

From mountain to sea

# **Aberdeenshire Council Strategic Assessment 2024/25**

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# Contents

1.	Document Details .....	3
2.	Purpose .....	3
3.	Acknowledgement .....	3
4.	Introduction .....	4
5.	Executive Summary .....	4
	<i>Fiscal Context</i> .....	5
	<i>Policy Context</i> .....	6
	<i>Demographic Challenges</i> .....	8
	<i>Executive Summary of Strategic Assessments per Chapter</i> .....	12
	<i>Education</i> .....	12
	<i>Health and Wellbeing</i> .....	14
	<i>Communities</i> .....	17
	<i>Climate change</i> .....	21
	<i>Economy</i> .....	22
	<i>Infrastructure and assets</i> .....	26
6.	Appendix 1: Risks and Opportunities .....	29
7.	Appendix 2: Council Priorities in Context .....	31

## Document Details

<b>Title</b>	Aberdeenshire Council Strategic Assessment 2024/25
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## Purpose

This Strategic Assessment serves as a summary of the comprehensive evidence base that will inform the overarching priorities of the council.

The primary purpose of this assessment is to provide policymakers with a clear and current overview of the situation in Aberdeenshire, offering evidence on current trends and projecting future changes.

## Acknowledgement

This report was compiled with the cooperation and input from various teams and individuals whose contributions have been vital in shaping the strategic assessment.

We wish to acknowledge the researchers, analysts, and other staff members who have provided the necessary data, analysis, and insights to construct this document.

Additionally, we recognise the collaboration and support from related departments and external entities that have contributed to this work.

Their collective efforts have enabled the creation of this report, and we extend our appreciation for their professionalism and commitment.

# Introduction

The strategic assessment forms part of an evidence base that enables the council to identify priorities and plan effective strategies for improvement. By equipping decision-makers with crucial insights, the assessment facilitates informed decision-making, enabling the anticipation of future needs and alignment with strategic long-term objectives.

The latest strategic assessment of Aberdeenshire's fiscal and socio-economic landscapes, as contained in this report, presents a region with notable strengths, including high employment rates, better health outcomes, and low crime rates. Despite these advantages, the region confronts significant challenges that span several critical areas: widening inequalities, fostering sustainable economic growth, adapting to demographic changes, tackling climate change, enhancing health and social care, improving community well-being through localised solutions, promoting collaborative governance, and achieving fiscal sustainability.

Given the complex array of challenges and opportunities, Aberdeenshire's strategic pathways must be rooted in robust, fact-based planning and adaptive governance. The council's efforts to strategically manage economic, environmental, and demographic realities within a constrained fiscal environment will define its capacity to enhance regional resilience and sustainability. By leveraging local strengths and addressing the interconnected challenges of economic development, environmental stewardship, and social equity, Aberdeenshire can navigate its future strategically and sustainably.

## Executive Summary

**Aberdeenshire boasts several favourable attributes:** Evidence suggests that Aberdeenshire residents experience better outcomes than those in other parts of Scotland. Typically, individuals in Aberdeenshire benefit from higher employment rates and economic participation, greater household incomes, higher vocational qualifications, better health outcomes and longevity, and lower rates of crime and disorder<sup>1</sup>. While there are exceptions, the overall picture is positive.

Nevertheless, these favourable outcomes do not mask the complex challenges that lie ahead. Like other Scottish councils, Aberdeenshire is contending with a challenging fiscal environment marked by significant financial pressures.

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<sup>1</sup> For a more granular look at local datasets in Aberdeenshire, please refer to the [59 Intermediate Zone Statistical Summaries](#)

## Fiscal Context

### Scottish and Local Budgets

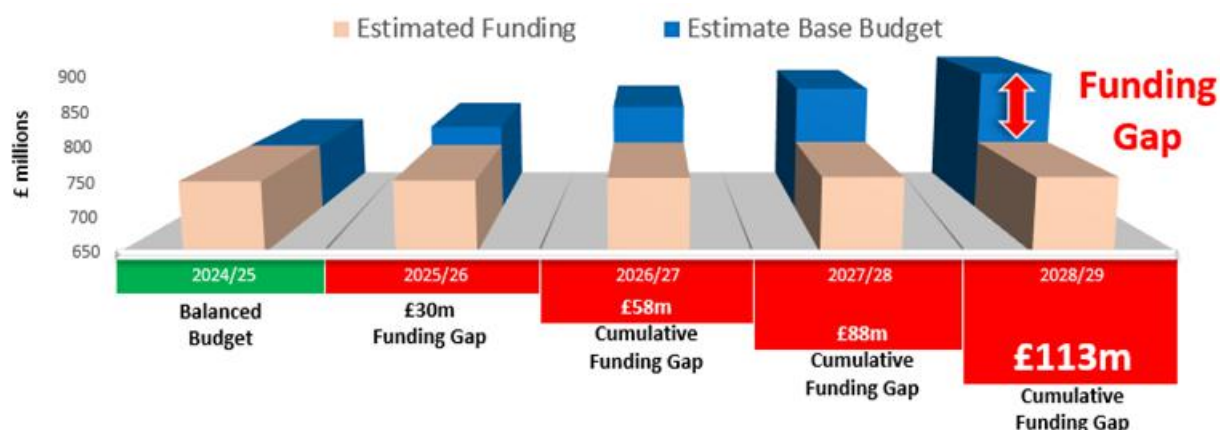
**Fiscal Uncertainty and Implications for Aberdeenshire:** The Scottish Government's budget for 2024–25 reflects a complex fiscal landscape characterised by uncertainties and challenges that notably affect planning and allocation decisions, with implications for Aberdeenshire and its council operations.

**Medium-Term Funding Projections:** Future projections suggest a potential uplift in resource funding by 2025–26, driven by improved income tax revenue forecasts. Nevertheless, with UK government funding likely to remain constrained, subsequent years expect only marginal increases in public service funding, averaging about 0.6% annually. This indicates a forthcoming period of tight fiscal conditions for the public sector, including Aberdeenshire Council, necessitating judicious prioritisation and potential reallocation among public services to navigate anticipated budget constraints.

**Strategic Financial Planning Required:** This financial backdrop compels Aberdeenshire Council to engage in strategic financial planning, with a focus on enhancing efficiency and possibly redefining service delivery standards to adapt to the evolving economic landscape. The ability to make informed adjustments in anticipation of fluctuating funding levels will be pivotal in sustaining service provision and fulfilling administrative responsibilities effectively within the region.

**Aberdeenshire Council Budget:** Aberdeenshire Council's 2024/25 budget features a £753 million revenue budget and a £96 million capital budget, prioritising critical services amid economic challenges and a projected £113 million cumulative funding gap over four years.

*Figure 1: Aberdeenshire Council Budget Projections – Estimated Funding versus Estimated Base Budget, 2023/24 to 2027/28*



Source: Aberdeenshire Council Medium-Term Financial Strategy

The budget includes a Council Tax freeze to reduce financial strain on residents, alongside a rise in council house rents for necessary maintenance, illustrating the balance between fiscal responsibilities and social welfare in a fluctuating economy.

The council is committed to carbon reduction, aiming to position Aberdeenshire as a leader in environmental health and sustainability. Designed to maintain financial stability and enhance service delivery, the budget's success will depend on its execution and the council's ability to adapt to changing economic and social dynamics.



**The “Rural Premium”:** A recent UK Parliament report<sup>1</sup> delineates significant economic pressures faced by rural communities in Scotland, exacerbated by global events such as Russia's invasion of Ukraine and the lingering effects of the COVID-19 pandemic. These events have precipitated steep increases in energy costs and food prices, impacting the cost of living across the UK, with inflation peaking at a 41-year high (albeit it has since subsided). Aberdeenshire, characterised by its rurality, faces unique challenges due to its geographic isolation, which imposes additional costs on energy, transportation, and basic goods—known as the "rural premium."

**Socio-economic impacts:** Rural communities are under strain from these compounded pressures. The higher cost of living affects all aspects of life, contributing to greater economic and social disparities compared to urban areas. This situation risks deepening rural poverty and impacting long-term community sustainability.

**Aberdeenshire Council's role:** Aberdeenshire Council plays a crucial role in addressing these challenges. The council's efforts to improve infrastructure, such as transport and energy efficiency in homes, are vital. Collaborations with the UK and Scottish Governments to tailor policies and interventions to the specific needs of rural communities are essential for mitigating the rural premium and enhancing the quality of life for its residents.

## Policy Context

Aberdeenshire Council is addressing a significant funding gap while aiming to maintain essential services. In this context, the broader policy landscape plays a crucial role, serving as a framework that influences the region's specific challenges and opportunities. Recent policy measures introduced by the Scottish Government, along with local initiatives, represent a comprehensive approach that aligns with Aberdeenshire's economic and social objectives. The interaction between national policies and local community strategies is pivotal in developing a sustainable path that supports the region's goals.

**Programme for Government:** The Scottish Government's updated Programme for Government, published in September 2023, builds on the motto “Anti-poverty, pro-growth.” The programme delves into several key themes including the Verity House Agreement, childcare, education, housing, and anti-poverty measures. This demonstrates a collaborative approach to delivering the wider shared priorities and will ensure that local authorities and the Scottish government are aligned.

**Commitments to 2026:** Building on the Programme for Government, the three-pronged mission for 2026 emphasises equality, opportunity, and community, with a focus on tackling poverty, fostering a sustainable economy, and prioritising public services.

The report carries forward earlier policy themes, but also acknowledges some setbacks. Notably, the stalled implementation of the National Care Service. This is due to disagreements on the specifics of reform, even though there's unanimous recognition of the need for improvement. The high demand in the social care sector, workforce-related difficulties, and the potential repercussions of inaction stand as primary concerns, as was highlighted in a recent Audit Scotland report.

**National Performance Framework:** In alignment with the mission for 2026, the framework aims to enhance the quality of life, reduce inequalities, and promote

economic, environmental, and social progress in alignment with the United Nations Sustainable Development Goals.

The Framework consists of 11 National Outcomes that describe the desired future state, and these are tracked through various economic, social, and environmental National Indicators. Performance is publicly reported, and the Framework encourages partnership working across organisations to achieve shared outcomes. Place-based approaches are central to the Framework acknowledging the complex influence of place on behaviour, environmental impact, and opportunities. The Place Principle supports the Framework's collective purpose, helping local communities apply the framework to their specific contexts.

**New Deal for Local Government:** the Verity House Agreement represents a substantial shift in central and local government relations. It emphasises collaboration, no ring-fencing of funding, evidence-based policy making, and introduces a robust Fiscal Framework. The agreement does not carry legal obligations but rather serves as a statement of intent, setting three broad collaboration priorities: tackling poverty, transitioning to net zero, and delivering sustainable public services.

The New Deal for Local Government represents a multi-faceted approach to governance that aligns with Aberdeenshire's interests, potentially enhancing local autonomy, collaboration, efficiency, and accountability in the region.

**UK Policy Affecting Scotland:** While the Verity House Agreement marks a significant shift within Scotland, broader UK policy changes also play a crucial role. The UK Spring Budget 2024 sets an economic backdrop with significant implications for Scotland. Key Announcements and Implications for Scotland are outlined below.

- **NIC Adjustments:** In the latest fiscal updates, the UK Chancellor has introduced several significant policy changes affecting Scotland, alongside the rest of the UK. Key among these is the alteration in National Insurance Contributions (NICs), with a reduction for both employed and self-employed persons effective from 6 April 2024. Specifically, employee NICs decreased from 10% to 8%, and Class 4 NICs for the self-employed dropped from 8% to 6%.
- **Tax Regime Changes:** Additionally, the government is set to abolish the non-UK domicile tax rules, replacing them with a simpler residence-based regime from 6 April 2025. This new framework will offer tax exemptions on foreign income and gains for the initial four years of UK residence, potentially harmonising the tax landscape with international standards, such as those in New Zealand.
- **VAT Registration Threshold Increase:** The Value Added Tax (VAT) registration threshold also increased to £90,000 from April 2024, reflecting adjustments for inflation, thereby affecting all UK businesses including those in Scotland.
- **Support for Film Industry:** In the realm of creative industries, the introduction of the Independent Film Tax Credit from April 2024 provides substantial financial incentives for smaller film productions, potentially boosting the Scottish film sector.
- **Capital Allowances and Tax Changes: Furthermore,** changes in Capital Allowances, the abolition of Multiple Dwellings Relief for Stamp Duty Land Tax (effective from June 2024), and alterations in Capital Gains Tax rates for

residential properties (effective from April 2024) are set to impact financial planning across the UK.

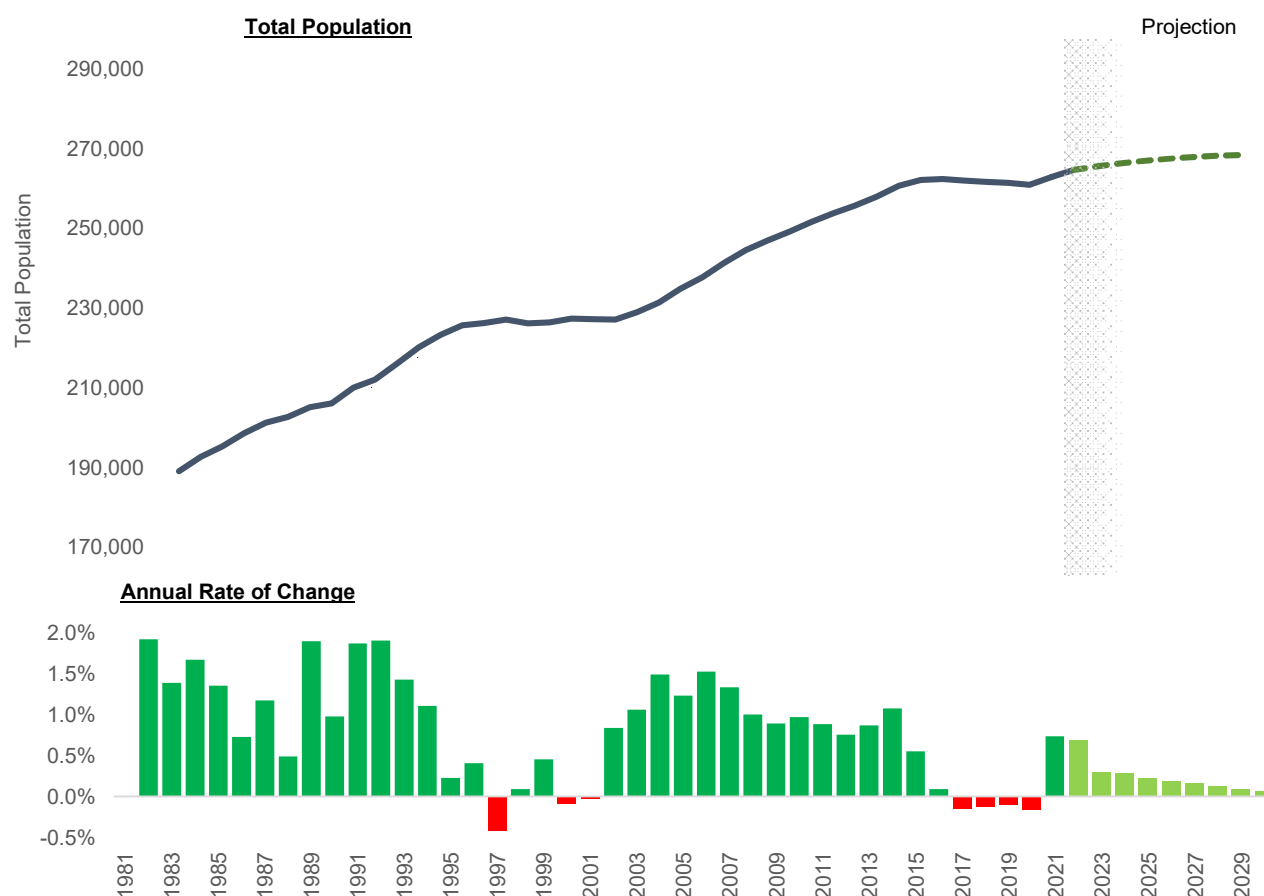
- **Extension of Investment Zones programme:** Investment Zones will be extended from five to ten years in Scotland and Wales, matching the extension announced for England at Autumn Statement 2023. Full details of the four Investment Zones in Scotland (which includes the North East of Scotland Regional Economic Partnership<sup>2</sup>) will be announced later this year.
- **Energy and Excise Duty Adjustments:** Lastly, policy shifts such as the extension of the Energy Profits Levy, adjustments in Fuel and Alcohol Duties, and the introduction of new taxes on vaping products reflect the government's response to economic conditions and public health considerations. These policies maintain consistent application across the UK.

Overall, these measures illustrate a broad spectrum of fiscal adjustments aimed at economic stimulation, tax simplification, and regulatory alignment within the UK, which will have implications for Scotland and Aberdeenshire.

## Demographic Challenges

- Aberdeenshire's population has risen from approximately 189,000 residents in 1981, to 263,000 in 2021<sup>2</sup> – an increase of 39%, exceeding the national average increase of 6%.

**Figure 2: Total Population of Aberdeenshire, 1981-2021, and Annual Rate of Change**



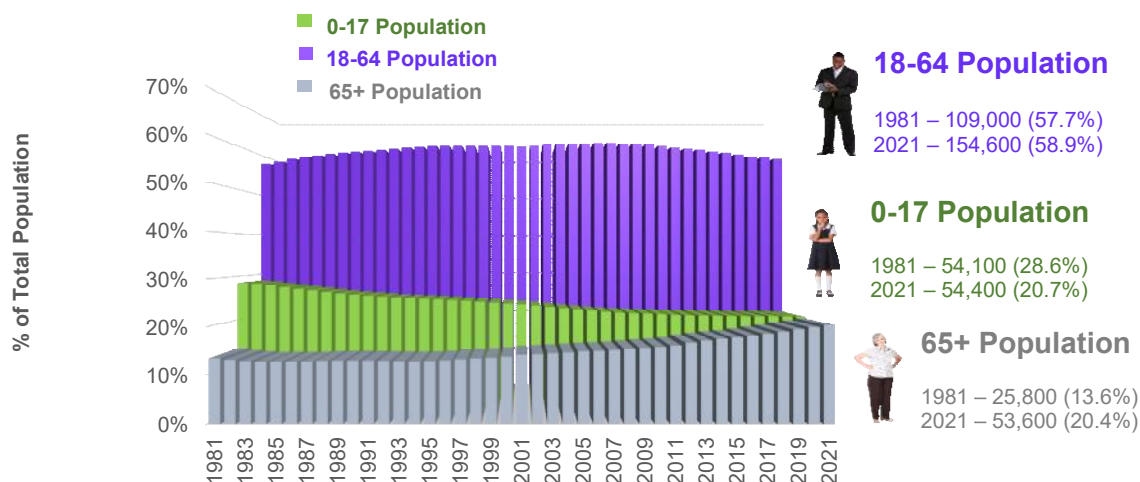
**Source: National Records of Scotland**

<sup>2</sup> Aberdeenshire's 2022 population was 263,750. These figures, incorporating data from Scotland's Census 2022, are not comparable with 2011-2021 estimates. They reflect changes from Census Day (20 March 2022) to 30 June 2022. NRS is revising previous estimates to enable future comparisons.



- Since 1981 there has been a noticeable reduction in the percentage of children and young adults in the population, whilst our 18-64 population is in decline. Particularly noteworthy is the rising proportion of individuals aged 65 and over. For the first time in four decades, this age group is poised to constitute a larger segment of the population than those aged under 18.

**Figure 3: Proportion of Total Population per Broad Age Group, Aberdeenshire, 1981-2021**



Source: National Records of Scotland

## Projected Population

- By 2030, the estimated population of Aberdeenshire will approach 268,300. This growth is influenced by an increase in the segment of residents aged 65 and over, as illustrated in Figure 4 below.

**Figure 4: Indexed<sup>3</sup> Population Projections per Broad Age Group, Aberdeenshire in the context of Scottish Council Areas, 2018-2030**

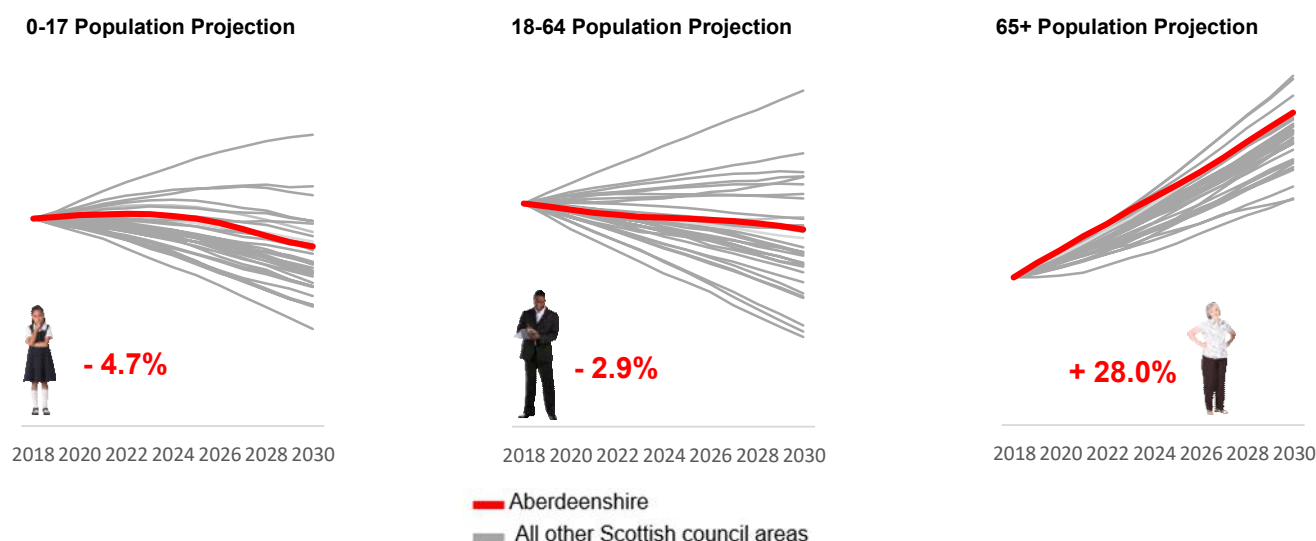
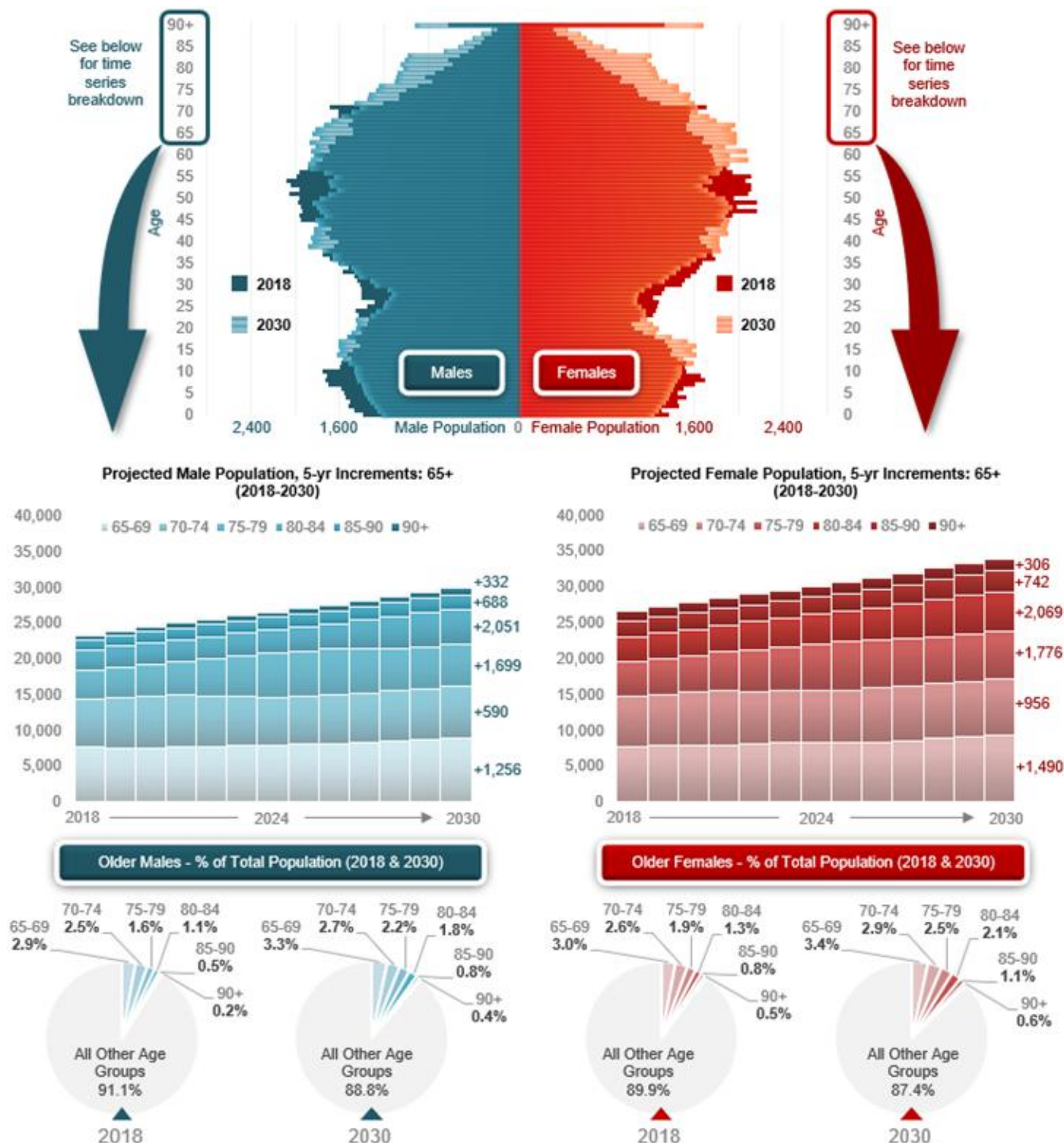


Figure 5 below overlays the projected male and female populations per single year of age in 2030 with the recorded populations in 2018. This comparison highlights the differences between the two years. The 2030 projections indicate an expansion in the 65+ age group and a relative contraction in the younger age groups, particularly those of primary school age. The graphs below the age pyramid provide a detailed

<sup>3</sup> An indexed chart plots trends in data over time, showing percentage changes relative to a base value set at 100. The next NRS update for projected populations in Scotland is scheduled for early 2025.

breakdown of the older population's expansion, examining it in 5-year increments above the age of 65.

**Figure 5: Aberdeenshire Population per Single Year of Age, 2018 versus 2030 Projection**

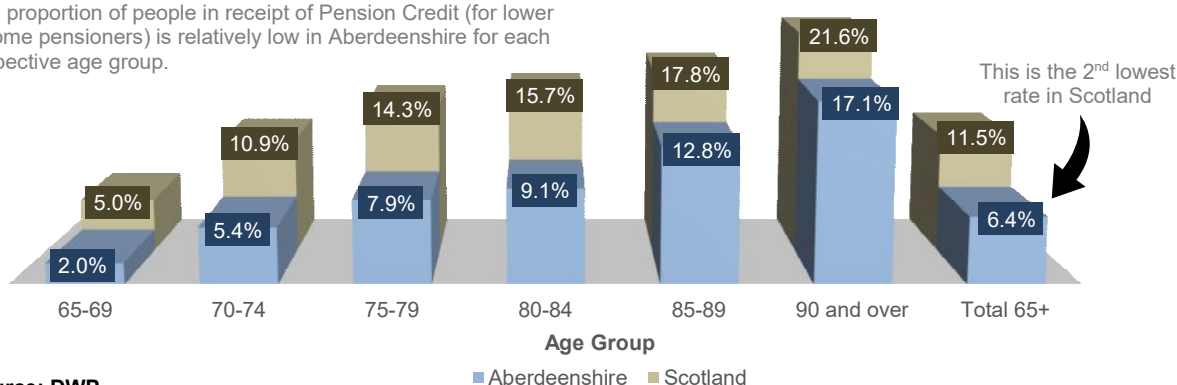


### Pension Credit as an Indicator of Public Resource Dependency Among the Over 65's

- While the older population in Aberdeenshire is expected to grow, the data on Pension Credit suggests a lower rate of low-income older people in the region (see Figure 6 below).

**Figure 6: Proportion of People per Age Group (65+) in Receipt of Pension Credit, Aberdeenshire Compared to Scotland, November 2023.**

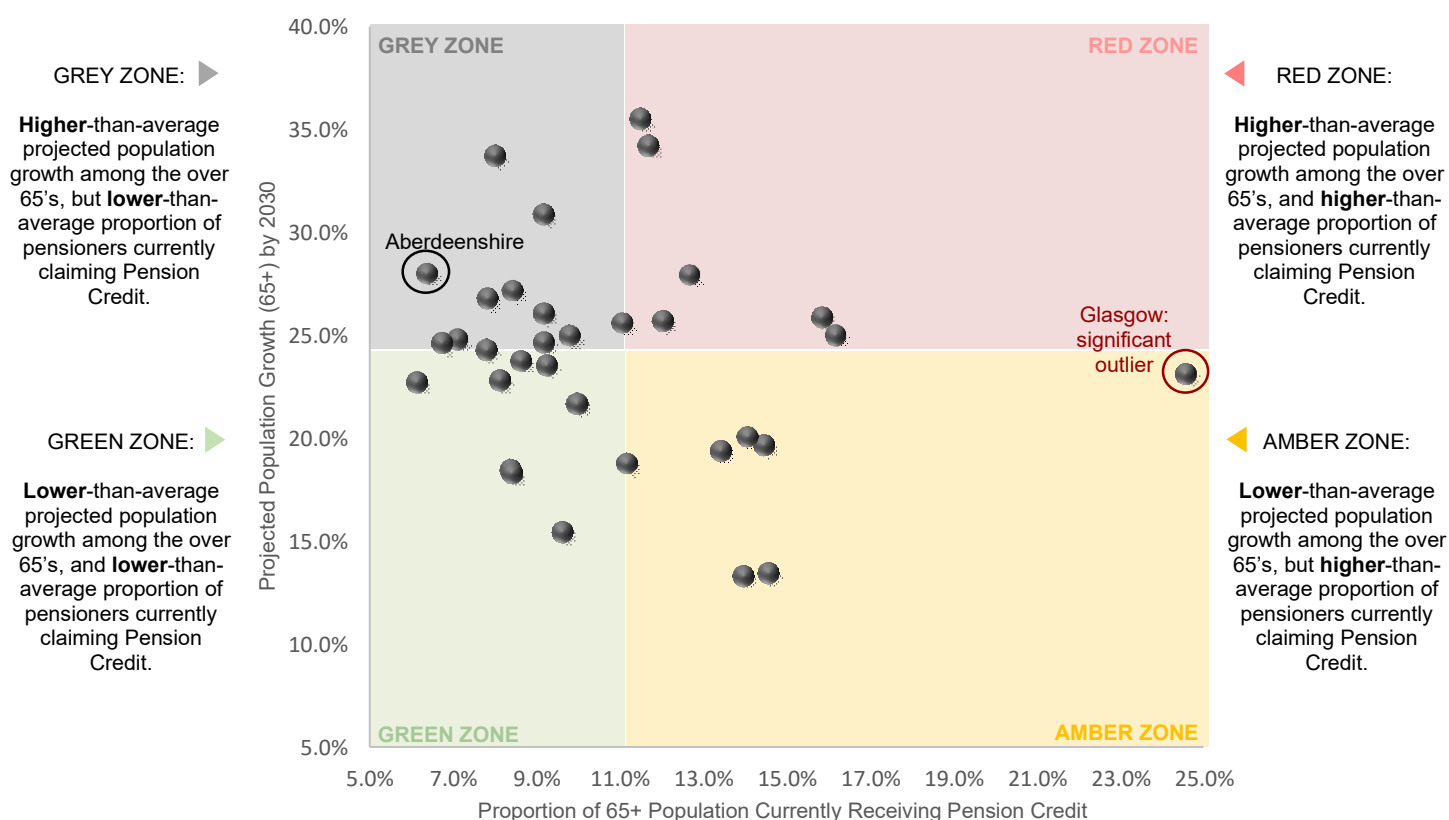
The proportion of people in receipt of Pension Credit (for lower income pensioners) is relatively low in Aberdeenshire for each respective age group.



Source: DWP

- Pension Credit aims to provide financial assistance to pensioners with lower incomes while also rewarding those who have made modest provisions for their retirement. Lower income levels among the general population are typically associated with poorer social outcomes and greater reliance on public resources. Therefore, the lower rate of Pension Credit recipients in Aberdeenshire suggests a potentially reduced demand on public resources.
- The quadrant chart below produced for all local authorities in Scotland shows the projected population growth of the 65+ age group by 2030 against the proportion of pensioners currently receiving Pension Credit (see Figure 7 below). The chart is divided into four zones: Grey, Green, Red, Amber.

**Figure 7: Quadrant Chart Analysis: Projected Population Growth (65+) vs. Pension Credit Recipients**



- Aberdeenshire, highlighted in the grey zone, is projected to see a 28.0% increase in its 65+ population by 2030, which is the 5th highest in Scotland. However, currently, only 6.4% of the 65+ population in Aberdeenshire receives Pension Credit, which is the 2<sup>nd</sup> lowest rate in Scotland. This suggests Aberdeenshire is home to a relatively lower proportion of low-income older individuals relative to most other local authorities in Scotland.

- In this context, it may be appropriate to track metrics such as household incomes and healthy life expectancy, alongside the rate of people in receipt of Pension Credit. These metrics can provide a more comprehensive understanding of the economic and health-related challenges faced by the growing older population in Aberdeenshire.

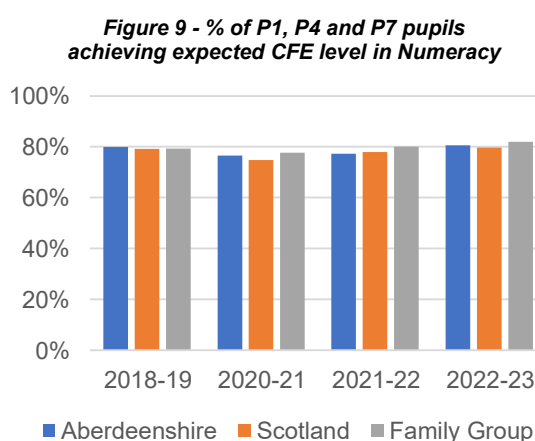
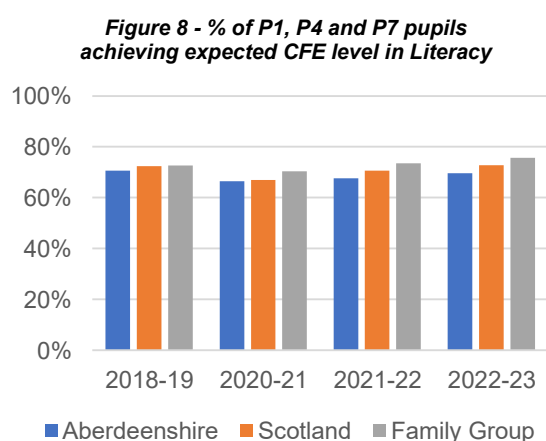
## Executive Summary of Strategic Assessments per Chapter

The subsequent chapters provide key strategic assessments across various themes and are summarised below. These assessments are important for aligning the council's initiatives with wider regional objectives, ensuring that the changes being implemented are both practical and sustainable. The upcoming sections will detail specific strategies and operational plans, incorporating trend data where applicable. These plans aim to enhance educational environments, tackle public health challenges, bolster economic stability, and improve climate resilience, among other priorities.

### Education

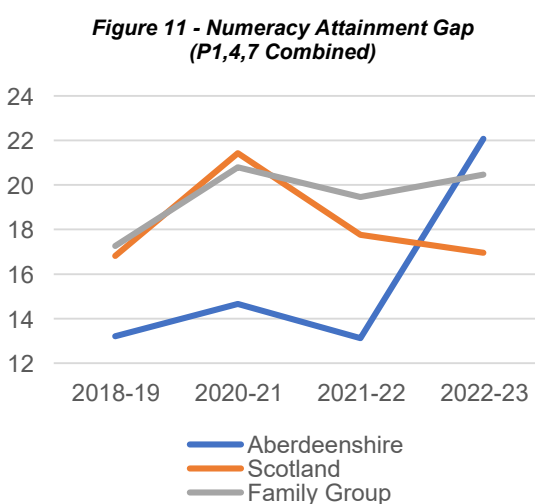
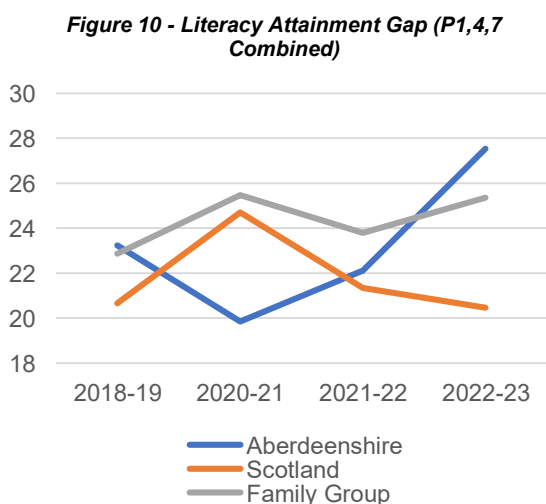
#### School Pupil Attainment

- The trends for P1, P4, and P7 pupils achieving the expected Curriculum for Excellence (CFE) levels in Literacy and Numeracy are shown in Figures 8 and 9 below.



Source: Aberdeenshire Council

Figures 10 and 11 (below) show Aberdeenshire's literacy and numeracy attainment gaps over the years.



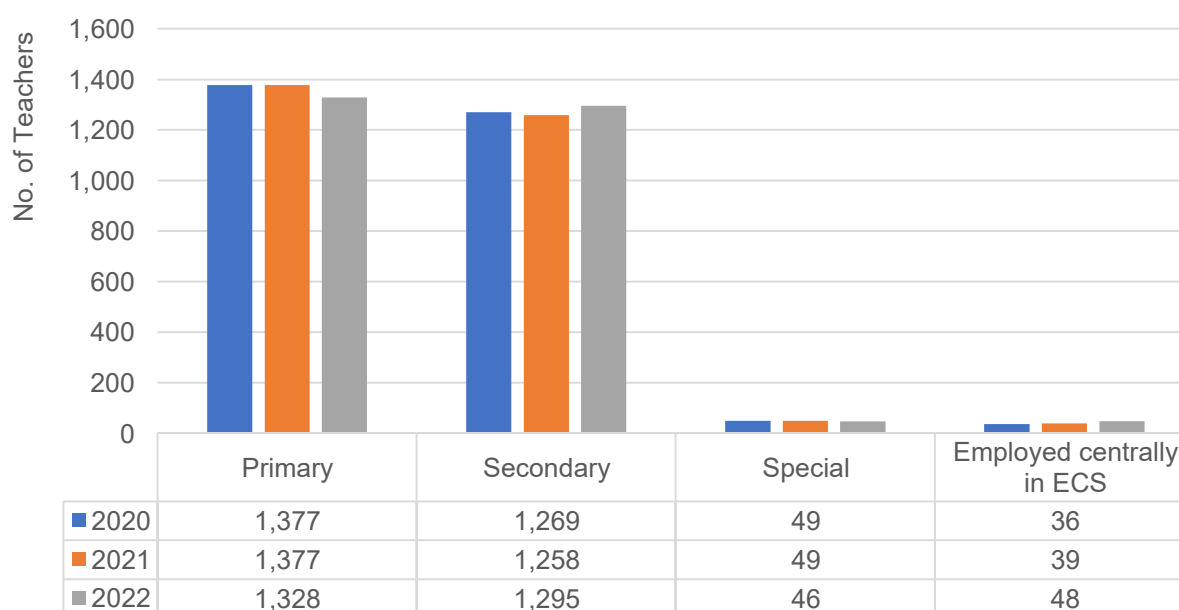
Source: Local Government Benchmarking Framework, Improvement Service

- In literacy, the gap decreased in 2020-21 but increased sharply to 27.53 in 2022-23, surpassing both the national and Family Group averages, indicating growing disparities. In numeracy, Aberdeenshire consistently had lower gaps than the national and Family Group averages until 2022-23, when the gap increased significantly to 22.07.
- The 'attainment gap' is a national challenge. In Aberdeenshire, the small percentage of families living in the highest deprivation areas (3%) versus a relatively high percentage in the most affluent areas (31%) highlights the risk of widening the attainment gap. Caution is advised due to the small number of pupils in SIMD Q1 (the most deprived quartile), which may affect the reliability of comparisons.

## Teacher Staffing

- **Teacher staffing remains a critical concern**, both locally and nationally. Aberdeenshire's teacher staffing numbers slightly decreased from 2022 to 2023 (see Figure 12 below), with significant recruitment challenges in secondary subjects such as English, Maths, Science, Technical, and Home Economics. The pupil-to-teacher ratio (PTR) remained stable at 13.5 in September 2023, the same as in 2022. Despite various recruitment efforts, high vacancy rates persist.

**Figure 12 – Teaching Staff per category, Aberdeenshire, 2020 to 2022**

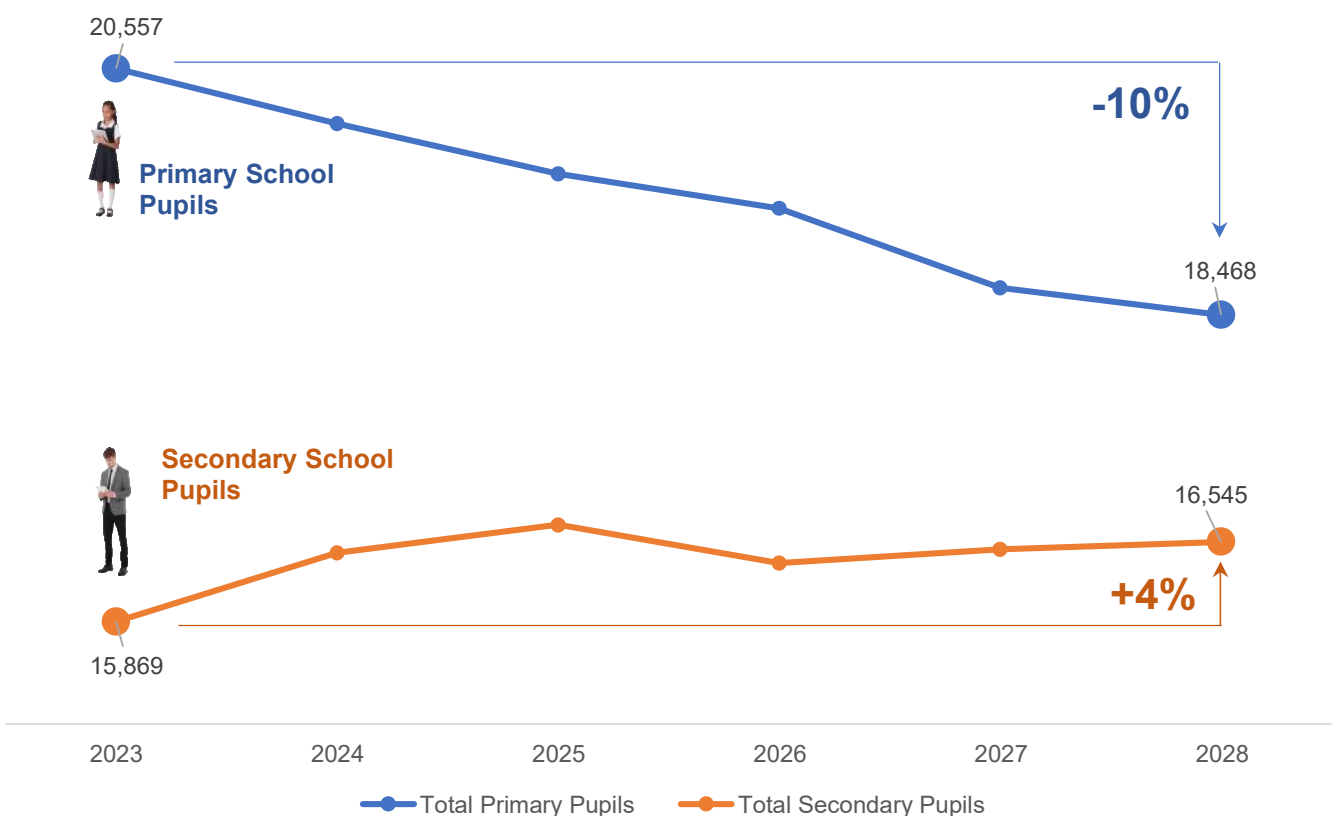


**Source: Aberdeenshire Council**

## School Roll Forecasts for Aberdeenshire 2023/24

- The 2023/24 school roll forecasts for Aberdeenshire reveal critical insights for strategic planning, indicating schools at risk of exceeding capacity and those underutilised. Regions like **Formartine and Garioch face overcrowding challenges** due to demographic and housing development pressures. Conversely, **Banff & Buchan, Buchan, and Marr have schools operating well below capacity**. Throughout Aberdeenshire, 67 primary schools currently have fewer than 75 pupils, and forecasts indicate an increasing trend in schools operating below 50% capacity, projected to rise from 29 to 40 by 2028<sup>3</sup>.
- Total pupil numbers are projected to decrease** from 36,426 in 2023 to just over 35,000 by 2028 (a 3.9% reduction).
- Primary school pupils are projected to decrease by 10.2%** (from 20,557 in 2023 to 18,468 in 2028), and **secondary pupils are expected to increase by 4.3%** (from 15,869 in 2023 to 16,545 in 2028).

Figure 13: School Pupil Projections, Primary and Secondary, Aberdeenshire 2023-2028



Source: Aberdeenshire Council

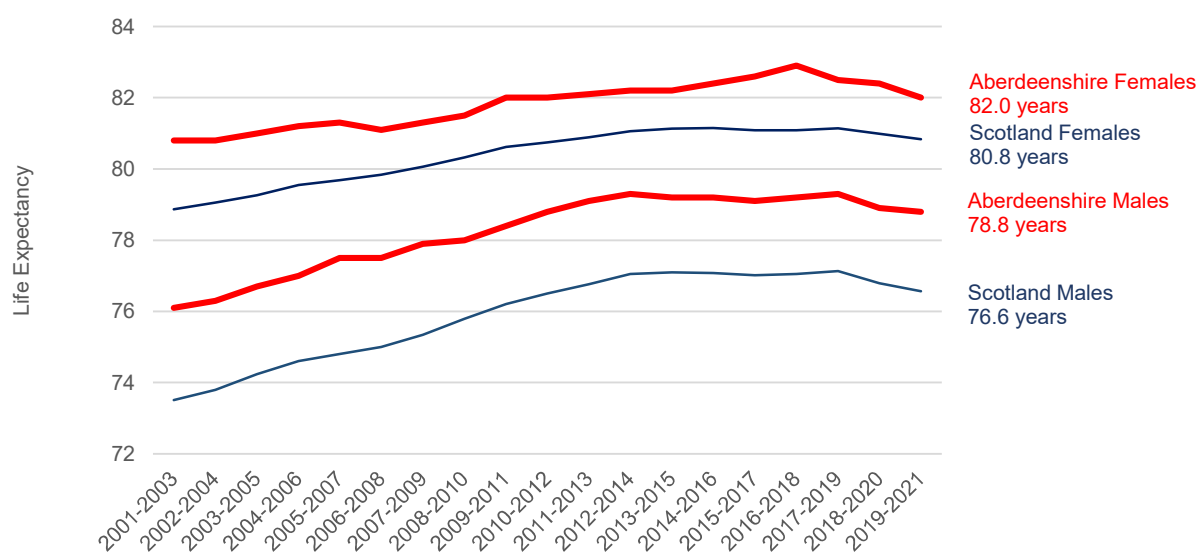
## Health and Wellbeing

- A particularly concerning trend is the expanding gap in life expectancy between Scotland's most and least vulnerable members. In the period of 2019-2021, there was a pronounced difference of 13.7 years for males and 10.5 years for females.
- In the context of Aberdeenshire, life expectancy at birth in 2019-21 was notably higher for females at 82.0 years, compared to 78.8 years for males.



- The rate of increase in male life expectancy at birth surpassed that of females between 2001-03 and 2019-21.

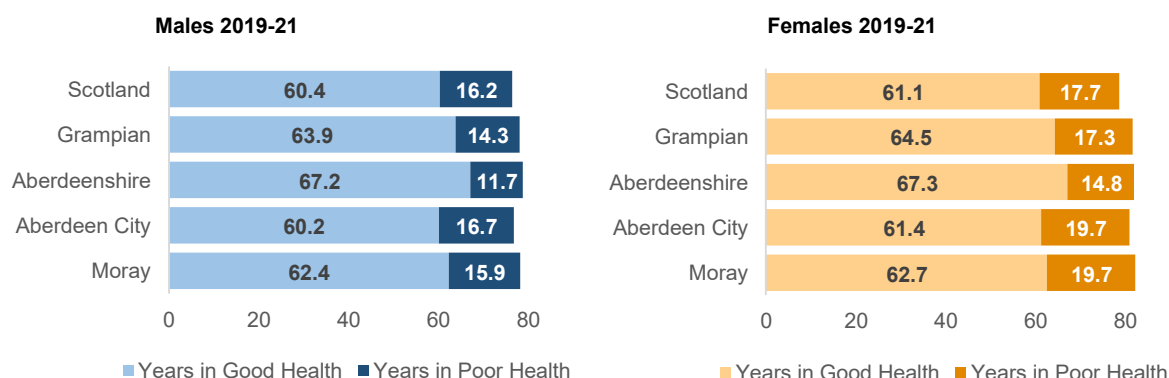
**Figure 14 – Life Expectancy at Birth, Males and Females, Aberdeenshire, and Scotland, 2001-03 to 2019-21**



**Source: National Records of Scotland**

- Breaking it down further, a man in Aberdeenshire can, on average, anticipate 11.7 years of life in sub-optimal health, while for a woman, this stretches to 14.8 years.

**Figure 15 – Healthy Life Expectancy per Gender, Scotland, and Grampian Local Authorities, 2019-21**

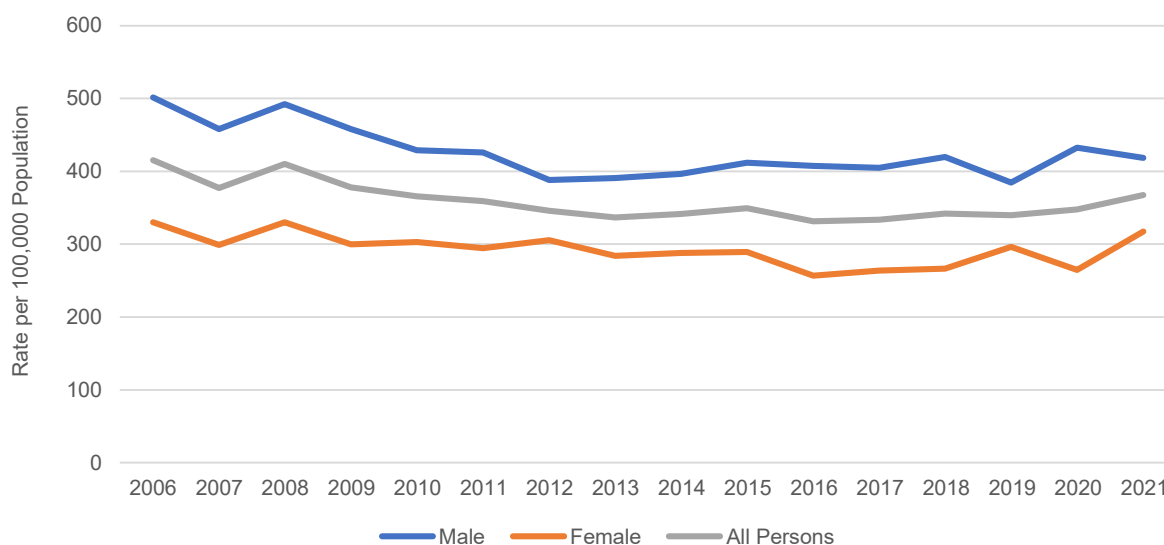


**Source: National Records of Scotland**

## Mortality

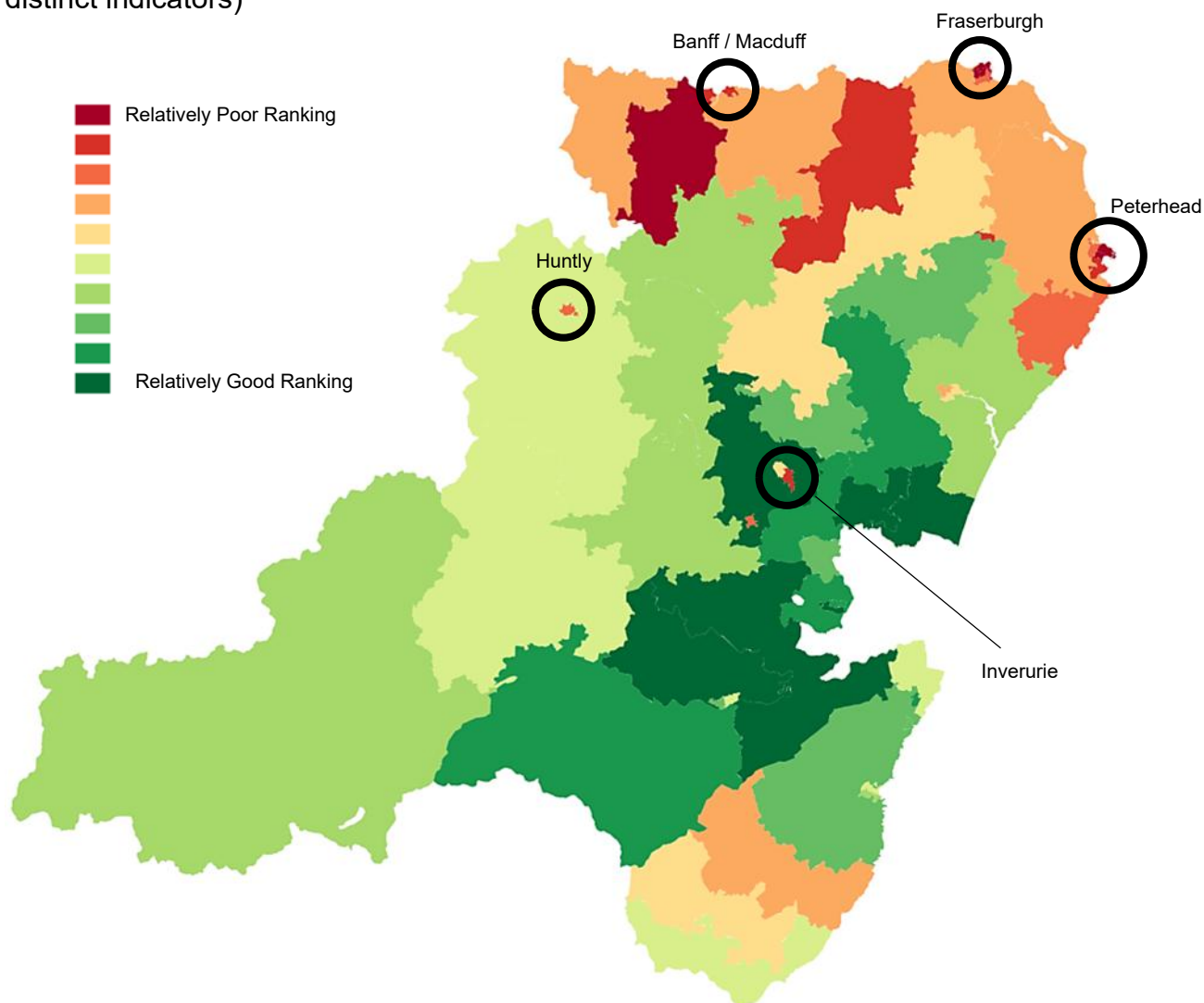
**Emerging Concerns:** Particularly concerning is the observation that for men between the ages of 15-44, drug-related deaths and suicides have emerged as the primary causes of death, with both indicators rising over the past ten years. Alarming, even infant mortality, traditionally a low figure in Scotland, has seen an upswing in the most socio-economically challenged communities since 2012-14.

**Figure 16 – Death rates (per 100,000 population) for Aberdeenshire: age-standardised using the 2013 European Standard Population – Males, Females and All Persons under 75**



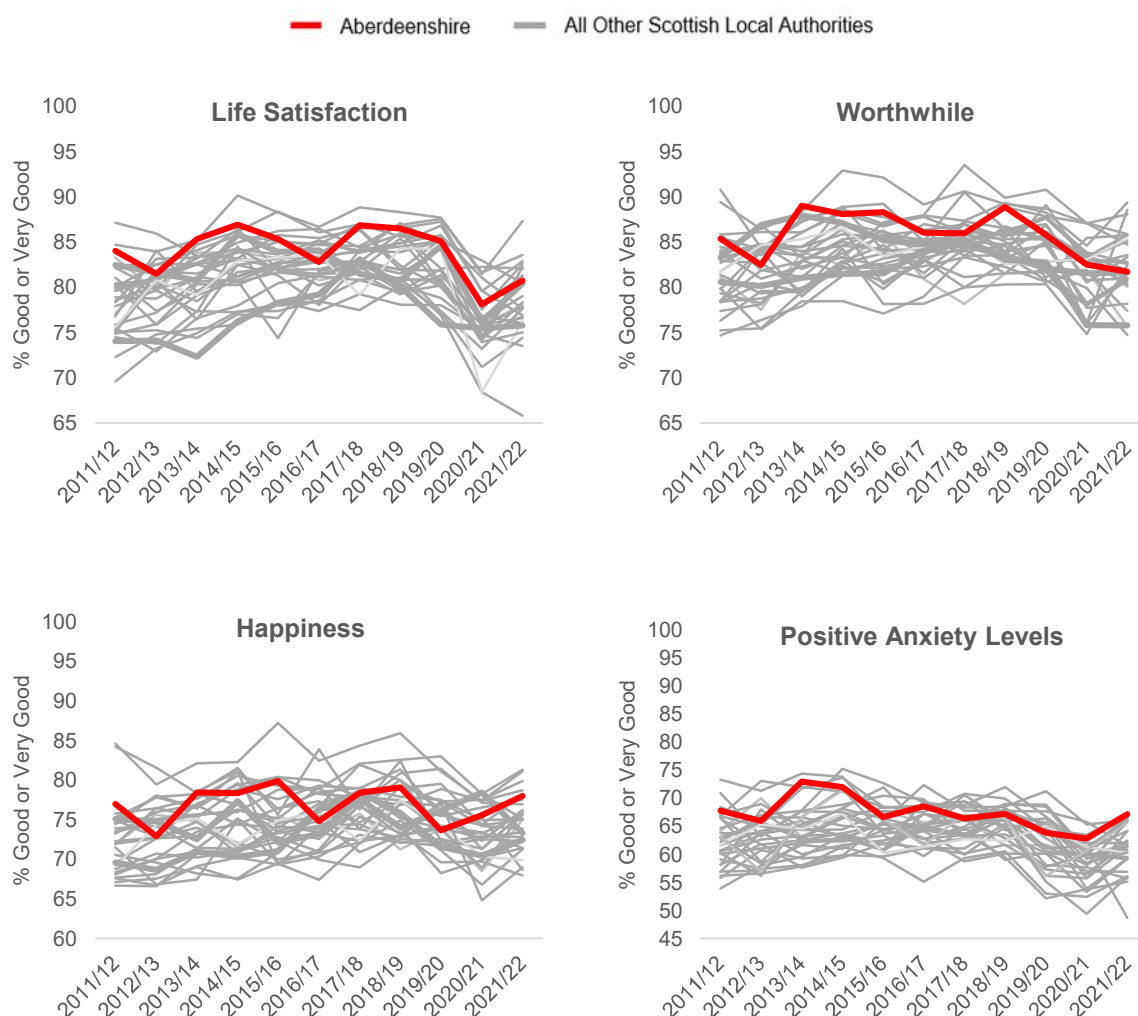
**Source: National Records of Scotland**

Overall, Health Ranking of Aberdeenshire's Intermediate Zones Relative to the Rest of Scotland (This ranking is derived from the latest available health data, encompassing 24 distinct indicators)



**Source: Scottish Public Health Observatory (ScotPHO)**

**Figure 17: Measures of Personal Wellbeing in Aberdeenshire relative to all other Scottish Local Authorities, 2011/12 to 2021/22**



**Aberdeenshire measures of wellbeing, 2011/12 to 2021/22 (figures are percentages)**

Metric	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Anxiety	67.77	65.9	72.93	71.96	66.62	68.55	66.41	67.17	63.83	62.79	67.11
Happiness	76.99	72.87	78.43	78.36	79.85	74.79	78.38	79.07	73.66	75.56	78.00
Life Satisfaction	84.03	81.50	85.34	86.92	85.36	82.80	86.86	86.52	85.12	78.14	80.74
Worthwhile	85.4	82.49	89.03	88.11	88.33	86.06	86.00	88.87	85.81	82.53	81.74

**Scotland average measures of wellbeing, 2011/12 to 2021/22 (figures are percentages)**

Metric	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Anxiety	62.71	63.65	64.79	66.12	65.43	65.22	65.31	65.86	62.28	59.08	59.53
Happiness	72.91	73.57	74.54	75.46	74.91	75.76	76.47	77.08	75.47	73.43	72.22
Life Satisfaction	78.65	79.62	80.62	82.68	82.42	82.65	83.51	83.46	82.91	76.46	76.06
Worthwhile	81.97	82.19	83.14	85.17	84.40	84.33	85.46	85.13	85.14	81.86	79.69

Source: Office for National Statistics

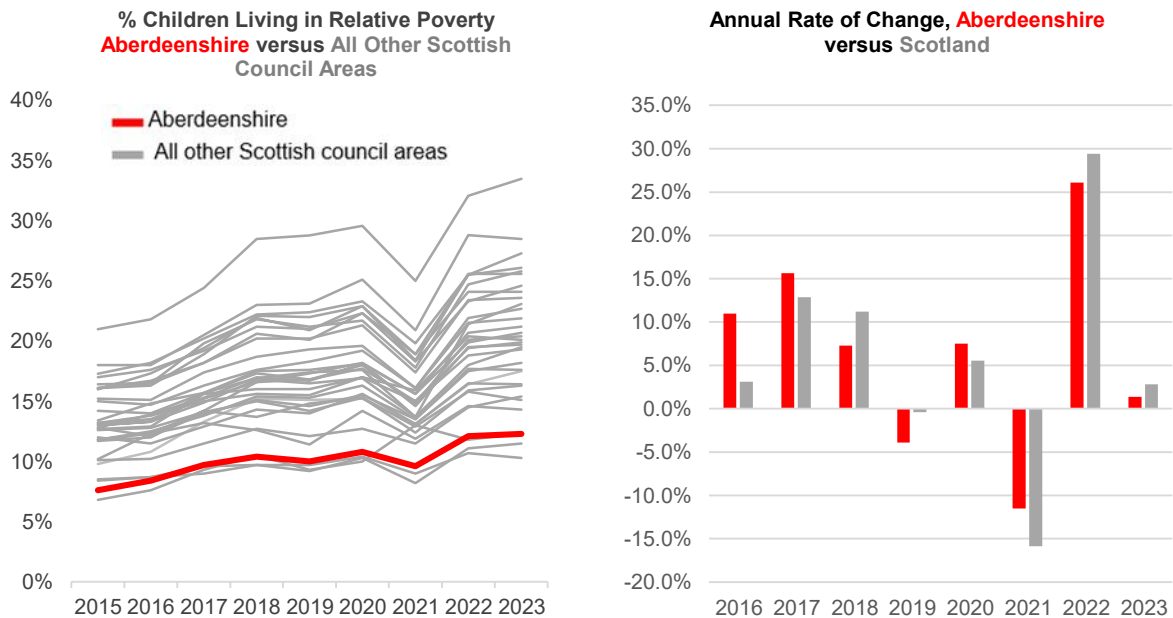
## Communities

- In Aberdeenshire, addressing child poverty, supporting families with disabilities, and managing crime **are interconnected challenges that underscore the broader pursuit of community resilience and social equity.**

## Potential Vulnerability: Child Poverty

- Figure 18 below charts the proportion of children living in relative poverty per council area and year, 2015 to 2023. The annual rate of change for both Aberdeenshire and Scotland is shown alongside.

**Figure 18: Proportion of Children Living in Relative Poverty, Aberdeenshire in Comparison to All Other Scottish Council Areas, 2015 to 2023**



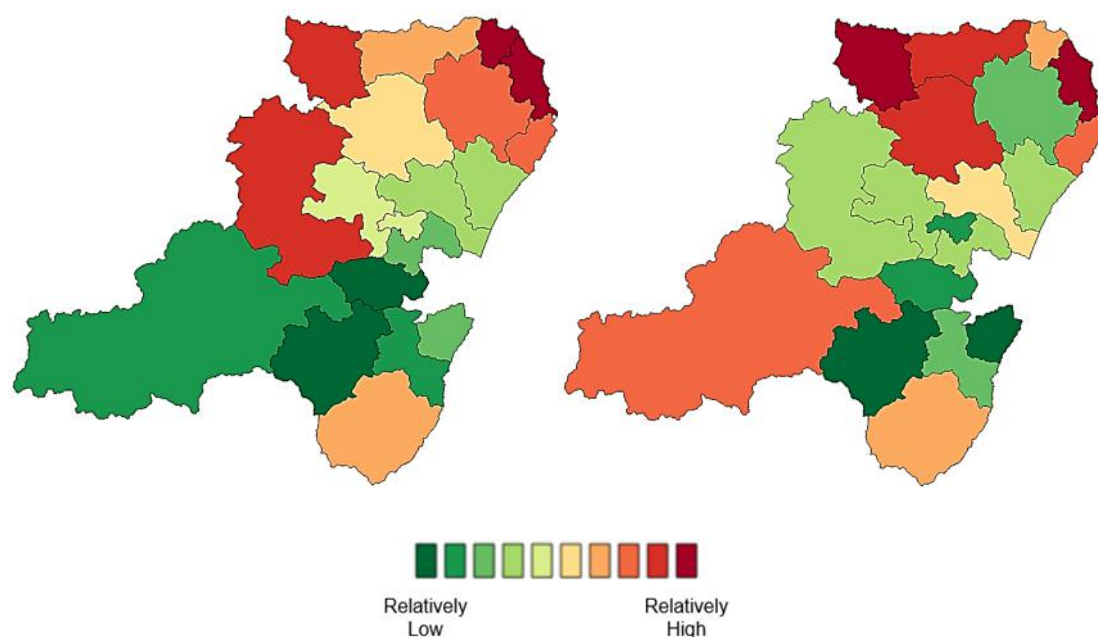
Source: Department for Work and Pensions

- In 2023, Aberdeenshire recorded approximately 5,964 children living in relative poverty, representing 12.3% of its child population, up from 7.6% in 2015. This stands in contrast with the wider Scottish rate, where 20.8% of children live in relative poverty, an increase on the 14.0% rate recorded in 2015. Despite the rise, Aberdeenshire's child poverty rate is notably lower than the national average and remains among the lowest in Scotland.

### Relative Child Poverty – Multi-Member Ward Data

- Ward Rankings:** Figure 19 below ranks each MMW based on the absolute number of children living in relative poverty (left map) and the greatest absolute change in the number of children living in poverty between 2015 and 2023 (right map).

**Figure 19: Number of Children Living in Relative Poverty per MMW, 2023 (left map); Greatest Change in the Number of Children Living in Relative Poverty per MMW, 2015 to 2023**



*Source: Department for Work and Pensions*

### **Trends Observed:**

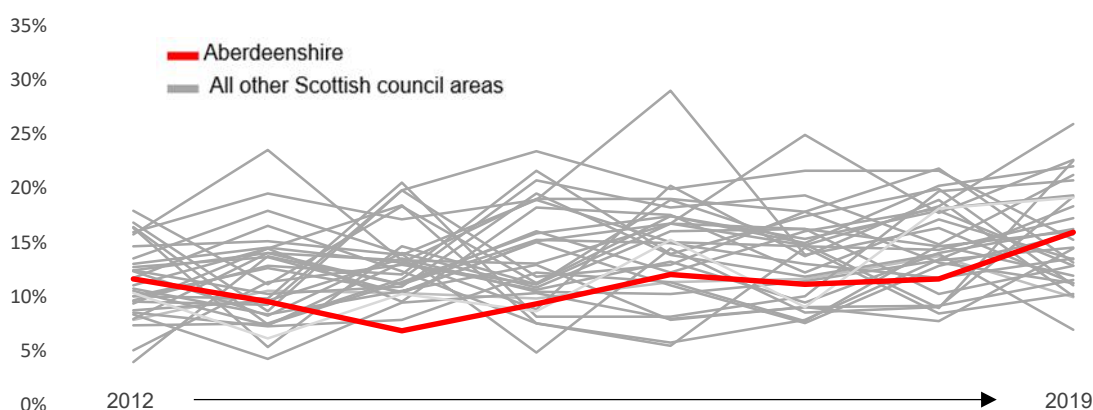
- Across all wards, there has been an increase in both the number of children in poverty and the percentage of children in poverty from 2015 to 2023. This indicates a general worsening of child poverty in the Aberdeenshire area.
- Wards such as "Banff and District" (+163 children, +8.9 percentage points), "Peterhead North and Rattray" (+166 children, +8.4 percentage points), and "Mearns" (+157 children, +4.9 percentage points) have seen significant increases both in terms of the actual number of children in poverty and the percentage. This suggests areas where child poverty has become increasingly prevalent.
- While all wards experienced an increase in child poverty, the magnitude of this increase varies significantly. For example, "Banchory and Mid Deeside" saw a modest increase (+44 children, +1.9 percentage points), while "Troup" and "Turriff and District" experienced larger increases in both numbers and percentages.

### **Potential Vulnerability: Households with Children and an Adult with a Disability or Limiting Long-Term Health Issue**

- In Aberdeenshire, about 15.9%<sup>4</sup> of adults with children reported having a limiting long-term physical or mental health issue<sup>4</sup>. This is closely aligned with the national average of 16.0% and ranks as the 14th highest in Scotland. Figure 20 (below) indicates Aberdeenshire's consistent upward trend from 2014 onwards. It remains to be seen if this trend continued after the initial outbreak of Covid.

<sup>4</sup> 2019, the latest year for which data are available

**Figure 20: Percentage of Adults reporting a limiting long-term physical or mental health problem - households with children, Council areas of Scotland, 2012 – 2019**

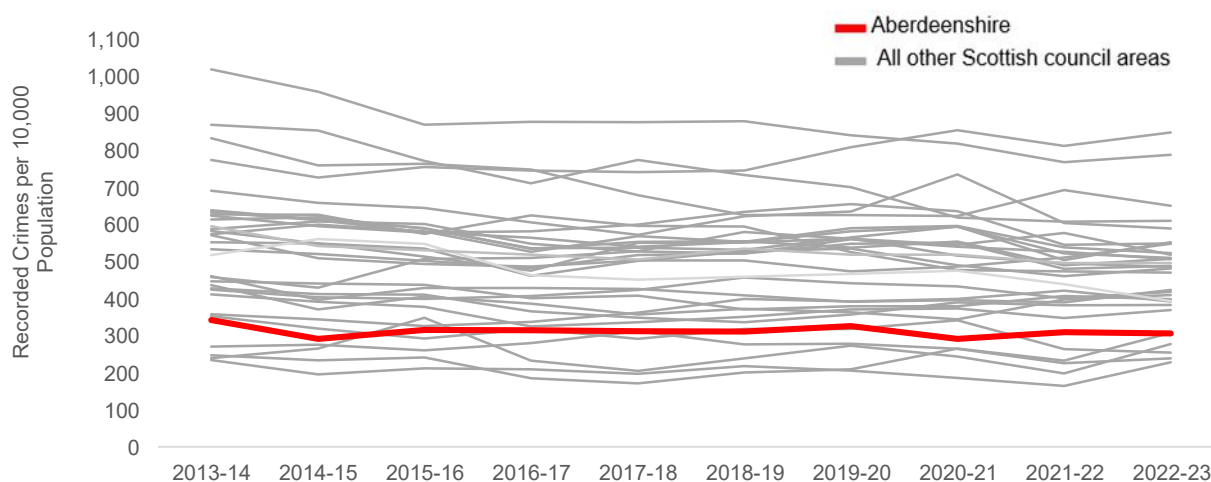


**Source: Scottish Surveys Core Questions**

## Potential Vulnerability: Crime

- Aberdeenshire's crime rate has remained notably lower than the national average throughout the decade, marking it as one of the safest areas in Scotland. This low crime rate not only underscores the efficiency of the region's policing but also indicates a potentially cohesive community and stable socio-economic structure.
- Figure 21 below presents data on total recorded crime per 10,000 population for each council area in Scotland.

**Figure 21: Recorded Crime per 10,000 Population, Aberdeenshire Compared to All Other Scottish Council Areas, 2013/14 to 2022/23**



**Source: Scottish Government**

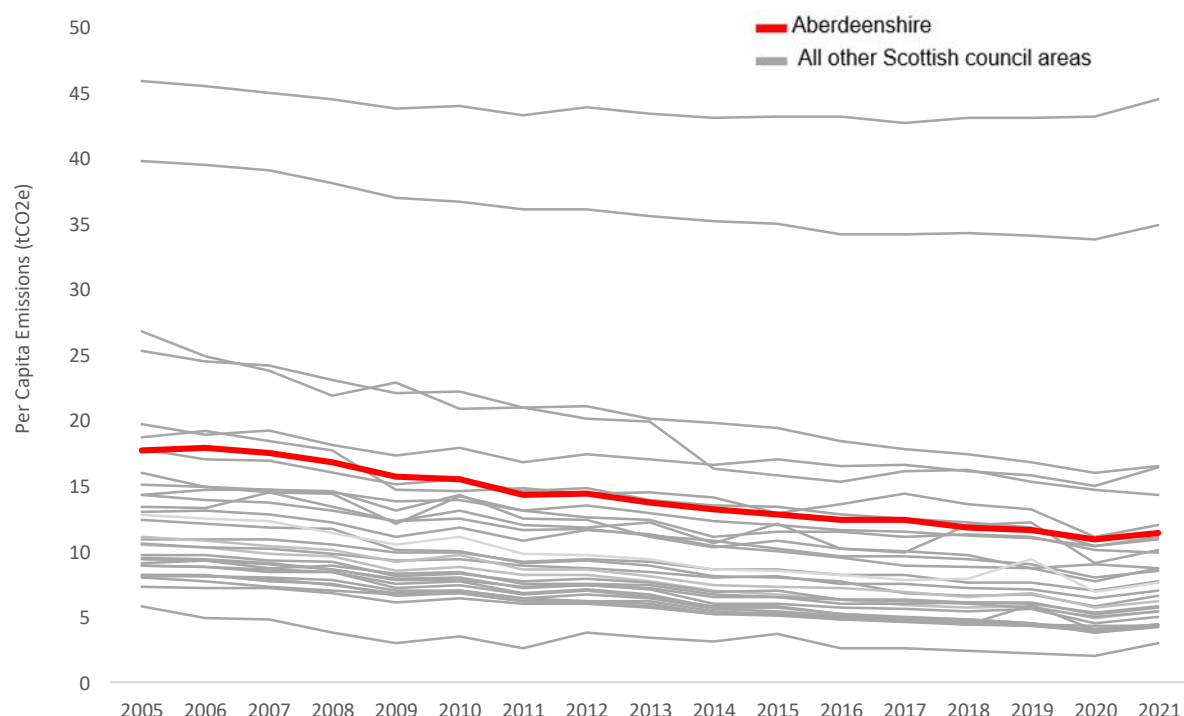
- Scotland's crime rate reduced from 622 crimes per 10,000 population in 2013-14 to 528 by 2022-23. Aberdeenshire's crime rate reduced from 343 to 308 crimes per 10,000 population over the same period. Aberdeenshire has one of the lowest crime rates in Scotland.



## Climate change

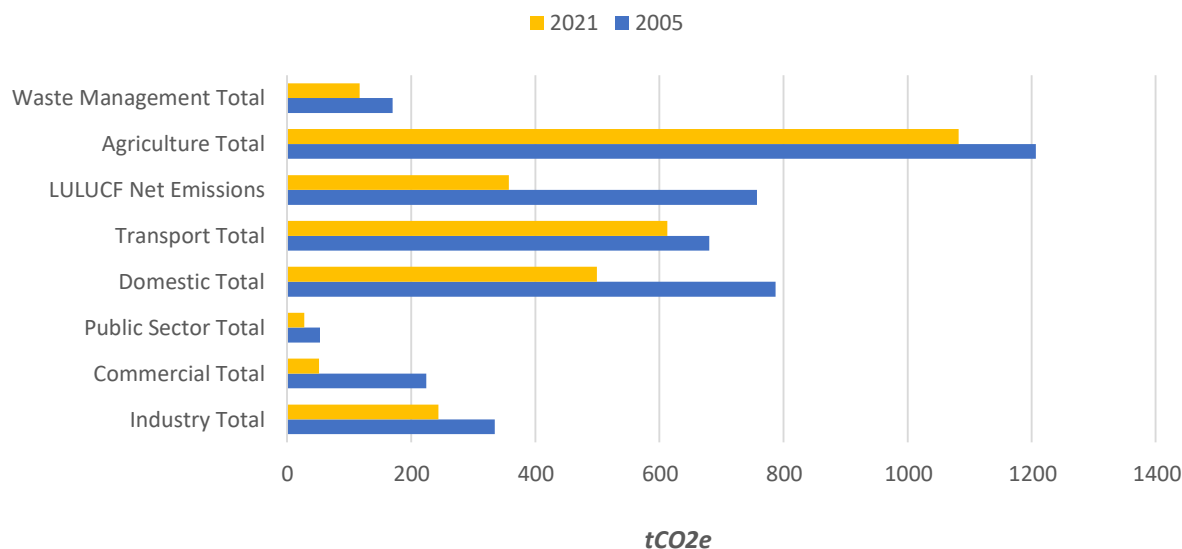
- The average global temperature has increased by more than 1.1°C since pre-industrial times. There is a 50:50 chance of the average global temperature reaching 1.5 degrees Celsius above pre-industrial levels in the next five years.
- Between 2005 and 2021, **Aberdeenshire demonstrated notable emission reductions across sectors**, particularly in Commercial, Public, and LULUCF Net Emissions, suggesting successful initiatives were implemented over the 16-year period.
- Globally biodiversity is declining faster than at any other time in human history. The [UN's Global Biodiversity Outlook](#) (September 2020) and the [IPBES Global Assessment of Biodiversity](#) (May 2019) detail the pressures on global nature.
- **Emission Reduction Targets:** The council has set a target of reducing its emissions by 75% by 2030 and achieving net-zero emissions by 2045, using the 2010/11 baseline year.
- The financial implications of **Aberdeenshire Council's Carbon Budget for 2024-2025** are significant, with an estimated total investment of £128,143,000 (**This estimate may be higher based on increases in borrowing costs and energy costs**) required to reach the 75% reduction target.

*Figure 22 - Total Greenhouse Gas Emissions per Capita (tCO<sub>2</sub>e), Aberdeenshire Compared to All Other Scottish Council Areas, 2005 to 2021*



Source: UK Government

**Figure 23 – Total Greenhouse Gas Emissions per Sector (tCO<sub>2</sub>e), Aberdeenshire, 2015 Compared to 2021**



Source: UK Government

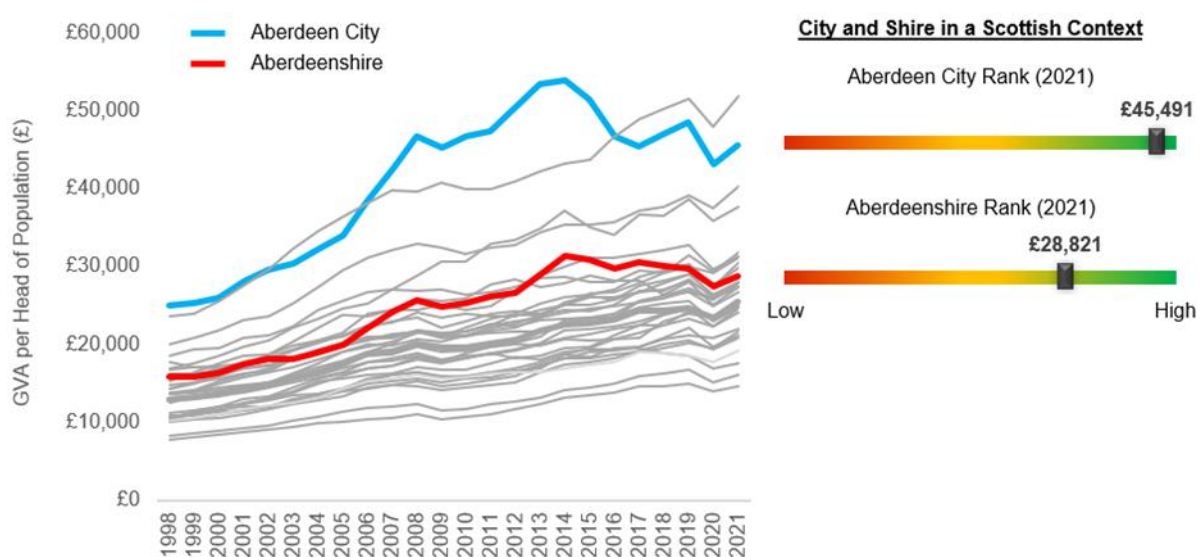
- Between 2005 and 2021, Aberdeenshire witnessed a marked decline in greenhouse gas emissions across various sectors. The most substantial reductions occurred in the following sectors:
  - Commercial: -77%
  - LULUCF Net Emissions: -53%
  - Public Sector: -48%
  - Domestic: -37%
  - Waste Management: -31%
  - Industry: -27%
- It is noteworthy that in 2021, Aberdeenshire still ranked among the highest greenhouse gas emitters in Scotland in relation to the Domestic, Transport, LULUCF Net Emissions, and Waste Management sectors.
- In 2022/23, a total of 4,599 energy efficiency measures were installed, significantly surpassing the target of 2,765.

## Economy

- Global growth is projected at **3.1 percent in 2024** and **3.2 percent in 2025**.
- The forecast for 2024–25 is below the historical (2000–19) average of **3.8 percent**.
- Global headline inflation is expected to fall to **5.8 percent in 2024** and to **4.4 percent in 2025**.
- GDP and Sectoral Output:** The latest FoA forecast estimates that the Scottish economy will grow by **0.6% in 2024** and **1.1% in 2025**. This is higher than the 0.2% growth estimated for 2023.
- The headline Scotland Business Activity Index rose to **52.1 in February** from 51.7 in January, to signal the strongest expansion in private sector output since June 2023.

- According to the latest business statistics in Scotland, **48% of SMBs reported 0% change in turnover** in October 2023. Notably, **17% indicated an increase in turnover**, and **24% reported declines**.
- The volume of world merchandise trade should increase by **2.6% in 2024** and **3.3% in 2025** after falling 1.2% in 2023.
- **Employment Statistics:** Early seasonally adjusted estimates for March 2024 from HMRC Pay as You Earn Real Time Information indicate that there were **2.45 million payrolled employees in Scotland**, an increase of **0.5 per cent (12,000)** compared with March 2023.
- The number of PAYE employees in Scotland continued its upward trend since the start of the 2023, rising **0.1% in January to 2.46 million**, its highest level in the timeseries back to 2014.
- A survey of around 400 firms from across the economy has revealed that 'tackling labour and skills shortages' is their top priority, selected by **45%**.
- The International Monetary Fund (IMF) has cut its growth forecasts for the UK economy this year from 0.6% to 0.5%

**Figure 24: Gross Value Added (GVA) per Head of the Population, Aberdeenshire, and Aberdeen City in the Context of all other Scottish Council Areas, 1998-2021**



Source: Office for National Statistics

- **Growth:** From 1998 to 2014, Aberdeenshire saw steady growth in its GVA per head, moving from £15,862 to £31,339. This is an increase of over 98% in a span of 16 years (a near doubling of GVA per head). This is a higher-than-average growth over that period (76%).
- **Decrease:** Post-2014, Aberdeenshire experienced a decrease in GVA per head. This decline continued until 2020, where the GVA was £27,392, significantly lower than its peak in 2014.
- **Recovery:** In 2021, there is a slight increase in GVA to £28,821, indicating some recovery or growth. Aberdeenshire's GVA per head equated to the 10<sup>th</sup> highest in

Scotland that year, positioning it in the mid to upper range. Aberdeen City has a higher GVA per head of population throughout the years. In 2021, the city's GVA equated to £45,491 – higher than Aberdeenshire's rate and the Scottish average (27,447).

Figure 25: Top 20 Data Zones by Average GVA

Data Zone Name	Trend (1998-2021)	3-yr Average GVA (£m)	Avg GVA as % of Total
Garlogie and Elrick - 01		£976.08	15.0%
Banchory-Devenick and Findon - 01		£363.62	7.0%
Peterhead Harbour - 06		£117.77	2.0%
Peterhead Links - 02		£116.72	2.0%
Durno-Chapel of Garioch - 04		£115.34	2.0%
Fraserburgh Harbour and Broadsea - 03		£111.99	2.0%
Inverurie South - 06		£102.36	2.0%
Ythanside - 06		£79.85	2.0%
Blackburn - 04		£79.64	2.0%
Ellon East - 01		£77.53	2.0%
Longside and Rattray - 03		£76.59	2.0%
Longside and Rattray - 04		£76.59	2.0%
Barrhill - 01		£74.95	2.0%
Banchory-Devenick and Findon - 04		£71.72	2.0%
Peterhead Harbour - 07		£70.41	2.0%
Peterhead Links - 01		£65.84	2.0%
Kintore - 09		£64.01	2.0%
Fraserburgh Smiddyhill - 01		£58.19	1.0%
Turriff - 03		£56.58	1.0%
Stonehaven South - 04		£55.13	1.0%

Source: Office for National Statistics

The highest-performing Data Zone, located in Garlogie and Elrick at the Westhill Business Park, ranks prominently in the top 0.2% for average GVA among Scotland's 7,000 Data Zones. Additionally, a significant majority of Aberdeenshire's Data Zones (68%) fall within the top half of Scotland's rankings for average GVA during the period from 2018 to 2021.

### Mid-Term Economic Performance (2023-2026):

- Projected GVA growth stands at an average of 1.0% annually, falling short of Scotland's 1.7%.
- Key sectors driving GVA growth encompass Information and Communication (3.0%), Wholesale and Retail Trade (2.1%), and Electricity, Gas, Steam, and Other Service Activities (1.9%).

### **Long-Term Economic Performance (2026-2033):**

- The region's GVA is anticipated to see an average yearly increase of 0.5%, which is lower than the Scottish average of 1.1%.
- Forefront sectors in this regard include Information and Communication (2.3%), Electricity, Gas, Steam and Air Conditioning Supply (1.4%), and Real Estate Activities (1.3%).

### **Productivity Insights:**

- Productivity is a barometer of the value of goods and services produced for every labour unit. In 2023, the region's productivity (£57,600) exceeded the Scottish norm (£52,600) and equated to the third highest regional value in Scotland.
- Projections for 2023-2026 suggest an annual productivity growth of 0.8%, falling short of Scotland's 1.0%.
- For 2026-2033, the region is set to experience a 1.0% annual growth, mirroring the Scottish growth rate.

### **Household Income in Aberdeenshire:**

In Aberdeenshire, the median household income stood at £41,756 in 2023, ranking as the seventh highest in Scotland and surpassing the national average by almost 17%.

**High-income Households:** Aberdeenshire is notable for having one of the highest proportions of households earning at least £100,000 (10.1%).

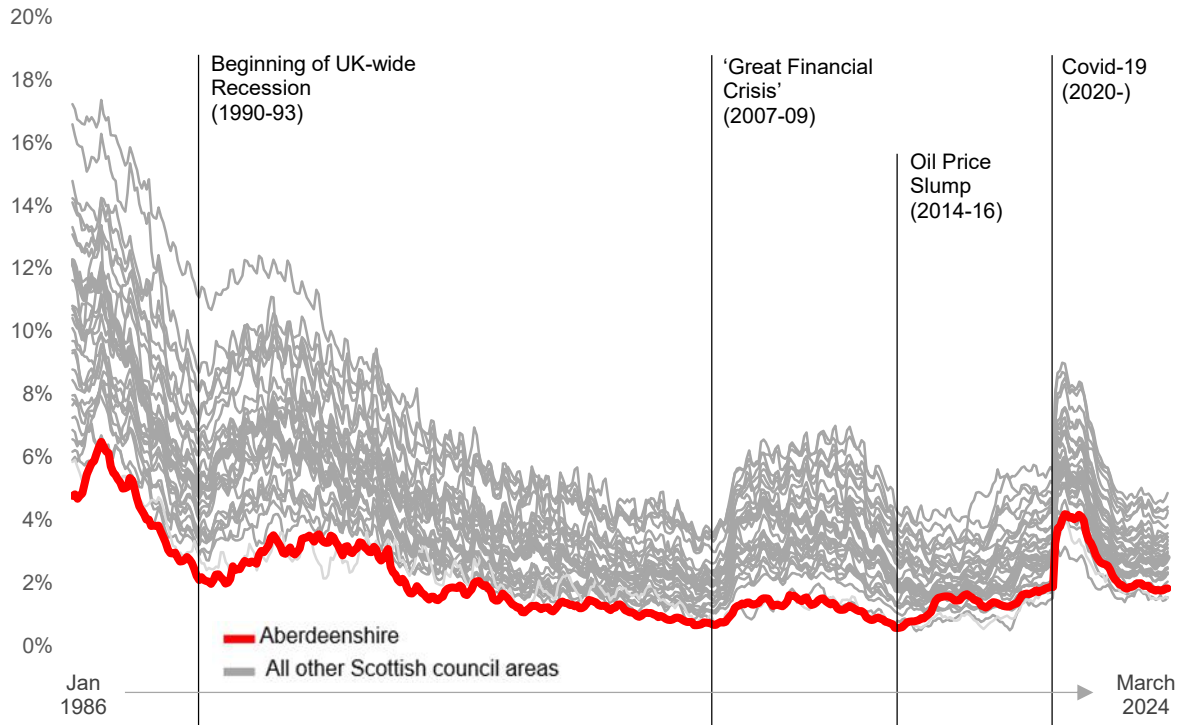
**Low-income Households:** Conversely, the region has one of the lowest proportions of households earning less than £10,000 (5.3%).

**Income Distribution in Larger Settlements:** Some settlements, including Huntly, Fraserburgh, Macduff, Banff, Peterhead, and Turriff, are home to a higher proportion of low-income households, ranging from 9.5% to 12%.

- In 2023, Aberdeen City and Shire had a total employment of 278,700, which is 10.7% of Scotland's employment.
- In the regional employment distribution, Aberdeen City accounted for 174,400 individuals, comprising 6.7% of Scotland's total employment. In comparison, Aberdeenshire contributed 104,400, which is 4.0% of Scotland's overall employment.
- Full-time employment was more prevalent both within the region and across Scotland. However, the region had a slightly higher percentage of part-time workers (27.9%) compared to Scotland (24.5%). Overall, there were 74,900 people in part-time employment in Aberdeen City and Shire.
- Employment in the region is forecasted to increase by 1,700 from 2023-2026. By 2033, there will be 9,000 fewer employees than in 2026.

- Past data shows a 6.4% employment growth in the region from 2012-2019. However, the pandemic led to a 5.2% decline in employment from 2019 to 2021, more severe than the 2.2% decline seen across Scotland.

**Figure 26: Claimant Count (Unemployment Rate) per month, 16-64 age group, Jan 1986 to March 2024, Aberdeenshire in the Context of All Other Scottish Council Areas.**



Source: NOMIS

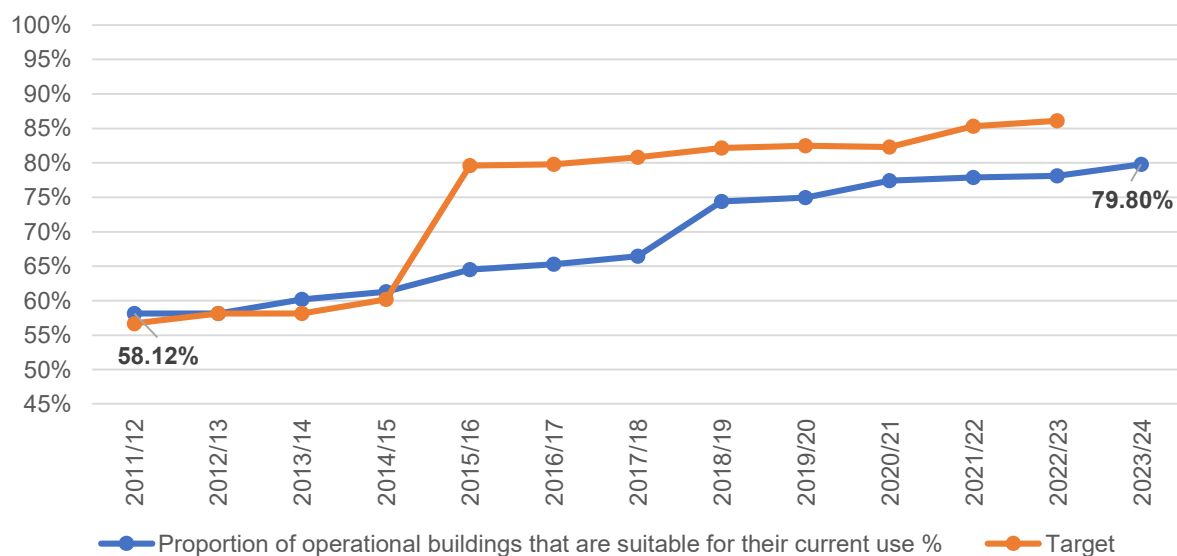
## Infrastructure and assets

### Operational Portfolio and Other Assets

- At an Aberdeenshire level, as of 1 April 2024, Aberdeenshire's operational portfolio extended to 599 (a reduction of 13 from April 2023). Overall performance indicator shows 478 operational assets/features assessed as suitable for their current use – equating to 79.80%, increasing from 58.12% in 2011/12 (see Figure 27 below). A number of underperforming assets are subject to review with Services and/or form part of ongoing strategies being implemented e.g. Depot, Office Space Strategy etc. Further, a number of underperforming assets are also progressing through the Asset Disposal Pipeline with a number forecast to be vacated and declared surplus in coming months.



**Figure 27: Percentage of operational assets/features assessed as suitable for their current use, Aberdeenshire, 2011/12 to 2023/24**



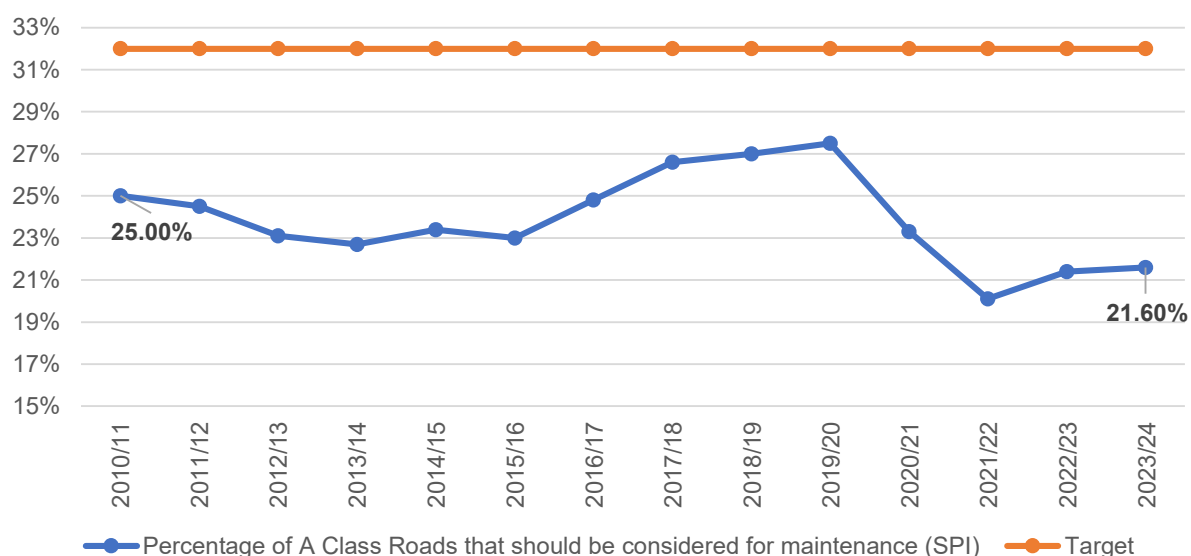
**Source: Aberdeenshire Council**

- Aberdeenshire Council operates 171 facilities under the Live Life Aberdeenshire initiative. These facilities include community centres, halls/town houses, libraries, museums, outdoor centres, sports centres, stores, and swimming pools. Of these, 131 facilities are in satisfactory condition, representing 76.6% of the LLA estate. This performance exceeds the target of 76.0%.

## Road Infrastructure

- Aberdeenshire Council is responsible for 3,468 miles of carriageways and 893 miles of footways.
- Aberdeenshire's Road Asset Management Plan details a strategic approach to enhancing the carriageway infrastructure. The plan highlights the importance of strategic, early investment in maintenance to sustain road quality, acknowledging that 77.1% of roads are currently in good condition, which ranks Aberdeenshire in the top quartile nationally. However, with £115 million required to address maintenance backlogs, the council prioritises road condition improvement, aligning with broader infrastructure goals set by the Scottish Government.
- As shown in Figure 28 below, the percentage of A Class Roads needing maintenance increased to 21.4%, remaining well below the target (where a lower percentage is better). The Scottish average was 27.4%, with Aberdeenshire ranking 10th in Scotland, placing it in the second quartile for this measure.

**Figure 28: Percentage of A Class Roads that should be considered for maintenance (SPI), Aberdeenshire, 2010/11 to 2023/24**



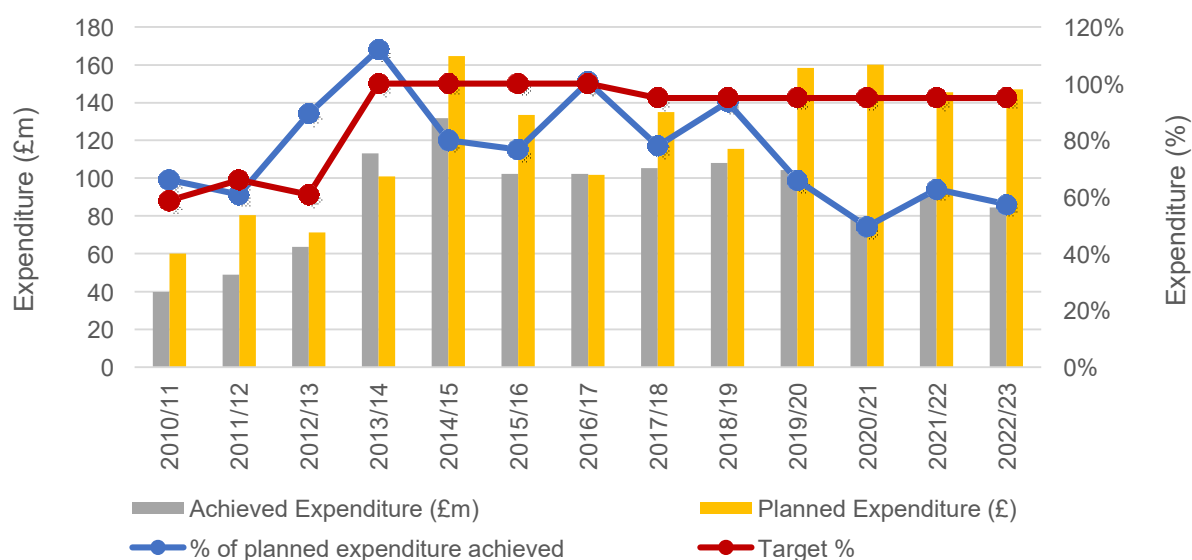
Source: Aberdeenshire Council

- The valuation of the **road network at £4.8 billion – the most valuable public asset owned by Aberdeenshire Council – underscores the importance of fiscal management for ongoing maintenance and upgrades**, aligning with the council's Medium Term Financial Strategy for fiscal sustainability.

### Planned Expenditure on the Capital Plan

- The figures for 2020/21 and 2021/22 were impacted by Covid-related construction site closures. In contrast, the 2022/23 figures were only marginally affected. The total general fund spend for 2022/23 was £84.4m, despite reductions caused by tender delays due to abnormal inflation and challenging market conditions. Many programmes faced higher-than-expected tender returns, which were assessed to ensure best value, resulting in delays and some project deferments.

**Figure 29 - The percentage of planned expenditure on Aberdeenshire Council's Capital Plan achieved 2010/11 to 2022/23**



Source: Aberdeenshire Council

# Appendix 1: Risks and Opportunities

On the following page, a diagram illustrates the major strengths, opportunities, risks, and threats that could influence the Council in achieving its vision of being the best council, "from mountain to sea."

The diagram is organised into two main sections:

- **Upper Portion:** Represents risks and threats, identifying potential obstacles and dangers that may hinder the Council's progress.
- **Lower Portion:** Highlights strengths and opportunities, outlining the key advantages and possibilities that can facilitate success.

Within the diagram, a circle depicts each risk or opportunity, with the size of the circle indicating its significance. Larger circles denote greater importance.

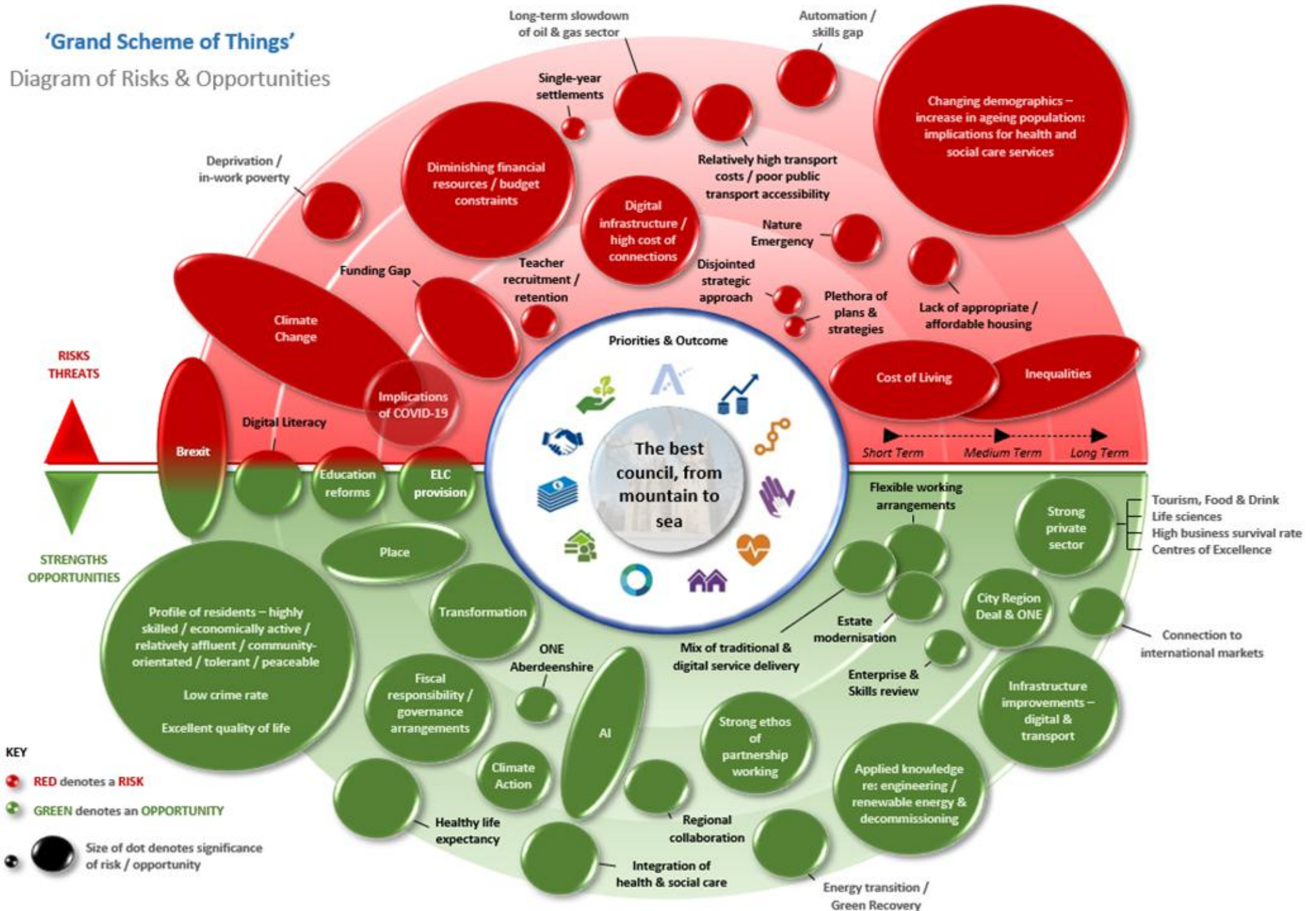
The diagram further categorises these aspects based on the immediacy of their effect:

- **Inner Segment (Red/Green):** Designates shorter-term effects that could impact the Council / region soon.
- **Outer Segments (Red/Green):** Refers to longer-term effects that may take more time to materialise.

Among other things, the Council Plan aims to take advantage of the opportunities and mitigate the risks presented in the area, aiming to create a resilient and inclusive environment that caters to the diverse needs of all residents.

# 'Grand Scheme of Things'

## Diagram of Risks & Opportunities



## Appendix 2: Council Priorities in Context

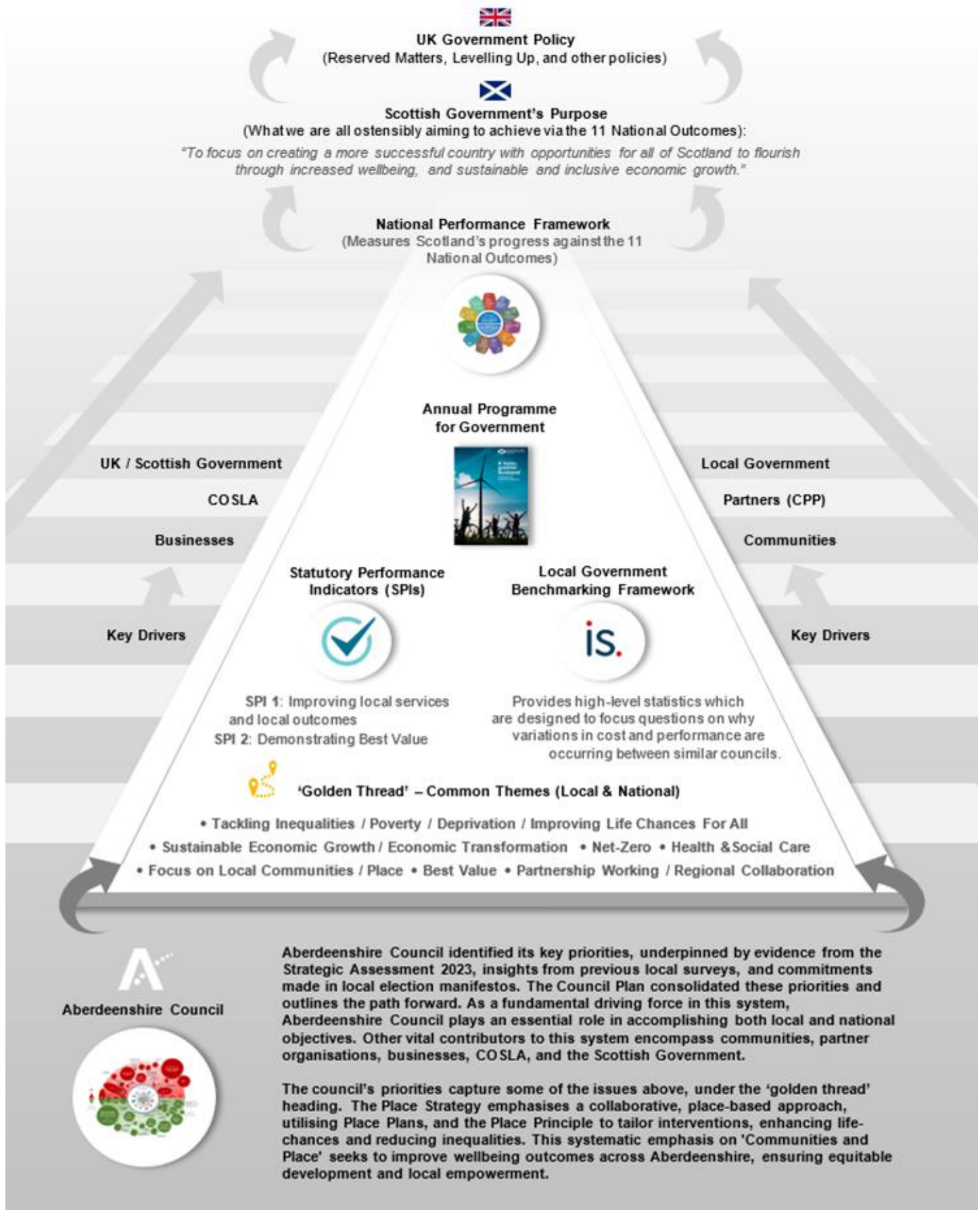
Aberdeenshire Council plays a pivotal role in enhancing the lives of its residents, which in turn contributes to harnessing and elevating Scotland's potential. The Council's commitment to improving local services and outcomes resonates at both the community and national levels. By doing so, the Council not only fosters a better quality of life for those in Aberdeenshire but also helps to strengthen Scotland's stature on the global stage.

Aberdeenshire Council's ambitions closely align with those of the Scottish Government, both aiming to foster a more successful country where opportunities for increased wellbeing, sustainable, and inclusive economic growth allow all of Scotland to thrive. These goals may manifest in geographically specific commitments and priorities at the local level, but they nevertheless resonate with the broader strategic purpose. Moreover, these aspirations find parallel objectives within UK Government policies, notably in alignment with the Levelling Up initiative.

The next page depicts Aberdeenshire Council's alignment with these overarching goals through the metaphor of a 'road map.' This graphical representation places Aberdeenshire Council at the beginning of a 'journey', with the broader, unified purpose envisioned as the ultimate destination. Bridging the starting point and destination are visual markers. These symbols encapsulate local priorities, national frameworks, benchmarks, and collaborative efforts with various partners. Together, they serve as pivotal guideposts leading the way to the Council's envisioned goals.



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





# Endnotes

<sup>1</sup> Cost of living: impact on rural communities in Scotland, House of Commons Committee report, Scottish Affairs Committee, UK Parliament, January 2024

<sup>2</sup> [Investment Zones place selection in Scotland - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

<sup>3</sup> Report To Education & Children's Services Committee – 1 February 2024: Learning Estates Strategy - Movement Towards A Sustainable Estate (taken from [06 Learning Estates Strategy - Movement Towards a Sustainable Estate.pdf \(moderngov.co.uk\)](#))

<sup>4</sup> [statistics.gov.scot](https://statistics.gov.scot) : Disability - Scottish Surveys Core Questions

## Accessibility Text:

**Page 30 Image Text:**

**‘Grand Scheme of Things’**

**Priorities & Outcome**

**The best council, from mountain to sea**

**Diagram of Risks & Opportunities**

**Risks & Threats:**

- Implications of COVID-19
- Climate Change
- Funding Gap
- Deprivation / in-work poverty
- Teacher recruitment / retention
- Diminishing financial resources / budget constraints
- Digital infrastructure / high cost of connections
- Single-year settlements
- Long-term slowdown of oil & gas sector
- Relatively high transport costs / poor public transport accessibility
- Automation / skills gap
- Nature Emergency
- Disjointed strategic approach.
- Plethora of plans & strategies
- Lack of appropriate / affordable housing
- Cost of Living
- Inequalities
- Brexit
- Changing demographics – increase in ageing population: implications for health and social care services.

**Strengths & Opportunities:**

- 
- Education reforms
  - ELC provision
  - Place
  - Transformation
  - Fiscal responsibility / governance arrangements
  - Profile of residents – highly skilled / economically active / relatively affluent / community-orientated / tolerant / peaceable
  - Low crime rate
  - Excellent quality of life
  - Healthy life expectancy
  - ONE Aberdeenshire
  - Climate Action
  - AI
  - Integration of health & social care
  - Regional collaboration
  - Strong ethos of partnership working
  - Energy transition / Green Recovery
  - Applied knowledge re: engineering / renewable energy & decommissioning.
  - Mix of traditional & digital service delivery
  - Estate modernisation
  - Enterprise & Skills review
  - Infrastructure improvements – digital & transport
  - City Region Deal & ONE
  - Connection to international markets
  - Flexible working arrangements
  - Strong private sector: Tourism, Food & Drink, Life sciences, High business survival rate & Centres of Excellence.

### **Page 32 Image Text:**

#### **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**

#### **Statutory Performance Indicators (SPIs)**

SPI 1: Improving local services and local outcomes.

SPI 2: Demonstrating Best Value

#### **Key Drivers**

#### **Businesses**

---

## **COSLA**

### **UK / Scottish Government**

#### **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.

#### **Key Drivers**

##### **Communities**

##### **Partners (CPP)**

##### **Local Government**

#### **‘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

Aberdeenshire Council identified its key priorities, underpinned by evidence from the Strategic Assessment 2023, insights from previous local surveys, and commitments made in local election manifestos. The Council Plan consolidated these priorities and outlines the path forward. As a fundamental driving force in this system, Aberdeenshire Council plays an essential role in accomplishing both local and national objectives. Other vital contributors to this system encompass communities, partner organisations, business, COSLA and the Scottish Government.

The council’s priorities capture some of the issues above, under the ‘golden thread’ heading. The Place Strategy emphasises a collaborative, place-based approach, utilising Place Plans, and the Place Principle to tailor interventions, enhancing life-chances and reducing inequalities. This systematic emphasis on ‘Communities and Place’ seeks to improve wellbeing outcomes across Aberdeenshire, ensuring equitable development and local empowerment.