent years, pushing more people into poverty. There is evidence to suggest that low-income households – especially families with children – are falling further behind. Median income has reached the highest level since reporting began.

Aberdeenshire has the fourth highest median income in Scotland and is £6,669 above the national average.

Most of the household income comes from earnings or social security payments. Higher income households receive a large proportion of income from earnings, and lower income households more of their income from social security payments.

Approximately 6.3% of Aberdeenshire's population (or 16,531 people) is income deprived⁹⁵. It is one of the lowest rates in the country but across Aberdeenshire it ranges from a low of 1% to 26% which is almost double the national average. Increases in the cost of living may exacerbate the situation for them.

In the revised SIMD 2020v2 there are 9 data zones with a total of 7,753 people in the 20% most deprived in Scotland. These are all found in the North East corner of Aberdeenshire – Fraserburgh and Peterhead.

Relative poverty is rising slowly. It is estimated that 17% of Scotland's population, or 914,000 people each year were living in relative poverty before housing costs in 2014-17 compared with 15% in the previous period. After housing costs, 19% of Scotland's population, or 1 million people each year, were living in poverty in 2017-20, the same as 2014-17. Poverty rates before housing costs in Scotland have been falling since the late nineties, but recent years' data suggest a slow increase since the recession. After housing costs, relative poverty rates have been rising since the all-time low from 2011-14.

Absolute poverty has fallen. After housing costs, 17% of Scotland's population were in absolute poverty. Absolute poverty amongst working-age adults remained broadly stable during the last fifteen years. In 2017-20, 17% of working-age adults were in absolute poverty after housing costs, and 14% before housing costs. This means that in 2017-20, there were 570,000 working-age adults each year in absolute poverty after housing costs, compared to 460,000 before housing costs. The gap between the before and after housing costs measure had widened in recent years and remained steady in 2014-17.

Questions on Food Security have only recently been added to the Family Resources Survey (2019/20), asking about whether people were worried about running out of food, had to reduce meal sizes or skip meals. There is little trend information available.

In 2019/20, 84% of the population lived in households with high food security. This means that 16% of people lived in households with marginal, low or very low food security. People in poverty were less likely to experience high food security: just 60% of those in relative poverty, and 59% of those in absolute poverty lived in high food security households.

The Best Start Grant consists of three different benefit payments: Pregnancy and Baby Payment, Early Learning Payment and School Age Payment. Best Start Foods is a prepaid card that can be used in shops or online to buy healthy foods like milk or fruit.

The payments you can get now will depend on:

- how far along in your pregnancy you are
- how old your child is

Best Start Grant and Best Start Foods are 2 separate payments. You apply for both Best Start Grant and Best Start Foods using the same form.



Child Poverty

Children are more likely to be in poverty across all measures compared to adults. A family is considered to be in poverty if they are living on:

- Less than **£333 a week, or £17,400 a year** for a single person with children aged between 5 and 14.
- Less than **£450 a week, or £23,400 a year** for a couple with children aged between 5 and 14.

The most recent child poverty statistics published by the Scottish Government show that in 2017-20:

- 24% of children each year were in relative poverty after housing costs
- 22% of children were in absolute poverty after housing costs
- 13% were in combined low income and material deprivation
- In 2016-20, 10% of children were in persistent poverty. This is a much lower figure than previously, but the furlough scheme will have significantly reduced the impact.

The Scottish Government's 2030 target for all the above is 5%.

Overall Aberdeenshire has relatively little child poverty. However, between 2018/19 and 2019/20 the child poverty rate in all three parliamentary constituencies increased by between 0.9 and 1.3%. Gordon constituency had the largest rise - 1.3% to 14.3% and Banff and Buchan the smallest (0.9%) however it has the largest % overall (21.3%). The Scottish average is 24%. Figures for Aberdeenshire in October 2020 shows 16.1% or 7,983 children and young people are living in households earning less than 60% of the median household income after housing costs, which is also known as relative poverty. **There are 4,289 children and young people living in absolute poverty, where a household income is below a necessary level to cover basic living costs such as food, fuel and housing.** Evidence highlights that children living in deprived areas have poorer

outcomes and wellbeing levels in comparison to their non-deprived peers.

The data shows that not all families living in poverty live in deprived areas. A number of children and young people experiencing poverty, with a level of unmet need will be living in relatively affluent communities or rural or remote locations. As before the recent figures do not reflect the impact of COVID as this still needs to be fully understood.

During the pandemic there was an uplift in the Universal Credit of £20 per week to "strengthen the safety net". The Legatum Institute⁹⁶ reported that although poverty had risen because of the COVID-19 pandemic government policy including the uplift to UC and working tax credits "has insulated many families" from it. It estimated that the policies had protected 690,000 people from poverty in winter 2020. It also reported that some groups had seen a fall in poverty. For example, it found a reduction of 100,000 in poverty amongst people living in lone-parent families and a reduction of 170,000 amongst people in workless families. However, it also reported that there have been "significant increases in poverty amongst people living in families that were working prior to the COVID-19 crises". Despite calls for the uplift to be made permanent it was removed at the end of September 2021.

In February 2021 a new benefit was introduced by the Scottish Government called the Scottish Child Payment (SCP). The SCP is a key plank in their strategy to meet its statutory child poverty targets. Analysis suggests that initial uptake has been at 60%.

Child poverty Action Group (CPAG) Scotland estimates that 8,000 children in Scotland, given the £20 cut to UC and the effect this will have on reducing the income threshold for UC, will lose UC entitlement completely. They will also lose entitlement to other benefits that depend on receipt of UC (Scottish Child Payment (SCP), Best Start Grant and Foods). As CPAG points out, bridging payments to



families in receipt of free school meals (FSM) provide some support for low-income families awaiting a full SCP roll out, and will lift an estimated 12,000 children out of poverty. But CPAG analysis estimates that 130,000 children who will be entitled to a SCP including 55,000 children living in poverty, will miss out on these payments because they are not entitled to a Free School Meal. In Aberdeenshire 3,365 applications were received (14th highest in Scotland) and 2,755 were approved (15th highest in Scotland).

The Joseph Rowntree Foundation state that “for those that can, work represents the best route out of poverty; Work should always pay, and people should be supported into employment”.

A report for the United Nations⁹⁷ in 2019 by the Special Rapporteur states that the United Kingdom spends £78 billion per year to reduce or alleviate poverty, quite apart from the cost of benefits; £1 in every £5 spent on public services goes to repair what poverty has done to people’s lives. Cuts to preventive services mean that needs go unmet and people in crisis are pushed toward services that cannot turn them away but cost far more. Scotland reports spending some £125 million per year to protect people from the worst impacts of austerity and provide welfare funds for emergencies and hardships. But mitigation comes at a price and is not sustainable because every pound spent on offsetting cuts means reducing vital services. Scotland has the 2nd lowest poverty rate in the United Kingdom (19%), just behind Northern Ireland (18%) compared with 22% for England and 23% for Wales.

The Scottish Government’s “Best Start, Bright Futures Tackling Child Poverty Delivery Plan 2022-2026”⁹⁸, published March 2022, states that to deliver sustained reductions in child poverty over the longer term and break the cycle of child poverty, they will work with partners to provide the integrated and holistic support parents need to enter quality employment, improve their wider wellbeing

and engage with the drivers of poverty reduction. This will be done by significantly increasing investment in employment support services with an additional £53 million to scale up the No One Left Behind employment approach to reach up to 50,000 parents and provide a new £15 million transitions fund to support people into work. This will be alongside further developing and increasing access to childcare and focusing on delivery of a ‘no-wrong door’ approach to public services. The Delivery Plan is split in three parts:

Part A: Providing the opportunities and integrated support parents need to enter, sustain and progress in work

- A strengthened employment offer to parents
- Connectivity and Childcare
- Transforming our economy

Part B: Maximising the support available for families to live dignified lives and meet their basic needs

- A transformational approach to people and place
- Social security
- Income Maximisation
- Warm Affordable Homes

Part C: Supporting the next generation to thrive

- Best Start to life
- Supporting Children to Learn and Grow
- Post School Transitions

The benefit cap outside Greater London is:

- £384.62 per week (£20,000 a year) if you’re in a couple
- £384.62 per week (£20,000 a year) if you’re a single parent and your children live with you
- £257.69 per week (£13,400 a year) if you are a single adult

Tackling Poverty

In February 2021, the CPP Board agreed to rename the ‘Reducing Child Poverty’ priority to ‘**Reducing Poverty**’ to encompass all aspects of poverty.



Prior to the COVID-19 pandemic, 2.1% of Aberdeenshire's population was living in six data zones identified as being in the most deprived 20% of Scotland and seven times more likely to be employment deprived compared to the average for Aberdeenshire. The child poverty profile highlighted that in 2019/20, 16.7% of children are living in poverty after housing costs are accounted for however this rises to over 21% in the Banff & Buchan UK Parliamentary constituency. In relation to Child Poverty 65% of children in poverty do have at least one adult in work.

The 'Fairer Aberdeenshire Funding' has been used as a vehicle to overcome deprivation in a holistic way for the most fragile parts of our communities. The funding has been allocated to a range of services and programmes which aim to improve the lives of those who are at risk or are already living in poverty. The Council's Tackling Poverty & Inequalities team has had a collective impact through their project work during 2020:

- 30,510 individuals have been supported through the Fairer Aberdeenshire funded projects. Low-income families have been supported to access opportunities and services.
- 8,666 people have accessed information & advice services through a blended approach online, via phone & face to face.
- 1,363 adults and 942 young people have accessed support and opportunities which have improved their skills.

In 2019/20 there were 5,288 households⁹⁹ on absolute low-income in Aberdeenshire, dropping to 4,628 in 2020/21ⁿ. Absolute low-income is defined as a family whose equivalised income is below 60 per cent of the 2010/11 median income adjusted for inflation. Gross income measure is Before Housing Costs (BHC) and includes contributions from earnings, state support and pensions.

The Scottish Government has just released 'Every Child, Every Chance': The Tackling Child Poverty Delivery plan 2018-22¹⁰⁰ which requires local authorities and health boards to publish annual reports on activity to tackle child poverty in their area. This will include the Aberdeenshire CPP's LOIP priority to Reducing Poverty, led by the Tackling Poverty and Inequalities (TP&I) group.

In-Work Poverty

In-work poverty is coming more to the fore, both locally and nationally. It is estimated that in 2018-19, more than half of all those in relative poverty (after housing costs) in Scotland lived in a working household. This amounted to 410,000 Scottish working-age adults and 160,000 children. In 2015 the Scottish government concluded that for in-work poverty to be reduced, action would be required in three areas:

- low pay
- the number of hours worked
- the interaction between earned income and the rate at which benefits are withdrawn

Addressing these issues would require attention to issues such as the collective bargaining, employment insecurity and lack of opportunities for skills development (and enhanced earnings) in low-paid jobs; lack of demand in the economy (i.e., lack of available jobs), including the growth of people working part-time because of a lack of full-time jobs; personal barriers to employment, including caring responsibilities and health problems.

In-work poverty has shown a long-term rising trend since 2009/10. This is explained by changes in the employment market with many low-income households working part-time.

The COVID-19 pandemic and the extraordinary steps taken to protect the population means that there have been

ⁿ The figures for 2020/21 are provisional and includes the start of COVID when the Universal Credit uplift of £20 per week began which temporarily lifted some families out of poverty.



(as seen across the UK) an incredibly high increase in claimants for Universal Credit.

As referred to earlier, the onset of lockdown due to coronavirus led to the number of claimants in Aberdeenshire increasing from 6,938 early in March to 10,413 four weeks later. It is likely that these figures will continue to increase in the short term due to the legacy effects of COVID-19 on the economy and to some extent the incoming effects of Brexit.

This would suggest that there will be far more households struggling with their finances and moving into poverty.

Pensioner poverty¹⁰¹

For most groups of the population the persistent poverty rate after housing costs is greater or the same than that before housing costs. The opposite is true for pensioners – the majority are homeowners and so have lower housing costs. However, those in this age group that are renting, will face even larger financial challenges in retirement. The oldest renters – those aged 75 and over, spend almost half of their incomes on rent. Retirement, and the years leading up to it, can no longer be assumed to be a time of falling living costs.

Private rentals are also the most likely to fail the government's own standard of a 'decent home', almost a quarter of such homes are non-decent. There is a strong association between the condition of our homes and our health, with cold and damp causing and exacerbating conditions such as respiratory and cardiovascular disease.

Pensioner material deprivation is different to other measures of poverty in that it is not associated with an income threshold. It captures issues such as whether poor health, disability and social isolation prevent access to goods and services, rather than solely income. With the projected increase in older people the number of pensioners in persistent poverty will rise and that is what is happening. The State of Ageing 2022 Report¹⁰² states that almost 1 in 5 people of pension age were living in relative poverty - an increase of

200,000 people across the UK between 2019/20 over the previous year. It comes after a long period of widening wealth and income inequalities among people in their 50s and 60s. The pandemic has reversed progress on the employment of older people. The number of people aged 50 to 64 who are not engaged with the labour market in any way (that is, they are neither working nor looking for work) has risen by 228,000 (UK) since the start of the pandemic, and the employment rate in this group has fallen by 1.8 percentage points.

Gender and poverty

Poverty in working-age women is higher for than men in recent years (24% vs 20%). After housing costs, it rises to 30%. Around 90% of lone parents are women so the poverty rate for all single working-age women will see a larger increase than for men when lone parents are included. The women are more likely to work part-time due to childcare issues however they may benefit from the increase in free childcare hours.

For the past ten years the poverty rate before housing costs for single female pensioners has been higher than that for men (23% vs 17%). After housing costs 18% of single female pensioners and 11% of single male pensioners were in poverty after housing costs. Female pensioners are on average older than male pensioners because of their longer life expectancy. Older pensioners may also have lower incomes due to different income sources.

Under occupation of properties for this age group is high as is estimated at 41%¹⁰³. The waiting lists for a 1 bedroomed property in Aberdeenshire is high and it would take 10 years to clear the **current** waiting list.

People from ethnic backgrounds are more likely to be in poverty compared to those from the 'White – British' group. The poverty rate amongst the 'White-Other' group is similar to that of the 'White – British' group before housing costs but rises well above it after housing costs.



Poverty rates remain higher for families in which someone is disabled. There are additional costs associated with disability and they can vary in level and nature. If DLA, AA and PIP are excluded, comparisons with households where nobody is disabled can be made on a like for like basis. After housing costs, the poverty rate was higher for individuals in families with a disabled family member was 29% and 16% for individuals without a disabled family member.

A household is in fuel poverty if it spends 10% of income (including housing benefit or income support for mortgage interest) on all household fuels. Extreme fuel poverty is when the spend is more than 20%. Aberdeenshire has a fuel poverty percentage of 25% compared to Scotland at 25%¹⁰⁴. The extreme fuel poverty level is 16% (up from 12% in 2015-17) compared to Scotland which has 12% of households living in extreme fuel poverty.

Social housing is included in these figures – the council and other agencies are investing heavily in their own social housing stock and at the same time contributing to carbon reduction targets and sustainability. The council also works with the private sector to source funding for improvements in energy efficiency and to change behaviours of households. Not being able to afford to heat your home is a contributing factor to ill-health and has potentially life-threatening implications for older people.

Fuel poverty also includes transport. Aberdeenshire generally compares rather favourably relative to other areas in Scotland with regards to the SIMD domains. The only exception being Geographic access to services. 149 of Aberdeenshire's 340 data zones are in the most deprived quintile (20%) up from 129 in 2016). The more rural communities have challenges in accessing affordable transport.

The most recent statistics released by the Scottish Government on bus accessibility¹⁰⁵ shows Aberdeenshire compares poorly relative to other parts of

Scotland. When compared against areas that share similar urban/rural characteristics, Aberdeenshire still ranks poorly relative to these areas. Car availability varies by rurality of the area and net annual household income. There is a general trend of increasing car ownership as the level of rurality increases. There is very little in the way of cycle routes except in the larger towns.

Outright home ownership can largely reduce poverty AHC however for older people their homes may need essential repairs/upgrades especially in terms of energy efficiency improvements to bring them to a decent standard. This would help them stay in their homes longer.

Free school meals are one indicator of household poverty. The % of school pupils registered for free school meals has increased during the COVID-19 pandemic. In the past not everyone who is entitled to free school meals takes them up however evidence shows that uptake increases when **all** children have access to free school meals e.g., Primary 3.

Inequality

Although outcomes are generally improving for most people in Scotland¹⁰⁶ they are not improving fast enough for the poorest sections of our society. Those who have least access to income, employment, and good housing experience higher levels of ill health; often have less physical and psychological resilience to meet challenges; and less power and influence to effect change.

There is a proven¹⁰⁷ cyclical link between inequalities, offending, becoming a victim of crime, the fear of crime and poor health. Employment, access to suitable housing and financial difficulties are recognised as additional complex needs that people who have committed offences may present. By working together to address these underlying needs, through the priority of equitable access to services, Community Justice Partners may have an indirect impact on the LOIP priority of Reducing Child Poverty.



The gap in health outcomes between the most deprived and least deprived areas of Scotland is reported for a variety of indicators in relative and absolute terms including healthy life expectancy, premature mortality, and a range of morbidity and mortality indicators relating to alcohol, cancer and coronary heart disease.

The Relative Index of Inequality (RII) indicates the extent to which health outcomes are worst in the most deprived areas, compared to the average throughout Scotland. It is possible for absolute inequalities to improve, but relative inequalities to worsen. Relative inequalities in alcohol related hospital admissions have remained highest over the longer term. Aberdeenshire's relationship with Alcohol is one of the three priorities of the LOIP. 19.2% of Aberdeenshire's residents reported that they had a long term physical or mental health condition.

Poverty and inequality not only diminish opportunity and life experience, but they also detract from Scotland's economic success and wellbeing as a nation. Tackling inequalities, therefore, remains a major challenge. Decisions and behaviours play a vital role in helping people to avoid and escape poverty. Recent research carried out by the Joseph Rowntree Foundation experiencing or growing up in poverty affects people's **lifelong decision-making style**. Low socio-economic status is associated with worse performance in tasks measuring academic ability, and in measures of the underlying cognitive resources needed to perform well in school. They believe that they are not able to learn new skills and succeed at tasks. They are less likely to perceive that their actions will affect how their lives turn out¹⁰⁸.

Living in poverty is associated with feeling excluded from society which may explain its link to increased levels of aggression at school and in neighbourhoods. By shifting the focus away from the specific kinds of decision (e.g., family, education and

financial) to the psychological, social and cultural processes informing decision making in general policy makers can address areas that affect people in poverty in a broad set of contexts.

Whilst disabilities like hearing loss and visual impairment are fairly evenly distributed through the Aberdeenshire population, physical disabilities, and learning disabilities and in particular the prevalence of mental health conditions shows a positive association with **deprivation**. The inference from this is that deprived communities in Aberdeenshire are spending a considerable period of their lives in a poor state of health and if they are men, their lives are significantly shorter than their wealthiest neighbours.

Education Poverty

Scotland's 32 councils are responsible for local education policy, providing school education for every school-age child and improving outcomes. They also have a statutory duty to reduce inequalities in outcomes for those pupils from a disadvantaged background.

Nationally the poverty-related attainment gap between pupils living in the most and least deprived areas has narrowed across most National Improvement Framework (NIF) outcome indicators, but it remains wide. The gap is wider at higher levels of qualifications. The reduction in the poverty-related attainment gap is because the performance of pupils in the most deprived areas has improved more than the performance of those from the least deprived areas.

The effects of COVID-19, including the economic impacts and the public health measures which have been put in place, are likely to increase levels of inequality experienced by children and young people. During the pandemic there has been variation in the learning experience of children and young people, and there is a risk that this will exacerbate the poverty-related attainment gap.



Closing the poverty related attainment gap between the most and least disadvantaged children is an NIF priority. The Scottish government provided Pupil Equity Funding (PEF) - additional funding allocated to schools and targeted at closing the poverty-related attainment gap. In light of the disruption caused by COVID-19, in 2021/22 schools received an additional uplift to their PEF, known as Pupil Equity Fund premium, to support education recovery efforts for children and young people impacted by poverty.

Education and Children's Services NIF plan demonstrates plans to deal with poverty related educational attainment with planning sessions for staff, team site created to share presentations and examples, planning for PEF at school level and family learning opportunities. It reports the progress on outcomes and improvements; tackling poverty and family learning; developing young workforce; digital improvement and remote learning; data for pupil and teacher ratio for secondary schools, school leavers and destinations. The regional improvement plan (Northern Alliance) also has a clear focus on young people from poorer socio-economic backgrounds.

To improve the socio-economic opportunities, literacy and educational rates need to improve. If disadvantaged children and young people cannot access IT hardware and broadband services at home, they may find homework challenging and it can then impact on the attainment gap. This was identified as an issue for school pupils during the COVID-19 pandemic with over 500 laptops being distributed. New digital skills tutors have been put in place to support those that are digitally excluded, and outreach workers have access to technology which can give clients access to the internet. Broadband availability is being increased across Aberdeenshire.

Tackling Poverty & Inequality

Aberdeenshire set up the Tackling Poverty and Inequalities Group (TP&I) in order to improve the lives of disadvantaged people and areas in Aberdeenshire.

Whilst Aberdeenshire compares favourably with the rest of Scotland in its overall rate for employment, there are some concentrated areas of deprivation in Fraserburgh and Peterhead. The Tackling Poverty and Inequalities Group prioritises acting on employability, financial inclusion, youth unemployment and information and advice services.

The four overarching goals of the plan are:

1. Preventing children on the margins of poverty, falling into poverty
2. Reducing the number of children living in poverty, by moving those in poverty out of poverty
3. Protecting children living in poverty from its most adverse effects
4. Enabling children to live a poverty-free adult life.

Over the last twelve months:

- 599 individuals have been supported into employment or training opportunities.
- 156 young people have participated in training opportunities (16-20-year old's).
- 135 additional volunteers have supported community-based projects, delivering almost 4,000 additional hours.
- 1,037 people have accessed Income Maximisation Services
- Client Financial Gain of £8,859,404 has been secured
- 455 low income families have been supported across opportunities and services

Some of the actions being progressed under this priority include:

- Engaging with employers and working in partnership to deliver skills training, to ensure appropriately trained people are available for hard to fill vacancies
- Increasing employment opportunities through Community Benefit Clauses in the procurement system
- Working in partnership to ensure all young people who are not in a positive



and sustained destination have an activity agreement

Forward Look

Early Intervention and Prevention

Aberdeenshire Council's approach to tackling poverty focusses on early intervention and prevention. The Council's performance framework ensures that performance is monitored regularly. One of the ways in which families can be helped is to maximise take-up of benefits. A new benefit take-up strategy issued October 2021 sets out the Scottish Government's approach to maximising the take-up of Scottish benefits:

There are five principles:

- Prioritise person centred approach
- Communicate and Engage Effectively
- Bring Services to people (including a free advocacy service to support disabled people to help them access benefits)
- Encourage Cross-System Collaboration
- Continuously Learn and improve

The three most prevalent reasons clients find it difficult to access their entitlements are:

Social Barriers - (perceived) stigma, felt lack of need, people in vulnerable situations, pride, or lack of trust in institutions.

Costly or Complex Access - complexity of the application, lack of time or money, limited administrative experience, or difficulty travelling to the welfare or employment office and low digital confidence.

Lack of Information - Lack of awareness or misunderstandings about the benefit, eligibility, or application procedures.

Increasing incomes through social security and benefits in kind is one of the key drivers of child poverty reduction. The take-up initiatives include:

- Rollout of Social Security Scotland's local delivery network – 400 staff in 32

local authorities by the time the service is fully operational;

- Creating partnerships to connect services so that across the country awareness of benefits is raised with people at particular life events that may have implications for their eligibility;
- A multi-channel financial wellbeing marketing campaign, covering free debt advice, affordable credit, and beginning with a focus on benefit take-up;

There will be opportunities for Aberdeenshire Council and its partners to use the various take-up initiatives to ensure that all residents are aware of the services and benefits available to them. In particular:

- recognising and supporting vulnerable customers through the Universal Credit journey towards or into work.
- targeted, individualised back-to-work support for over 50s to address the particular challenges this group faces in the labour market, including ageism.

The Aberdeenshire Tackling Poverty and Inequalities Action Plan provides evidence-based actions to deliver positive outcomes for people across Aberdeenshire. This Action Plan has been developed not only with partners but with those who are living in poverty to ensure the range of actions addressing the three main drivers of child poverty.

Cultural and Sport Strategies 2018-2028

The Council's Cultural and Sport and Physical Activity Strategies 2018-2028 (approved by Full Council April 2018) is based on increasing inclusion across Aberdeenshire's communities by tackling inequalities and promoting diversity. They will be used to close the attainment gap through targeted intervention using culture. The council will work with AHSCP and others to support programmes which deliver good mental health and improve life chances¹⁰⁹.

AHSCP Strategic Plan 2020-2025

One of the five key priorities for the AHSCP Strategic Plan 2020-2025 is



Tackling Inequalities and Public Protection.

The ambition of the partnership's Health Improvement Delivery Plan (HIDP) is that local people are able to look after and improve their own health and wellbeing and live in good health for longer.

It will achieve this by delivering seven priorities which will **improve the health of the population, reduce health inequalities and move service provision towards prevention and early intervention:**

- ensuring every child has a good start in life
- encouraging healthy weight, diet and activity
- reducing smoking
- encouraging low risk alcohol consumption
- improving mental health and wellbeing
- minimising the impact of poverty and inequality
- making health improvement everyone's business

Co-ordinated action from the Council and its partners is the best way to address the stark and growing health inequalities. In particular the work being done around healthy eating, access to exercise, 'safe space' active travel should be aimed at all residents. This can help reverse the trends in stalling life expectancy and increasing amounts of time spent living with illness and disability whilst avoiding the need for unnecessary admissions to hospital.

Alternative Funding Sources

Brexit will have an impact with the loss of funding for various projects some of which tackle child poverty. Alternative funding should be sought from other sources to continue to support similar projects in the future.

Future Generations Commission

The Scottish Government has committed to considering a new approach to ensuring the interests of future generations are considered in decisions made today,

through a Future Generations Commission. The proposals developed will reflect Government priorities, including to reduce child poverty, and compliment the work of the Poverty and Inequality Commission.

Delivering the SG Best Start Bright Futures

It is clear that for the Best Start Best Futures Tackling Child Poverty Plan 2022-2026 to be delivered that there is a need and willingness for partners across Scotland including Aberdeenshire Council and Community Planning Partners to play their part in making this change. Support will be critical to the success of this joint endeavour, in particular partnerships with the families who are in most need of assistance.

Uptake of benefits needs to improve

The Scottish Government has a benefit take-up strategy. A second strategy is due in October, in which Scottish Child Payment is due to be a central feature. Work to promote take-up has included using other Scottish 'family' benefits and services to promote the SCP. For example; putting leaflets in the baby box, promoting it through nurseries and schools and signposting through the Best Start Grant and Best Start Foods.

The Welfare Funds (Scotland) Act 2015 places a statutory responsibility on Local Authorities to maintain a Welfare Fund. This is a duty but Local Authorities have discretion about e.g. what they provide (cash, vouchers, a fuel card, or goods) and how they link the scheme to existing services, but there is an expectation on Local Authorities to work with applicants to identify any other support they may need or be entitled to and signpost them to relevant services, with transparency required around decision making.

Economy and Skills Development

The authority has developed a range of person centred, community-based support which will reduce the barriers to employment. With changes in the labour market due to the pandemic and the transition from Oil and Gas technologies to



renewables gaining momentum, work has been ongoing to develop and implement routes and pathways into emerging and future regional employment opportunities so that those impacted can reskill or upskill.

The pandemic led to many changes including increased use of automation in the workplace particularly in lower paid jobs. The importance of continuing to invest in lifelong learning and retraining cannot be underestimated.

In the long run, less well-educated workers could be particularly exposed to automation, emphasising the importance of increased investment in lifelong learning and retraining.

Living Wage and Fair Work Practices

Aberdeenshire Council is a Living Wage employer, paying the real Living wage to all directly employed staff and contracted staff where the Council is in control of the payment. The council has commenced the journey towards becoming an accredited Real Living Wage employer. In a procurement context, there was an 83.3 % inclusion of Fair Work/Real Living in contracts published in 2019/2020.

The local Employment CONNECT Employer Recruitment Incentive (ERI) funded by the Scottish Government and administered by Aberdeenshire Council incentivises employers to pay at Real Living Wage rates or above through an increase in the amount awarded.

All suppliers delivering services procured by Aberdeenshire Community Planning Partnership are encouraged to be accredited Living Wage employers/commit to paying Real Living Wage with a diverse, inclusive workforce which proactively works towards equalisation of gender pay gaps.

In this way the council is contributing positively towards various forms of poverty. Adults receive the benefit of increased wages and more secure work and children in those households also benefit.

Other ways to address in-work poverty where the Council can have an impact include:

- continuing support to address in-work poverty by targeting support to parents already in jobs to remain active in the workplace and gain progression in their career.
- developing and implementing routes and pathways into emerging and future regional employment opportunities so that those impacted by changes in the labour market can reskill or upskill.

5



Our Economy: Economy and Enterprise

Key Judgements

- Developments over the first quarter of 2022 during which the situation in Ukraine – first and foremost a humanitarian crisis - has presented a new and concerning shock to the global economy, which risks further slowing the recovery from the pandemic and exacerbating inflationary pressures which have already risen to their highest levels in 40 years.
- Recent geo-political events appear to have precipitated a global drive towards energy independence. In the UK, renewable and cleaner energy sources may become ubiquitous in future – and perhaps operational earlier than hitherto envisaged. **Aberdeenshire could derive benefits from this global drive.**
- During 2020, Skills Development Scotland worked with Oxford Economics to develop a Vulnerability Index based on each local authority's economic diversity, business environment and digital connections. **Aberdeenshire was deemed to be the 4th most vulnerable local authority area in Scotland**, according to this index. This suggests work is required to make Aberdeenshire more resilient in the face of external 'shocks'. Digital connectivity will remain important as homeworking becomes the norm in the future, an area where Aberdeenshire historically lags.
- Approximately **13.0% of Aberdeenshire households are deemed to be 'workless households'**, which is considerably lower than the Scottish rate (18.1%) but only slightly lower than the UK rate (13.6%).

Although Aberdeenshire's rate is lower than the national rate, the national rate has decreased considerably since 2012 and looks poised to dip below Aberdeenshire's rate over the next year or so. This suggests **greater headway is being made with regards to worklessness in other parts of the country compared to Aberdeenshire.**

- The greatest opportunity for improvement in respect of the age-related **Claimant Count** in Aberdeenshire relates to the **18 to 24-year-old demographic**. The exceptional work in relation to Developing Our Young Workforce should positively affect this client group.
- Latest data (2021) show **median household income in Aberdeenshire amounted to £36,900**. This is 23% above the Scottish equivalent, and the 4th highest absolute figure in Scotland. Median household income in Aberdeenshire fell by 0.8% compared to 2019 (i.e. pre-pandemic). However, this compares favourably to the average reduction across local authorities in Scotland (-1.2%). Aberdeen City saw the greatest reduction in household income compared to the pre-pandemic figure, falling 6.2% between 2019 and 2021.

This is not insignificant as Aberdeenshire's economic fortunes are very much aligned with Aberdeen City. And although Aberdeenshire's unemployment rate has improved over the last year or so, a reduction in household income – coupled with the rising cost of living – suggest



people in the North East may have fewer financial resources on which to draw should the situation deteriorate over the next year or so.

- The most recent Scottish Household Survey (2019) showed that **approximately 20% of Aberdeenshire residents had less than £1,000 in savings** (10% had no savings). This was prior to the pandemic and the cost-of-living crisis. It compares favourably to the Scottish rate (35% in Scotland had less than £1,000 in savings, 22% had no savings). Nevertheless, it suggests that close to **50,000 people in Aberdeenshire may find it difficult to make ends meet** should the general financial situation deteriorate and inflationary pressures mount.
- Approximately **8,000 households in Aberdeenshire (or 7.1% of total households) earned less than £10,000 in 2021**. Unsurprisingly, a large proportion of these are found in either Peterhead or Fraserburgh, two of the largest towns in Aberdeenshire. Out of the larger towns, Fraserburgh's rate of low-income households relative to total households is higher than Peterhead's equivalent rate. Approximately 13.5% of Fraserburgh's households earn less than £10,000 compared to Peterhead's 12.3%. Certain areas in Peterhead and Fraserburgh are statistically among the most deprived in Scotland.

Other larger towns with relatively high rates of low-income households include Huntly (14.0%), Banff (13.5%), Macduff (13.1%), Turriff (11.2%), and Mintlaw (10.7%). In most cases, the proportion of low-income households in these areas increased between 2019 and 2021, likely a result of the pandemic.

Financial support measures will likely focus on these areas over the next year or so, and beyond.

Assessment of Issues

Economic Context - Global

Recent global economic performance continues to vary according to the level of coronavirus restrictions present in each country, with the U.S. and Europe outperforming Asian economies at the start of 2022 after the latter was impacted by the arrival of the Omicron variant.

The global economic outlook has been impacted by conflict in Ukraine, which could cut growth by more than a percentage point over the next year. Economies closest to the conflict are likely to be most impacted.

UK GDP expanded by 1.0% in January and is now 0.8% above its pre-coronavirus level (February 2020). Recent business surveys suggest business activity has accelerated following disruption caused by the Omicron outbreak in December.

The Scottish economy expanded by 1.3% in the final quarter of 2021, bringing annual growth to 6.9% (UK, 7.5%). Business activity also appears to have

rebounded following the Omicron outbreak and easing of restrictions, but at a more modest pace than elsewhere in the UK.

Demand for employees remains strong and 34,000 more workers in Scotland are now in payroll employment than before the pandemic. However, employment growth has been uneven across regions and lower than in the UK as a whole.

Businesses across sectors continue to report inflationary pressures (rising energy, staff and raw materials costs), recruitment difficulties and some supply chain disruption.

The biggest opportunities reported by businesses over the next year are increased demand for products and services as the economy recovers, the launch of new products and entry to new markets.

The latest forecasts for the UK predict GDP growth of 4.0% or less in 2022, a slower pace than previously forecast amid a deteriorating outlook for consumer



spending and a weaker-than-expected rebound in business investment.¹¹⁰

Geopolitical Events

Developments over the first quarter of 2022 during which the situation in Ukraine – first and foremost a humanitarian crisis - has presented a new and concerning shock to the global economy, which risks further slowing the recovery from the pandemic and exacerbating inflationary pressures which have already risen to their highest levels in 40 years.

The events in Ukraine, and subsequent Russian sanctions, initially pushed commodity prices higher, particularly in relation to oil and gas. Worries about shortages also pushed up the price of some grains and metals, which would inflict higher costs on consumers and businesses. Russia and Ukraine are large exporters of wheat and corn, as well as essential metals, like palladium, aluminium and nickel, that are used in everything from mobile phones to automobiles¹¹¹.

Indeed, 2022 was the 'strongest' start to any year since 1915 for commodity prices¹¹².

The Governor of the Bank of England noted that the shock from energy prices this year (2022) will be larger than in any single year in the 1970's – a decade that saw substantial petroleum shortages as well as elevated prices on the back of the Yom Kippur War and the Iranian Revolution, among other crises.

Inflationary pressures will affect Aberdeenshire over the foreseeable future. The agricultural sector may experience particular challenges in the short term due to rising fertiliser prices. Quotes for ammonium nitrate fertiliser prices have risen as high as £1,000 per tonne in recent weeks, compared with £280 per tonne a year ago. The cost of fertiliser had already been climbing in recent months as a result of the increase in wholesale gas prices, which is necessary for production.

The North East accounts for less than 12% of Scotland's agricultural area but produces over 20% of Scotland's agricultural output. The North East has particularly high shares of activity in the following sectors¹¹³:

- over 33% of Scotland's beef cattle
- 60% of Scotland's malting barley
- 33% of cereals
- 29% of beef cattle
- 57% of pigs
- 32% of oilseed rape

The conflict in Ukraine has disrupted fertiliser exports from Russia, further increasing production costs, leading to recent price surges. This sparked panic-buying from some farmers who feared the price would only keep on rising¹¹⁴.

The UK government is to host a crisis meeting with farmers about rising fertiliser prices, as part of several moves designed to help them with soaring costs which could impact food production.

Depending on the length of the conflict and associated sanctions, the economic fallout across multiple industries may reverberate for months, even years, to come.

Economic Context – National

Latest headline indicators in Scotland have shown encouraging improvements at the start of the year. GDP grew 1.1% in January and rebounded sharply from the fall in output in December at the start of the Omicron wave. Latest business survey data have indicated further growth and recovery over February and March, with the resumption of full trading patterns in hospitality and leisure sectors increasingly widespread as most of the remaining restrictions on sectors have been gradually removed.

Scotland's labour market has also continued to perform strongly, with unemployment falling to 3.8% in November to January, while the payroll employee level rose sharply to 34,000 above its pre-pandemic level. High



vacancy rates and recruitment challenges have continued to persist in February and March, creating upward pressure on starting salaries and average earnings growth.

Inflationary pressures have continued to strengthen with consumer price inflation rising to 6.2% in February. With the increase in the energy price cap, inflation is forecast to rise to around 8%, and to remain high throughout the year presenting an extremely challenging outlook for household finances, and particularly for those on low incomes. This concern was reflected in the Scottish Consumer Sentiment Indicator which fell sharply in February due to weakening sentiment regarding household finances, spending and the outlook for the economy over the coming year.

Since then, the situation in Ukraine has increased the level of uncertainty in the economic outlook and presented a new downside risk to growth at a time when the economy is still in recovery from the economic shock of the pandemic.

Scotland's direct trade links with Russia and Ukraine are small, and as such the direct impacts of the situation are expected to be limited. However, the recent surge and volatility in the price of global commodities such as oil and gas, grains and metals in which Russia and Ukraine are key global producers, means the indirect impacts of higher inflationary pressures is something that all importing economy's, including Scotland (and by extension Aberdeenshire), will be exposed to.

Looking ahead, as a result of recent developments, the economic outlook is less positive. The Office for Budget Responsibility forecast that UK inflation could now peak at 8.7% in the final quarter of 2022 with the negative impact on real incomes and consumption resulting in their UK GDP growth forecast for 2022 being revised down by 2.2 percentage points to 3.8%. Similar impacts are evident in Scotland and will result in lower GDP growth than previously forecast.

Sectoral developments: According to latest survey data from Scottish Enterprise (February 2022)¹¹⁵, staff shortages are one of the most consistent and important challenges currently facing businesses. Many businesses across all sectors are having recruitment difficulties as activity returns to normal.

A key cause of recruitment challenges cited by businesses is the lower availability of EU nationals that has significantly reduced the pool of potential staff.

Businesses are also struggling to find multilingual staff – particularly those with a specific skill set e.g. languages and financial services skills.

Low availability of staff means many businesses are resorting to 'poaching' workers from other employers. And some businesses are offering financial incentives ('golden hellos' and bonuses, for example) to attract and retain staff.

Staff shortages and recruitment challenges are putting upward pressure on wages. However, some businesses are struggling to pay higher wages, and are seeking to renegotiate contracts with customers to raise prices to offset rising labour costs.

Businesses also expect April's increase in the national living wage and national insurance tax rise to be a further challenge to wage costs.

Some businesses report that a lack of staff is impacting on their ability to operate at full capacity.

Many oil and gas supply chain businesses are looking to diversify into offshore wind and the development of heat pumps. As another section in this chapter highlights, geo-political events appear to have precipitated a global drive towards energy independence. In the UK, renewable and cleaner energy sources may become ubiquitous in future – and perhaps operational earlier than hitherto



envisaged. **Aberdeenshire could derive benefits from this global drive.**

Life sciences businesses have generally performed very well during the pandemic, and have increased investment (for example, additional warehouse space, manufacturing facilities, etc). However, some businesses have struggled to find staff.

Fuel is the biggest cost for tour operators, and some report that this has risen by one third in a year. Recent geopolitical events and rising fuel costs will exacerbate these costs.

Businesses in the food and beverage sector have also been affected by the recent rise in energy prices, according to the ONS¹¹⁶ – more so than all other sectors. In March 2022, 60% reported being affected by the rise in energy prices, compared with 38% across all sectors. The food and beverage sector as determined by the ONS^o accounts for approximately 11,000 full-time (FT) jobs in Aberdeenshire – or 10% of the 110,000 FT jobs in the region.

Construction businesses throughout Scotland report delays in processing planning applications, due to council planning departments' staff shortages, and this could result in delays to building projects.

Rising costs are having a negative impact on the construction industry. Although UK construction firms report the fastest rise in construction orders since August 2021, they have been hit by the fastest jump in costs in six months, as inflationary pressures negatively affect the UK economy (March 2022).

Builders reported problems obtaining supplies, and escalating energy, fuel and commodity prices, the latest survey of

construction purchasing managers (PMI) shows¹¹⁷.

This led to a sharp acceleration in input price inflation in the construction sector, to its highest since autumn 2021.

Many firms also reported longer delays, due to capacity constraints, a lack of haulage availability and ongoing logistics problems.

Business optimism hit a 17-month low, with builders also concerned about the economic impact of the Ukraine war.

Regarding workplace developments, Scottish Enterprise found that a hybrid working model continues to be offered by businesses which allows a combination of home working and office working.

Many businesses in Scotland are renovating and improving their workplaces to encourage workers back in. Others are developing collaborative working spaces to boost innovation and productivity.

With regards to Aberdeenshire Council, work has been pressing ahead on the return to offices and the adoption of new hybrid working arrangements. The Head of Legal and People has been leading the work on the Virtual Working Environment and WorkSTYLE, ensuring the council's office space offers inviting spaces for collaboration, team meetings and places where colleagues can concentrate on key tasks, whilst, at the same time, allowing those working remotely to contribute virtually with ease.

Economic Context – Local

Regional Resilience and Recovery:

During 2020, Skills Development Scotland worked with Oxford Economics to develop a Vulnerability Index. Its purpose was to enable a better understanding of each local authority's ability to withstand and respond to the economic shock resulting

^o SIC 10 – Manufacture of food products; SIC 11 – Manufacture of beverages; SIC 46.17 – Agents involved in the sale of food, beverages and tobacco; SIC 46.21 – Wholesale of grain, unmanufactured tobacco, seeds and animal feeds; SIC 46.3 – Wholesale of food, beverages and tobacco (Excluding SIC 46.35: Wholesale of tobacco products); SIC 47.11 – Retail sale in non-specialised stores with food, beverages or tobacco predominating; SIC 47.2 – Retail sale of food, beverages and tobacco in specialised stores (excluding SIC 47.26: Retail sale of tobacco products in specialised stores)



from the pandemic. A score above 100 on the index means an area is more vulnerable than the Great Britain average. The index considered each local authority's:

- Economic Diversity
- Business Environment
- Digital Connectivity

The index suggested that the majority (23 out of 32) of local authorities in Scotland were more vulnerable to the coronavirus pandemic compared with the Great Britain average. The results also suggested that rural areas would be less resilient than urban locations.

Aberdeenshire was deemed to be the 4th most vulnerable local authority area in Scotland. This suggests more work is required to make Aberdeenshire more resilient in the face of external 'shocks'. Digital connectivity will remain important as homeworking becomes the norm in the future. Digital connectivity is an area where Aberdeenshire historically lags.

Economic Activity: As at September 2021, a total of 136,800 people in Aberdeenshire were economically active, which equates to 79.2% of the Working Age population. This is higher than both Scotland (76.1%) and Great Britain (78.5%).

However, the prolonged price of oil during 2014-16, and the COVID-19 pandemic, appear to have taken a toll on the proportion of economically active people in Aberdeenshire – arguably more so than elsewhere in the country. Economic Activity in Aberdeenshire fell from a high of over 85% in 2017 to 78.5% in June 2021 but recovered slightly in the subsequent period as the previous paragraph details.

The relatively sluggish performance tends to reinforce another section in this chapter, that is, Aberdeenshire appears to be less

resilient in the face of external shocks relative to other local authority areas in Scotland.

Economic Inactivity: Of the 34,000 people in Aberdeenshire who are economically inactive, approximately 9,000 (or 26.3%) are categorised as 'long-term sick'. This is the highest absolute figure since at least 2004. This doesn't appear to be a local phenomenon: the proportion of long-term sick among the economically inactive has risen throughout the British Isles since 2018. Reasons for this are not immediately apparent, although the longer-term consequences of COVID may have been a factor, particularly over recent times.

Long-standing illness and its associated symptoms can disrupt everyday life, particularly around the time of diagnosis, and can impact employment status and income. Disabled individuals and those in ill health are more likely to experience incidences of poverty and persistent poverty¹¹⁸.

Workless Households^P: Approximately 13.0% of Aberdeenshire households are deemed to be 'workless households', which is considerably lower than the Scottish rate (18.1%) but only slightly lower than the UK rate (13.6%).

Aberdeenshire's rate is approaching the upper threshold based on the range from the previous decade, which has tended to fluctuate between 9.3% and 13.9%.

Although Aberdeenshire's rate is lower than the national rate, the national rate has decreased *considerably* since 2012 and looks poised to dip below Aberdeenshire's rate over the next year or so. This suggests greater headway is being made with regards to worklessness in other parts of the country relative to Aberdeenshire (and augments the premise that Aberdeenshire is arguably less resilient in the face of economic

^P Households where no-one aged 16 or over is in employment. These members may be unemployed or economically inactive. Economically inactive members may be unavailable to work because of family commitments, retirement or study, or unable to work through sickness or disability.



adversity than is perhaps the case in other parts of the country).

The ONS Annual Population Survey suggests there are approximately 9,000 people in Aberdeenshire who want a job but are currently economically inactive. Securing jobs for a portion of this group should ensure Aberdeenshire's workless household rate will remain below that of the national rate over the coming years.

Claimant Count

ONS estimates suggests there are approximately 4,120 people in Aberdeenshire claiming out-of-work benefits (February 2022). This equates to 2.6% of the working age population, which is lower than both the Scottish rate (3.8%) and the national rate (4.4%).

The Aberdeenshire rate has been on an upwards trend since the 0.7% rate recorded in February 2015 – a multi-year low. The national rates have also risen over the last few years.

The COVID-19 period saw unemployment rates increase sharply – peaking at 4.2% in Aberdeenshire (September 2020). Although the rate has reduced considerably since then, Aberdeenshire's rate is still trending upwards over the medium term. The trend will be reversed should Aberdeenshire's rate falls below 1.9%. The general economic situation globally will make this figure very challenging to attain.

The Claimant Count among younger people (18-24 years of age) was highlighted nationally as an area of concern¹¹⁹. Approximately 4.2% of Aberdeenshire's 18-24-year-olds were claiming out-of-work benefits during February 2022, which equates to 695 people. This is the highest proportion out of all the main age groups, and, although lower than the national rate (4.6%), it is closer to the national average compared to most other unemployment indicators. In other words, the greatest opportunity for improvement in respect of the age-related Claimant Count in Aberdeenshire relates to the 18 to 24-year-old demographic.

The exceptional work in relation to Developing Our Young Workforce should positively affect this client group.

Household Income

Lates data (2021) show median household income in Aberdeenshire amounted to £36,900¹²⁰. This is 23% above the Scottish equivalent, and the 4th highest absolute figure in Scotland. Median household income in Aberdeenshire fell by 0.8% compared to 2019 (i.e. pre-pandemic). However, this compares favourably to the average reduction across local authorities in Scotland (-1.2%). Aberdeen City saw the greatest reduction in household income compared to the pre-pandemic figure, falling 6.2% between 2019 and 2021.

This is not insignificant as Aberdeenshire's economic fortunes are very much aligned with Aberdeen City. And although Aberdeenshire's unemployment rate has improved over the last year or so, a reduction in household income – coupled with the rising cost of living – suggest people in the North East may have fewer financial resources on which to draw should the situation deteriorate over the next year or so. They may also be less likely to patronise local businesses if their disposable income markedly decreases, which may have knock on effects for the council in the form of business rates collected.

Low-Income Households: Approximately 8,000 households in Aberdeenshire (or 7.1% of total households) earned less than £10,000 in 2021. Unsurprisingly, a large proportion of these are found in either Peterhead or Fraserburgh, two of the largest towns in Aberdeenshire.

Out of the larger towns, Fraserburgh's rate of low-income households relative to total households is higher than Peterhead's equivalent rate. Approximately 13.5% of Fraserburgh's households earn less than £10,000 compared to Peterhead's 12.3%. Other larger towns with relatively high rates include Huntly (14.0%), Banff (13.5%), Macduff (13.1%), Turriff (11.2%), and Mintlaw (10.7%). In most cases, the



proportion of low-income households in these areas increased between 2019 and 2021, likely a result of the pandemic.

Anti-poverty workstreams and associated support mechanisms will likely focus on these areas over the next year or so⁹.

Job Density and Employment per Sector

According to the ONS, Aberdeenshire was home to 117,000 jobs in 2020, an increase of 17,000 jobs since the turn of the millennium. However, job numbers peaked in 2017 at 129,000.

Aberdeenshire has therefore shed 12,000 jobs since the two-decade peak set in 2017. A relatively large proportion of jobs lost over this period relate to the food and beverage sector, specialised construction, civil engineering, machine manufacturing, and oil-related services. The increase in jobs related to the extraction of oil and gas, as well as gains in the health sector and the computer programming domain, were not enough to offset the losses elsewhere.

The main sectors in Aberdeenshire in terms of employment include Manufacturing (particularly of food products), Agriculture, forestry and fishing (particularly crop and animal production), and the professional, scientific and technical sector (particularly architectural and engineering activities). These three sectors account for approximately 32% of jobs in Aberdeenshire. Retail, health and education are also significant sectors in an Aberdeenshire context.

The fastest growing major sector over the past few years was the mining, quarrying and utilities sector. It now accounts for approximately 7.2% of the jobs in the area, up from 5.1% in 2015. Information & communication is another fast-growing industry but is still very small in terms of employee numbers.

Job Density: Job density is an interesting metric. It is defined as the number of jobs

in an area divided by the resident population aged 16-64 in that area. For example, a jobs density of 1.0 would mean that there is one job for every resident aged 16-64. It is apparent that not everybody in this age-group would be in employment or actively seeking work, therefore the UK average is well below a job density figure of 1.0 (the UK figure is 0.84).

Aberdeenshire's job density rate in 2020 stood at 0.73. It has never exceeded 0.78 over the past 20 years. This means there are typically fewer jobs relative to the number of residents aged 16-64. Aberdeenshire is ranked 18th out of the 32 local authority areas in Scotland in this context.

Given that Aberdeenshire's economic activity rate is comparatively high, a low job density figure suggests that a relatively large proportion of Aberdeenshire residents travel to another authority area to work. This is supported by the fact that Aberdeen City's job density rate equated to 1.1 in 2020 – the highest rate in mainland Scotland.

A low job density rate may become an issue in areas that exhibit lower economic activity rates and are located farther away from an economic hub.

Scotland's National Strategy for Economic Transformation¹²¹

The Scottish government has drawn up a new strategy for economic growth over the next 10 years by promoting investment, start-up business ventures and new green industries (March 2022).

The Government's modelling estimates the strategy could boost Scotland's economy by at least £8 billion, or 4.9% above trend, by 2032.

The strategy contains over 70 actions across six key "policy programmes":

⁹ Household income data is available at Census Output Area level. There are over 2,000 Output Areas in Aberdeenshire, each containing approximately 55 households on average.



- establishing Scotland as a world-class entrepreneurial nation;
- strengthening its position in new markets and industries;
- making its businesses, industries, regions, communities and **public services more productive and innovative**;
- developing a skilled workforce;
- creating a fairer and more equal society;
- and focusing on a "culture of delivery".

From the summer, all Government grants will require recipients to pay staff at least the living wage.

The strategy will see the creation of an "investor panel" led by First Minister Nicola Sturgeon to raise funds for net zero projects, which tallies with the decarbonisation agenda, the transition away from carbon-emitting practices towards greener alternatives.

Aberdeenshire businesses may need the time and support to recover and keep trading whilst navigating the challenges of rising business costs and economic uncertainty. **It's crucial the Scottish Government puts in place adequate support to help businesses transition, remodel and ensure they are supported in meeting the Fair Work agendas ambition.**

The Scottish Government acknowledged that some of the country's "structural challenges" predated the pandemic, including slow productivity growth, demographic risks and inequality.

Aberdeen City Region Deal and Other Local Strategies

The Aberdeen City Region Deal is playing a key role in supporting economic recovery and the creation of green jobs for the future across Aberdeen City and Aberdeenshire.

More than £504 million has been invested to date by the public and private sectors in transformational industry innovation and

growth projects and digital and physical infrastructure.

The Annual Report for the Aberdeen City Region Deal (published October 2021) highlights significant progress across its transformational projects as the region develops its leadership in the low-carbon economy across key industry sectors including energy, digital, transport, food and drink, and life sciences.

The Deal was formally signed in 2016, and is now a £936 million partnership between Aberdeen City Council, Aberdeenshire Council, Opportunity North East, Scottish Government and UK Government.

The 2021 report shows success in a number of areas:

- Speed and progress being made towards £2m of digital improvements in the City Network Extension project, connecting 57 corporate sites with a commercial investment of £40million by CityFibre to make Aberdeen a Gigabit City.
- In Aberdeenshire, the Full Fibre project investment of £10.5m to connect 191 public sites in Aberdeen City and Aberdeenshire including GP surgeries, schools, hospitals.
- Progress on construction of the £40 million BioHub, which will be home to 400 scientific entrepreneurs and drive life sciences innovation, collaboration and commercialisation when it opens in 2022.
- Key milestones in the development of the £21 million SeedPod innovation hub, including planning approval, which will support food and drink manufacturers to adopt new technology, drive advanced manufacturing efficiencies, use global insights for premium product development, and lead in low-carbon, sustainable food production.
- Aberdeen and Aberdeenshire's leadership in energy transition and the low- carbon economy, including the £390m Net Zero Technology Centre's work to develop and deploy technology



to accelerate the transition to an affordable net zero North Sea.

Collectively, the Deal's projects support the region's vision for economic diversification and renewal, which are **vital for sustainable business growth in key sectors, high-value green jobs to drive economic recovery and a just transition that provides work, training and skills opportunities.**

Cost of Living

Since late 2021, the UK has experienced several changes to contributory factors leading to rising costs for individuals and businesses. Consumer price inflation has continued to rise to its highest level in almost 40 years. This rise, which includes the cost of energy, has meant many UK citizens are seeing an impact on their cost of living. For many, this has meant having to make decisions about how they spend their income, and how this affects their standard of living.

It also raises specific issues for benefits policy. Those on low incomes will tend to find it hardest to tide themselves over during a period in which their real incomes are eroded, which by default is what happens when inflation increases sharply because the major benefits go up in line with a lagged measure of inflation.

And given that approximately 50% of Aberdeenshire Council posts are on the Scottish Living Wage, colleagues within the organisation may also experience financial difficulty should the prevailing conditions deteriorate.

A particular contributor to rising prices this year will be energy costs. UK customers have been protected to a large degree from the immediate effects due to tariff caps set by Ofgem, but these caps were increased by 17% for gas and 9% for electricity in October 2021 and are currently set to increase substantially again in April 2022. Some estimates

suggest that the average UK energy bills could hit £3,000 per year¹²².

The group who may struggle with sudden sharp increases in energy costs is wider than just those on benefits. Many households on middling incomes, and especially those with particularly high energy costs, will not find it easy to adjust to extra costs upwards of £500 per year.

Consumer borrowing: UK consumers borrowed an additional £1.9 billion in February 2022, a five-year high, of which £1.5 billion related to credit card borrowing. This could be a result of the cost-of-living crisis forcing people to turn to credit. But while that may be true for some people, typically during periods when finances are tight, households in aggregate pare back their demand for credit¹²³.

Latest data suggest personal loans outstanding^f in Aberdeenshire totalled approximately £130 million (Q2, 2022). The amount outstanding has decreased steadily since Q1 2017, which stood at £192 million. The latest Quarter saw the first increase since the pandemic began. As with the UK-wide borrowing statistics, this could indicate increased borrowing to make ends meet (as a result of the cost-of-living crisis), or it could signify a degree of optimism about the future (i.e. consumers are confident the credit will be repaid).

Savings: In terms of savings, UK households added a further £27 billion in aggregate to their bank accounts in the 4th Quarter (2021/22), suggesting a large proportion have yet to begin dipping into the huge savings pile amassed during the pandemic¹²⁴.

The most recent Scottish Household Survey (2019) showed that approximately 20% of Aberdeenshire residents had less than £1,000 in savings (10% had no savings). This was prior to the pandemic

^f UK Finance published statistics on the geographic distribution of personal loans by certain UK lenders (Barclays, CYBG, Lloyds Banking Group, HSBC, Nationwide Building Society, Royal Bank of Scotland and Santander UK in Great Britain; Bank of Ireland, Danske Bank, First Trust Bank, Nationwide Building Society and Ulster Bank in Northern Ireland). This quarterly data meets a commitment to government to improve transparency about lending locations.



and the so-called cost of living crisis. It compares favourably to the Scottish rate (35% in Scotland had less than £1,000 in savings, 22% had no savings). Nevertheless, it suggests that close to 50,000 people in Aberdeenshire may find it difficult to make ends meet should the general financial situation deteriorate and inflationary pressures mount.

Aberdeenshire Council's Chief Executive, Jim Savege, noted at a recent 'Team Talk' (March 2022) that the council and communities will be impacted by the issues associated with cost of living, and that work would be ongoing in relation to anti-poverty and welfare support workstreams over the foreseeable future. There will be an active review in terms of what the council can do with regards capacity and facilities to support and help people during what will doubtless be a very challenging period¹²⁵.

Forward Look

North Sea Oil and Gas – Potential Production Increases

The UK Government is considering a new UK "energy supply strategy" following Russia's invasion of Ukraine that could involve more North Sea oil and gas production¹²⁶.

As well as potentially increasing UK North Sea oil and gas production, the UK government is aiming to triple the number of solar panels, more than quadruple offshore wind power and double onshore wind and nuclear energy by 2030¹²⁷.

The strategy's principal aim is to limit dependence on foreign -- namely Russian -- hydrocarbons^s.

Last year the UK met about 40% of its gas demand from domestic production, but analysts said the proportion could rise marginally this year with projects such as

the Elgood and Blythe fields in the North Sea due to come on stream.

It takes three years on average to produce the first gas from a project after a company has received development consent, according to figures from the North Sea Transition Authority (formerly the Oil and Gas Authority), which is the North Sea regulator¹²⁸.

Such moves could potentially have positive ramifications for the North East economy over the short to medium term. However, in light of the decarbonisation agenda, Aberdeenshire's involvement in projects that focus on renewable energy arguably should take precedence over oil and gas extraction, at least over a longer time horizon.

One consequence of the Ukraine-Russia conflict appears to have precipitated a global drive towards renewables in order to ensure energy independence and security. **The North East region should seek to be at the forefront of this global shift.**

General Economic Opportunities

The deep pool of applied science and engineering expertise in the region is well placed to capitalise on a number of emerging complementary opportunities.

Many opportunities will have strategic value to both Scotland and the UK, including: renewable energy, decommissioning, unconventional oil & gas, global export of oilfield services, energy Research & Development (R&D), particularly that which focuses on scale-up and translational research; and the wider knowledge economy, for example life sciences, food and drink, agriculture and tourism.

^s Norway is the main supplier of both crude oil and natural gas for the United Kingdom. In 2020, some 11.7 million metric tons of crude oil and 1.4 million metric tons of natural gas were imported from Norway. This is significantly higher than the amount imported from the second entry, the United States. Russia, Nigeria, and Canada round out the top five origin countries, with Russia being the only other supplier of natural gas to the UK, as this is reliant on pipeline infrastructure. That year, the United Kingdom imported approximately 46.9 million metric tons of crude oil and natural gas liquids. Approximately 4 million metric tons came from Russia. Source: statista.com.



Employment Forecast – Aberdeen City & Aberdeenshire¹²⁹

In the mid-term (to 2024) the number of people in employment is forecast to grow by 5,300 in the region. Whilst positive this growth does not fully replace jobs lost as a result of the pandemic.

Scotland is expected to surpass 2019 employment levels by 2023. The North East region's recovery is expected to be slower, with 2019 levels not forecast to be reached in the period up to 2031.

Over the longer term (2024-2031) employment within the region is forecast to decrease. In 2031, it is forecast that there will be 5,100 fewer people in employment compared to 2024. Across Scotland the number of people in employment is forecast to increase.

The level of employment contraction in the region equates to an annual rate of -0.3% over the longer term. For comparison, Scotland's forecast *growth* rate is 0.1%.

Future Demand for Skills

In the North East region, a total of 29,400 job openings are forecast from 2021 to 2024. The vast majority will come from replacement demand^t (24,200 people), with the remainder coming from expansion demand^u (5,300 people).

Job openings are expected to be concentrated in a small number of sectors, with four sectors in Aberdeen City and Shire forecast to account for 16,100 (54.5%) of the requirement:

- Wholesale and retail (5,500 jobs)
- Accommodation and Food Services (3,600 jobs)
- Human Health and Social Work (3,600 jobs)
- Administration and Support Services (3,400 jobs)

The forecasts for the long-term (2024-2031) highlight that jobs growth is not

forecast to continue in Aberdeen City and Shire. However, it is 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, known as the replacement requirement, is a symptom of the demographic change strategic driver (i.e. people retiring).

The age demographic of the council's workforce will also likely see the need for replacement demand over the next decade or so. Audit Scotland has previously stated¹³⁰ that a more strategic approach to workforce planning is required to assist the council in addressing the challenges it faces including an ageing workforce and supply shortages in areas such as teaching and social care. Although the pace of improvement has increased with the development of a workforce strategy, this was said to be high level and lacks detail on how the council plans to develop a workforce capable of meeting existing and changing demands.

Opportunities for Recovery

The Scottish Government recently announced the £62 million Energy Transition Fund to support businesses in the oil, gas, and energy sectors over the next five years with a focus on the North East. Projects to be considered under this include an Energy Transition Zone, incorporating a people, skills, and employability workstream, and the Global Underwater Hub. Partners continue to support other sectors where redundancies have been most significant such as Retail, Hospitality, and Tourism and projects are being developed to build on the planned economic diversification around Seafood Transformation and Adventure Tourism.

The Aberdeen City Socio-Economic Rescue Plan includes a range of skills and employability interventions including an Energy Transition Skills Academy, support for apprentices and to help young people

^t Replacement demand is the number of job openings generated by people leaving the labour market (i.e. those who retire, move away, or change jobs).

^u Expansion demand is the measure of an increase/decrease in jobs as a result of economic growth/contraction.



into positive destinations, as well as support for people facing redundancy across the city.

Aberdeenshire Council has introduced a Business Resilience and Sustainability Scheme and developed its Economic Development Service Plan to support a strong renewal of the economy.

Regional Partners have refreshed the Regional Economic Strategy Vision statement in order to support recovery of the economy and contribute to the delivery of SG economic recovery plan.

The Scottish Government announced a one-year £15 million fund to support Economic Recovery and Skills Provision in the Aberdeen City and Shire region. Partners are collaborating to develop and deliver a programme which will deliver support to those most impacted by the oil and gas downturn, Brexit and COVID-19 and help tackle inequalities which have been aggravated by these economic shocks.

While the North East is known globally for its expertise in the Oil & Gas sector, it is rapidly progressing its transition, and therefore Scotland's, to be a global centre of excellence for Renewable Energy. This is being accelerated by the £62 million Energy Transition Fund to support businesses in the oil, gas, and energy sectors over the next five years with a focus on the North East, including the development of the Energy Transition Zone, incorporating a people, skills, and employability workstream, and the Global Underwater Hub.

The region also has strengths across key industry sectors of Digital, Food, Drink & Agriculture, Tourism and Life Sciences and partners continue to support these and other sectors where redundancies have been most significant such as Retail, Hospitality, and Tourism.

Automation

The automation of tasks otherwise carried out by people has been a focus for civilisation for more than 2,000 years.

Waterwheels for processing grain and stone were recorded from 350 BCE in Syria and Egypt. The Industrial Revolution in the nineteenth century saw the wider adoption of automated technology, such as punch-card controlled looms, that would simplify tasks previously done by hand. Such changes were the subject of protest and sabotage as skilled craftsmen sought to prevent the diminishing of their trades. The modern rise of industrial automation and the use of robots in the workplace has triggered similar concerns on the potential impact it could have on the quality and availability of work¹³¹.

Financial services jobs could be relatively vulnerable to automation in the shorter term, while transport jobs are more vulnerable to automation in the longer term¹³².

In the long run, less well-educated workers could be particularly exposed to automation, emphasising the importance of increased investment in lifelong learning and retraining.

For business, the performance benefits of automation are relatively clear, but the issues are more complicated for policymakers. Policymakers will doubtless embrace the opportunity for their respective economies to benefit from the productivity growth potential; and they will likely put in place policies to encourage investment and market incentives to encourage continued progress and innovation.

At the same time, policymakers must evolve and innovate policies that help workers and institutions adapt to the impact on employment. This will likely include rethinking education and training, income support and safety nets, as well as transition support for those dislocated by the changing nature of employment.

Individuals in the workplace will need to engage more comprehensively with machines as part of their everyday activities and acquire new skills that will be in demand in the new automation age.



Although Aberdeenshire is in some respects vulnerable to increasing automation given the current dynamics of the jobs market, the area is also well positioned. **Digital infrastructure and associated skills will be a key area for the region** given its global economic ambitions

6



Our Economy: Estate Modernisation

Key Judgements

- The core local government budget is down slightly in real terms in 2022/23. But an additional £800m funding from other portfolios is transferred into the local government settlement to cover a range of priorities and commitments, including funding to pay a higher living wage to care staff, teacher recruitment, health and social care integration, and expansion of social care provision.

The additional funding means the overall local government funding settlement is up by more than 4% in real terms. This additional funding is not strictly speaking ringfenced, but it will be required by local government to meet the additional commitments expected of it. This therefore **limits councils' flexibility to respond to unforeseen challenges and circumstances** that may arise.

- The long-term funding position for councils remains uncertain.** There are significant challenges ahead as councils continue to respond to the impacts of COVID-19 on services, finances and communities.

Councils must also address cost and demand pressures pre-dating COVID-19, as well as develop long-term plans with partners to address complex issues. This includes addressing child poverty, inequalities, improving economic growth and delivering Scotland's net Zero ambitions.

- Public service reform is clearly targeted as an area where the Government aims to achieve funding "efficiencies". Indeed, the spending review sets an **"expectation that public bodies will deliver annual efficiencies of at least 3%"** and that all public bodies are expected to "demonstrate that they remain fit for purpose against the present and future needs of Scotland's people, places and communities"¹³³. The Spending Review provided examples as to how public sector reform may be achieved through such things as digitalisation; maximising revenue through innovation; operating fewer buildings; providing shared services; and improving public procurement.
- Aberdeenshire Council's Settlement amounts to £496.819 million for 2022/23, with a base budget (estimated income) of £476.406 million.

Compared to the estimated income for 2022/23 the draft settlement sees the Council receive an increase in funding from Scottish Government of £20.413 million. However, of this, £15.088 million will be required to be passported to the Health and Social Care Partnership and £7.288 million of the increase relates to additional funding for teachers.

- The Council estimates that, overall, it will need to close a financial gap of £48.040 million to 2026/27** (rising from £20.947m in 2023/24). The Council aims to ensure that its finite resources are used to maximum effect and continues to seek new and alternative ways of working as well as improving the efficiency of existing service delivery. **the Council must actively strive to find further long-term solutions and efficiencies going forward.**



- **The Medium-Term Financial Strategy (MTFS) provides a structured approach to financial planning across Services.** This approach has proved particularly important when combining service delivery considerations and financial planning in an environment of increasing demands and limited resources
- **Checks and balances within the Aberdeenshire Council system are robust.** Budget pressures are continuously reviewed as part of the budget monitoring process during each financial year. Reporting financial information to each Policy Committee with an overall report to Council has proved beneficial in terms of understanding and has enhanced the level of financial scrutiny
- **The Capital Plan is under review,** a review that is informed by the Corporate Asset Management Plan (which is itself currently being updated), the Estate Modernisation Strategy, the medium-term financial strategy (MTFS) and cost of borrowing, and service asset-based strategies that support Council priorities and national programmes.
- **The council is progressing its wider estates modernisation programme.** Directorates have been asked to review the estate controlled by them and to align usage with directorate and service plans. This project is also considering the potential to share any assets with other public sector partners and there is also an ‘asset challenge’ from the Property service to stimulate conversations around what is needed rather than because ‘it’s always been there’. This review was scheduled for completion by the end of 2021.
- The Council Tax cap was removed by Scottish Government for 2022/23 enabling Local Authorities to increase the Council Tax in their area at their discretion. The proposed revenue budget includes an Officer assumption of an annual 3% Council Tax increase for future years. This assumes there is no reinstatement of the cap by Scottish Government. A 1% reduction in the Council Tax increase would result in a reduction in income of around £1.5 million. **Reform to Council Tax is probable in the next few years** as the major political parties are generally in favour of amending it.
- **An increasingly important element of the council’s ‘estate’ in future will be our digital platforms and associated offerings.** The council’s Digital Strategy (2020-2025) was approved in 2021 and sets out the council’s priorities and commitment to optimising digital technology to improve our business, enable economic growth, support the environment and benefit residents whilst ensuring no one is left behind.

In the summer of 2021, twelve digital initiatives were commissioned after the strategy was adopted. These will help the council meet its aims and continue to **build a modern and effective local authority**; one that is **resilient** and makes **financially sustainable** use of technology to ensure **Best Value**.

Assessment of Issues

The following sections consider the importance of sound, long-term financial planning arrangements and note the financial context in which Aberdeenshire Council operates.

Financial Context – Scottish Government Budget 2022/23

The first budget of the parliament was billed by the Finance Secretary Kate Forbes as a budget that was about transition from the pandemic into a period of recovery. It was also billed as ‘a budget of choices’.



On the spending side, most of the key choices were known about in advance given the governments commitments.

- Health and social care consequential from the UK government's spending in England are passed onto health and social care in Scotland. As a result, the health budget will reach over £17bn in 2022/23, around 15% higher than pre-pandemic health spending.
- The doubling of the Scottish Child Payment to £20 per week, which will be implemented from the start of the 2022/23 year was, as expected, a key focus of the budget speech.
- The government reiterated its commitments to substantially increase teacher numbers over the parliament, backed by a £1bn fund over the five years.

These flagship policies were known about in advance and face limited if any dissent from opposition parties.

Perhaps the biggest surprise of the budget was how quickly the Scottish Government decided to roll back non-domestic rates reliefs for businesses in retail, hospitality and leisure (RHL). This year, these businesses have received full reliefs on their bills, at a substantial cost to the government of £736m.

The roll back was expected – but the speed at which it will be implemented came as a surprise to some commentators. RHL businesses will be eligible for a 50% relief, but only for the first three months of the financial year. Moreover, there is a cap on the amount of relief by the taxpayer. This policy is less generous than in England, where 50% reliefs will be available for the whole financial year for eligible businesses.

On this, the government has prioritised its aspirations for public services spending over calls from business organisations to continue the relief for longer. For a transitionary budget the relief is removed more abruptly than many had anticipated. But the government may have been

persuaded by arguments that, the longer the reliefs are maintained, the lower their likely economic impact.

A deteriorating outlook on income tax

The Scottish Fiscal Commission forecasted a deteriorating outlook on income tax. Since their last forecasts in August they have wiped off £400m from their forecast of income tax revenues in 2022/23 as a result of a less upbeat assessment of earnings growth.

Significantly, this means that the forecast of the 'net tax' position for 2022/23 is now negative. In other words, the Scottish budget is forecast to be lower as a result of income tax devolution than it would have been without income tax devolution – despite Scottish taxpayers paying around £500m more in income tax than they would if the UK policy applied.

This is the result of the fact that employment and earnings have grown less quickly in Scotland than in rUK since 2016/17. Because income tax is devolved, Scotland no longer receives a share of the relatively faster growing revenues south of the border. This was a known risk of tax devolution at the time.

But it does not in itself undermine the Scottish government's distinctive income tax policy. Without this, the 'net tax' position would have been even more negative.

Local government – more funding but more constraints

The core local government budget is down slightly in real terms in 2022/23. But an additional £800m funding from other portfolios is transferred into the local government settlement to cover a range of priorities and commitments, including funding to pay a higher living wage to care staff, teacher recruitment, health and social care integration, and expansion of social care provision.

The additional funding means the overall local government funding settlement is up by more than 4% in real terms. This additional funding is not strictly speaking



ringfenced, but it will be required by local government to meet the additional commitments expected of it. This therefore limits councils' flexibility to respond to unforeseen challenges and circumstances that may arise¹³⁴.

Interestingly, councils will have complete flexibility to set the Council Tax rates in 2022/23 without any caps or constraints.

A progressive policy on public pay

The government's announcements on public sector pay policy emphasised, as in previous budgets, their progressive pattern. To be clear, Public Sector Pay Policy does not apply to Local Government employees, whose pay awards are negotiated and agreed via the four national negotiating bodies.

Employees earning up to £25,000 have been guaranteed an inflationary uplift of at least £775, which equates to a rise of 3.1% for someone earning £25,000, in line with the September inflation figure published by the ONS.

However, those earning over £25,000 are not going to see their pay keep up with inflation. Those earning up to £40,000 will get an uplift of £700, while those earning over £40,000 will get an uplift of £500 – or around a 1% uplift for someone earning £50,000. Higher paid public sector workers will see their pay declining in real terms.

A budget for climate change?

As expected, a key emphasis of the budget speech was reducing Scotland's contribution to climate change. But understanding whether the policies announced will be sufficient to meet climate targets will require further analysis. The Committee on Climate Change reported in December 2021 that while the ambition behind the Scottish targets is laudable, there is currently a gap between that aspiration and the action being taken to achieve it.

Aberdeenshire Council – Funding Arrangements and Financial Security

Aberdeenshire Council invests nearly **£1 billion per year**, delivering a multitude of services across the activities of the General Fund and Housing Revenue Account via revenue budgets, capital plans, reserves and the Integrated Joint Board responsibilities.

The Medium-Term Financial Strategy (MTFS) provides a **structured approach** to financial planning across Services. This approach has proved particularly important when combining service delivery considerations and financial planning in an environment of increasing demands, limited resources and single year Settlements.

Checks and balances within the Aberdeenshire Council system are robust.

Budget pressures are continuously reviewed as part of the budget monitoring process during each financial year. Reporting financial information to each Policy Committee with an overall report to Council has proved beneficial in terms of understanding and has **enhanced the level of financial scrutiny**¹³⁵.

In addition, the Audit Committee has a remit to review the adequacy of internal control systems, policies and practices employed to ensure compliance with relevant statutes, directions, guidance and policies, financial information presented to the Council, and risk assessment arrangements and procedures¹³⁶.

Local Government Settlement

The Scottish Government has again, provided a one-year settlement for 2022/23. This provides risk and uncertainty around future years' budgets and inhibits the Council's ability to accurately plan ahead.

The Local Government Settlement includes:

- £887.8 million funding across Scotland for Health and Social Care, including £174.5 million for the delivery of the



real Living Wage; £15 million for uprating of free personal and nursing care payments; £20.4 million for implementation of the Carers Act; £124 million to provide care at home; £20 million for Interim Care and £200 million to support investment.

- £145 million for Additional Teachers and Support Staff.
- Funding for 100-day commitments including the removal of Core Curriculum and Music Tuition charges and expanding the School Clothing Grants.

Aberdeenshire Council's Settlement amounts to £496.819 million for 2022/23, with a base budget (estimate income) of £476.406 million.

Compared to the estimated income for 2022/23 the draft settlement sees the Council receive an increase in funding from Scottish Government of £20.413 million. However, of this, £15.088 million will be required to be passported to the Health and Social Care Partnership and £7.288 million of the increase relates to additional funding for teachers which will necessitate a corresponding increase in Education expenditure budgets.

The Settlement also advises of additional funding which has not been included in the above allocation. This includes £200 million to support investment in Health and Social Care and £7.6 million for Teachers Induction Scheme which is yet to be allocated. It also includes, £63.95 million for Expansion of Free School Meals, of which Aberdeenshire has been allocated £3.034 million, £12 million for removal of Music Tuition fees, of which Aberdeenshire has been allocated £0.633 million, and £8 million for Removal of Core Curriculum Charges, of which Aberdeenshire have been allocated £0.381 million.

Five-Year Medium-Term Financial Strategy (MTFS) 2022/23 – 26/27¹³⁷

The key objectives of the MTFS are as follows:

- To ensure that effective financial planning and management contributes to the Council achieving the priorities set out in the Council Plan.
- To ensure that the Council's finances are sustainable and resilient
- To maximise the income from Council Tax and chargeable services (through the Corporate Charging Framework) to support the Council's priorities.
- To forecast the expenditure and income requirements of the Council to ensure financial resources are utilised to support the priorities of the Council in accordance with value for money principles.
- Identifying savings and financial efficiencies through changes to the way the Council works, for example through exploiting new technology and service redesign.

The ongoing exceptional operating environment which has been created by the COVID-19 pandemic continues to provide significant challenges to the Council. The past two years have seen unprecedented pressures on the Council's ability to deliver services and generate income, despite funding provided by the Scottish Government. In addition, the Council will experience further budget pressures arising from rising inflation, commodity, and energy prices as well as increases to staffing costs following the increase in employers National Insurance contributions which takes effect from 1 April 2022.

In March 2022, the Bank of England raised interest rates for the third time in four months to 0.75% (taking borrowing costs to their pre-pandemic level) and warned that increasing energy bills would push inflation higher than expected to more than 7% by April 2022. Increasing interest rates will impact on the cost of borrowing for capital expenditure and will be considered as part of the Treasury Management - Borrowing and Investment Strategies.

The Council estimates that, overall, it will need to close a financial gap of



£48.040 million to 2026/27 (rising from £20.947m in 2023/24). The Council aims to ensure that its finite resources are used to maximum effect and continues to seek new and alternative ways of working as well as improving the efficiency of existing service delivery. It is evident, however, that the continuing reductions in funding and increasing demand will have an inevitable impact on both the nature and scope of services going forward, and **further efficiencies and savings will be required to close the funding gap.**

Reserves

At 31 January 2022, the **Council held total reserves of £81.513 million** comprising: Working Balance (£11.000m); Statutory Funds (£20.134m); and Earmarked Reserves (£50.379m).

The Council's reserves are currently higher than previous years, largely due to additional funding received from Scottish Government in 2020/21 and 2021/22 to support the recovery from the COVID-19 pandemic (a position reflected across Scotland¹³⁸). This funding was one-off in nature. Therefore, whilst it can be utilised to balance the 2022/23 budget, this is not a sustainable strategy to balance future years, and **the Council must actively strive to find further long-term solutions and efficiencies going forward.**

Capital Plan 2022-2037

The Council's Capital plan considers the need for capital investment requirements to deliver the Council's priorities and enhance service delivery against the affordability within the Medium-Term Financial Strategy. The total cost of the Capital Plan for 2022/23 is £136.063 million of which £95.455 million will be funded from Cash and Borrowing.

Capital planning is led by the Capital Plan Group (CPG) and is a key element of Aberdeenshire Council's strategic framework. The CPG is chaired by Head of Property & Facilities Management with membership of senior officers from all Services and reports to the Strategic Leadership Team (SLT).

This approach ensures that capital investment and expenditure is consistent with Council priorities. The CPG also co-ordinates, challenges and assesses bids for inclusion in the capital programme and makes recommendations to SLT and Committees for decision.

The Capital Plan Monitoring and Reporting Process has recently been revised, updated, and implemented to a shared-platform system. The system utilises a foundation of data which is already available and managed at project and rolling programme level and integrates it with financial information to produce incrementally more strategic reports that can also be drilled down to a level of detail that meet scrutiny and audit requirements.

Capital Plan Review

Funding decisions for major new projects are critical in relation to financing the Capital Plan, securing funds and managing debt. Given the scale of the Capital Plan and the changes to strategic needs across the Council, it is recognised that the current asset base and previously planned capital projects and programmes may not be what is required for the future. The Capital Plan is therefore under review, a review that is informed by the Corporate Asset Management Plan, which is itself currently being updated, the Estate Modernisation Strategy, the Medium-Term Financial Strategy (MTFS) and cost of borrowing, and service asset-based strategies that support Council priorities and national programmes.

Transformation and Savings

an ambitious engagement programme was recently launched amongst staff to identify efficiencies and savings which will support a multi-year budget. The programme includes an employee savings suggestion scheme called Every Voice Counts, which encourages staff to put forward their ideas for savings. The programme has already generated over a hundred suggestions which are now being worked through by services.



All chief officers have set out their programme for change which takes into account the service design and change activity planned over the next few years to ensure teams are well placed to respond to future needs and demands.

In addition, three Cross Council transformation themes have been identified as having the potential to achieve significant efficiencies in the future.

- Commercialisation (seeking opportunities to generate income)
- Mobility (redesigning our transportation services around place)
- Ways of Working (terms and conditions, new working patterns)

Each theme is director-led. Initial scoping has taken place, project management is in place and activity is underway.

Oversight and monitoring of the programme is undertaken by the Strategic Change Board, and reports will be brought to committee as part of Directorate Plan reporting and financial monitoring.

Carbon Budget 2022-2023

A scoping exercise to consider the requirements needed for the Council's operational buildings to deliver its duties on the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 has produced a broad estimate in the region of £177.300m of capital expenditure.

The feasibility work required to look at these figures in more detail is estimated to require Revenue funding of between £400,000 to £500,000.

Work on the Fleet Decarbonisation Strategy has also identified potential additional costs for the purchase of Battery Electric Vehicles and the supporting infrastructure in the range of £25.070m to £31.270m.

These amounts have been excluded from the Revenue and Capital budget at

present. Following the outcome of the feasibility work, future costs will be reported to Council in due course.

Estate Rationalisation

The council's programme of estate rationalisation was highlighted as good practice in the Best Value Assurance Report (BVAR) at the end of 2020.

The council had previously implemented the workSMART programme. This introduced options to enable staff to work more flexibly when required, supported by digital technology and the roll out of Office 365. The technology in place and the ability to work flexibly helped the council to easily transition to remote working during the COVID-19 pandemic.

Plans for the council's offices were reaffirmed by elected members in April 2021 and involve:

- a new office site with a family centre in Ellon
- refurbishment of Woodhill House with a view to sharing the site with other public sector partners.

In line with the government's COVID-19 recovery recommendations, the council has consulted with staff to identify future working intentions and a 'hybrid' model combining home and office-based working is the most likely over the short to medium term.

The council is also progressing its wider estates modernisation programme. Directorates have been asked to review the estate controlled by them and to align usage with directorate and service plans. This project is also considering the potential to share any assets with other public sector partners and there is also an 'asset challenge' from the Property service to stimulate conversations around what is needed rather than because 'it's always been there'. This review is scheduled for completion by the end of 2021¹³⁹.

Preparatory and background activity is ongoing to inform the content and format of Aberdeenshire Council's 'Strategic



Asset Plan 2021 – 2026, which is being developed in-line with CIPFA's 'Strategic Asset Management Framework' guidance¹⁴⁰. This plan is currently described as being 35% complete in Pentana (March 2022).

The applications to redevelop and extend Inverurie Town Hall for use as a new council office have been withdrawn to allow for further development of the proposals (31 March 2022).

The three main reasons for withdrawal are:

- Planning – there were objections which would, in order to be resolved, require new applications to be made anyway.
- WorkSTYLE – work is well underway to attempt to define how the council will use its office spaces in the years ahead. This is as a result of the global pandemic, but also a change more generally in working style. It was agreed that a new application for Inverurie in future would be aligned with the finalised outcome of WorkSTYLE.
- Community – It was acknowledged that there were a significant number of issues raised by the community with the applications as they stand right now.

Meanwhile, council officers have also been asked to draw up a town strategy for Inverurie. This place-planning approach will include future options for office space and will be created alongside the community of Inverurie.

There are currently no dates attached to either the town strategy project or any future application.

Forward Look

Potential Budget Risks

Council Tax Increase: As noted above, the Council Tax cap was removed by Scottish Government for 2022/23 enabling

Council's to increase the Council Tax in their area at their discretion. The proposed revenue budget includes an Officer assumption of an annual 3% Council Tax increase for future years. This assumes there is no reinstatement of the cap by Scottish Government. A 1% reduction in the Council Tax increase would result in a reduction in income of around £1.5 million.

Pay Award: The pay awards have been implemented for Local Government and Teaching staff. The costs were met from within the allocated budget.

Pay inflation has been assumed for 2022/23 and future years at 3% p/a. At the time of writing, the Teachers Pay Award remained unsettled, therefore there is a risk that the final agreement is higher than the amounts allowed for in the proposed budget. In addition, Public Sector pay awards for 2022/23 onwards will also be decided by Scottish Government as part of the national pay discussions. As noted previously, local government pay negotiations are conducted through the four national negotiating bodies by the Trade Unions and COSLA Officers, who represent the Employers Side. They are entirely separate to the Scottish Government public sector pay awards. That fact notwithstanding, an agreement of over 3% would result in a budget pressure which would require to be funded in-year. An additional 1% would result in a budget pressure of around £3.5 million. In the absence of additional Scottish Government funding, any additional pay awards would require to be funded from Reserves.

Inflation: inflation is at a high level and expected to continue to increase in the short term. The budget has been prepared on the basis of known contractual inflation rates. Should general inflation continue to increase and be reflected in an increased cost of goods and services, this will cause additional pressure on the revenue budget and the services the Council can afford to provide.

^v Chartered Institute of Public Finance and Accountancy



Treasury Management: Treasury Management involves identifying and accepting a number of risks and assumptions. These include:

- interest rates for borrowing and investing
- market conditions
- timing of borrowing
- levels of cash balances
- timing of the delivery of the Capital Plan.

Uncertainty in the financial markets and interest rates would result in any adverse movements impacting on the Loans Fund budgets and the Council's ability to deliver its Capital Plan. This will be pertinent as Central Banks around the world are in the early stages of a 'tightening cycle' after several years of loose monetary policy, meaning interest rates are more inclined to increase in future to stave off the worst effects of inflationary pressures.

Levels of Reserves: It is prudent for the Council to hold a general Working Balance reserve to provide for any unexpected expenditure that cannot be managed within existing in-year budgets. This expenditure should be one-off in nature and result from an extraordinary event. For a number of years, the General Fund Working Balance Reserve has been maintained at £9 million, with any reductions being replenished in subsequent years.

In addition, a number of other earmarked reserves are held which are identified for specific purposes and drawn down as the expenditure is incurred. The Council currently holds larger than normal reserve balances mainly due to additional funding received from Scottish Government to support recovery from the pandemic. These reserves are one-off in nature and therefore these should not be relied upon to fund general Council expenditure.

COVID-19 Pandemic: The impact of the pandemic continues to pose significant financial risks to the Council. It has resulted in additional service expenditure and reduced the Council's ability to generate income or achieve savings. These pressures will have knock-on impacts for years to come. The wider economic and societal impact of the pandemic will continue to pose challenges to the Council in terms of service pressures and how services are delivered.

Long Term Funding Uncertainty

The long-term funding position for councils remains uncertain. There are significant challenges ahead as councils continue to respond to the impacts of COVID-19 on services, finances and communities. Councils must also address cost and demand pressures pre-dating COVID-19, as well as develop long-term plans with partners to address complex issues. This includes addressing child poverty, inequalities, improving economic growth and delivering Scotland's net Zero ambitions¹⁴¹.

Scottish Government Spending Review and Budget

The Scottish Government's **Spending Review^w** was published in May 2022 – the first since 2011. The government warned that the outlook was challenging – and it is. The block grant from the UK government – the key factor determining the size of the Scottish budget – is projected to barely increase at all in real terms between 2022/23 and 2025/26, and then increase slightly in the final year of the forecast. However, the devolved budget in 2022/23 is at a relatively high level in a historic context.

The Spending Review prioritises the following issues¹⁴²:

- Reform to improve outcomes for children currently living in poverty.

^w Alongside the Spending Review, the [Scottish Fiscal Commission \(SFC\) presented its latest economic and fiscal forecasts](#). SFC forecasts give estimates of the revenues that will materialise from tax receipts over the next five years, and the levels of spending that will be required to fulfil social security policy commitments. They also set out important judgements on the likely trajectory for economic growth and inflation.

The [Medium-term financial strategy \(MTFS\)](#) was also published as well as an [Equality and Fairer Scotland statement](#).



- Reform to help achieve the just transition to a net zero and climate resilient society where we play our part in tackling the global climate crisis.
- Reform in the way we experience our public services as we recover from the COVID-19 pandemic.
- Transformation of our economy to enable growth, opportunity and a sustainable outlook for our future.

Delving into the numbers presented, it appears that priorities of the government in a budgetary sense are **Health and Social Care and Social Security**.

Spending on the health and social care portfolio is projected to increase to over £19 billion in 2026-27, an increase of 2.6% in real terms over the course of the forecast period.

Social Security assistance is forecast to increase by just under 50% over the period, reaching £6.5 billion in 2026-27. Indeed, the Scottish Fiscal Commission point to an increasing gap between the amount the Scottish budget will receive in its block grant for Social Security and the amount the budget plans to allocate to social security benefits.

By prioritising health and social security, other parts of the Budget will be squeezed. For example, Local Government's "core" resource budget is projected to be cut by 7% in real terms over the period. The £10,616 million local government figure used in the Spending Review is the combination of the General Resource Grant, guaranteed non-domestic rate income and specific revenue grant figures (as set out in the Scottish Government's 2022-23 Budget).

Public service reform is clearly targeted as an area where the Government aims to achieve funding "efficiencies". Indeed, the spending review sets an **"expectation that public bodies will deliver annual efficiencies of at least 3%"** and that all public bodies are expected to "demonstrate that they remain fit for purpose against the present and future

needs of Scotland's people, places and communities"¹⁴³. The Spending Review provided examples as to how public sector reform may be achieved through such things as digitalisation; maximising revenue through innovation; operating fewer buildings; providing shared services; and improving public procurement.

As we look ahead and beyond council elections in May, councillors and officers must determine how to restart services, deliver differently, save money and empower communities. They must do so alongside focusing on national priorities, including climate change and economic growth. Whilst councils must address longer-term financial planning, having in place funding certainty, beyond a one-year settlement from the Scottish Government, remains a critical issue.

Future Working Arrangements

Prior to the COVID-19 pandemic, the UK was already seeing a slow growth in the number of employees working from home, with around 5% of the workforce reporting working mainly from home in 2019 and around 30% reporting that they had ever worked from home¹⁴⁴. This increased rapidly during the pandemic, with 46.6% of people in employment doing at least some work from home in April 2020¹⁴⁵. Working from home during periods of government-enforced lockdown shifted attitudes about how working can be configured differently^{146, 147, 148}. Over the longer-term, increased flexible working, including working from home, could increase some workers' well-being and productivity. However, potential positive benefits from flexible working are not equally distributed throughout the population and could increase inequalities^{149, 150}.

For example, COVID-19 has increased the unequal burden of care carried by women, causing more women than men to leave the labour market during the pandemic^{151, 152, 153}. This appears to have occurred in Aberdeenshire to some extent. The proportion of women employed fell by 6.7% between the pre-pandemic quarter and the 2nd Quarter of last summer (2021),



which was greater than the 4.6% fall for men¹⁵⁴.

Age demographics were also a factor in terms of inequalities. Younger workers living in shared accommodation and bedsits in the UK have been less able to access suitable workspaces¹⁵⁵.

Long-term increases in working from home may have impacts on wages, the property market and on town centres as people are less likely to patronise businesses during their lunch time or after work^{156, 157}. This is based on national evidence. Aberdeenshire Council may wish to determine if this outcome transpired locally as it is currently an intelligence gap. Transport ticketing options will need to respond to increased homeworking, and commuting costs could rise for some and fall for others^{158, 159, 160}.

Aberdeenshire Council's Digital Strategy

An increasingly important element of the council's 'estate' in future will be our digital platforms and associated offerings. The council's Digital Strategy (2020-2025) was approved in 2021 and sets out the council's priorities and commitment to optimising digital technology to improve our business, enable economic growth, support the environment and benefit residents whilst ensuring no one is left behind¹⁶¹.

In the summer of 2021, twelve digital initiatives were commissioned after the strategy was adopted. These will help the council meet its aims and continue to build a modern and effective local authority; one that is resilient and makes financially sustainable use of technology to ensure Best Value.

The 12 initiatives are as follows:

1. Online services via MyAccount to improve response times and reduce operational costs.
2. Webchat to reduce call volume, respond quickly to regular queries so employees can focus on complex issues.

3. Building digital skills to create a confident workforce that makes best use of technology solutions.
4. Mobile solutions to reduce our carbon footprint and enable employees to work remotely.
5. M365 for frontline colleagues to reduce two-way communication and reduce administration.
6. Cyber security – investment in additional security to keep our information safe.
7. Master data management – have a single reference for every citizen to improve our efficiency and their user experience.
8. Data Hub to improve services and decision making by linking our data with select external sources.
9. Committee Management System – reduce waste and administration through more efficient organisation of information and activities.
10. Innovation Fund to encourage the development of ideas with financial support for digital innovation.
11. Process automation to help us speed up services, reduce error and free up staff for more complex activities.
12. Smart tech (Internet of Things) saves time and money by monitoring and managing technology remotely.

Cyber Resilience

The importance of cyber resilience across Scotland's public, private and third sectors has never been greater. Digital technologies bring enormous opportunities for organisations, but they also bring new threats and vulnerabilities that we must manage¹⁶².

Learning Estates – Three-Year Plan

The Learning Estates Team manage and prioritise budgets for the following:

- Capital Educational Enhancements budget – circa £3m per annum.
- Capital projects for Education and Children's Services (E&CS)
- 1140 Early Learning and Childcare (ELCC) projects – Capital Grant
- Revenue Improvements Budget – 470k per annum



- Improved Disabled Access – 550k per annum
- Infrastructure Fund One (Education allocation) - £2,945m over 2022/23 and 2023/24

The Learning Estates Team continue to work beyond Aberdeenshire supporting other authorities across the Northern Alliance and developing from good practice elsewhere.

The Learning Estates Team workplan includes the following activity and aspirations over the next three years across the Northern Alliance, Aberdeenshire as a whole and in each of the six council administrations areas, as the following sections highlight.

Banff & Buchan

- Informal engagement and statutory consultation on the merger of Fraserburgh
- North School and St Andrews School into a new build at Fraserburgh Academy.
- Schedule of accommodation and interrogation of detailed design for delivery of Fraserburgh North and St Andrew's School merger.
- Assessment and options appraisal on relocation of St Andrews School Nursery and Fraserburgh North School Nursery.
- Rezoning of schools within Fraserburgh, Fraserburgh North, St Andrews, Fraserburgh South Park and Lochpots Schools.
- Continue to progress through the relevant Gateway Review stages to deliver the merger of St Andrews and Fraserburgh North Schools.

Buchan

- Completion of statutory consultation regarding closure of Longhaven School and subsequent actions based on outcome.
- Continue to progress through the relevant Gateway Review stages to deliver Peterhead Community Campus.
- Attend and support design workshops with stakeholders for Peterhead

- Community Campus and Anna Ritchie School.
- Engagement with operational stakeholders associated with Peterhead Community Campus on the conclusion of the Strategic Brief.
- Dales Park School and Meethill School engagement and workshops prior to merger. Including developing culture, naming of school, uniform and logo.
- Establish a "Peterhead Community Campus Management and Transition Group" to support the move between current facilities and the new campus
- Inclusion of an accessible toilet and hall upgrades at Clerkhill School.
- Suitability works at New Deer School to allow PE provision to be accommodated within the school.
- Home Economics refurbishment and temporary accommodation removal at Mintlaw Academy will be carried out during the financial year 2022/23.

Formartine

- Option Appraisal for the future of Easterfield and Fisherford Schools.
- Scoping for the rezoning of the catchment areas within Ellon, incorporating Ythanbank.
- Refurbishment of the Community Resource Hub and Enhanced Provision facilities at Ellon Primary School.
- Capacity works at Meldrum Academy with a focus on PE and changing accommodation.
- Engagement with stakeholders on the outcome of the Option Appraisal of primary school provision within the South Formartine area.

Garioch

- Assessment of the continuation of the option for P7 Kinellar pupils to attend
- Inverurie Community Campus.
- Implement Post Occupancy Evaluation of Inverurie Community Campus and provide an outcome report to inform future builds.
- Assessment of capacity at Echt School.
- Insch School and Nursery Refurbishment.



- Internal reconfiguration and refurbishment to improve classroom and breakout layouts at Elrick School.
- Unit 2 classroom refurbishment and external Multi Use Games Area to Kellands School with be carried out during the financial year 2022/23.
- Kemnay Academy capacity works, possible extension and internal reconfiguration will be carried out during the financial year 2023 - 2025.
- Toilet upgrade, improved Community Resource Hub facilities and refurbished breakout areas at Gordon Primary School.
- Online survey to all residents of Dinnet following a request by Logie Coldstone School Parent Council.
- Major capital investment at Aboyne Primary School to reconfigure facilities, refurbish welfare facilities and enhance the outdoor learning environment.
- Banchory Academy Home Economics refurbishment will be carried out during the financial year 2022/23.

Kincardine & Mearns

- Informal engagement and statutory consultation on the relocation of Dunnottar School and Carronhill School.
- Schedule of accommodation and interrogation of detailed design for delivery of the relocation of Dunnottar School and Carronhill School.
- Assessment and options appraisal on the relocation of Dunnottar School Nursery.
- Continue to progress through the relevant Gateway Review stages to deliver New Build Dunnottar and Carronhill Schools.
- Assessment of the capacity at Portlethen Academy.
- Develop business case, proposals and statutory consultation programme for a new school at Chapelton.
- Reconfiguration at Catterline School to provide pupil support spaces, breakout and storage. Removal of one temporary accommodation unit will be carried out during the financial year 2022/23.
- Internal reconfiguration and increased capacity works at Mearns Academy Community Campus will be carried out during the financial years 2022/23 and 2023/24.

Marr

- Conclusion of the closure of Gartly School consultation and subsequent actions following outcome.
- Installation of an accessible toilet at Kennethmont School and subsequent increase in capacity.
- Scoping of works at Alford Primary following outcome of Post Occupancy Evaluation.



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