

Aberdeenshire Profile

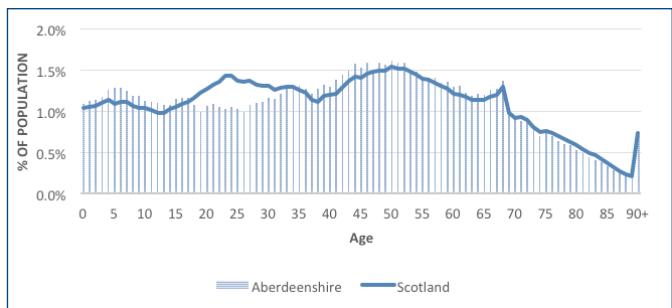
Aberdeenshire
COUNCIL



July 2016

Aberdeenshire is a predominantly rural area in North East Scotland; traditionally economically dependent upon the primary sectors (Agriculture, Forestry and Fishing) and related processing industries. Over the past 40 years, the development of the oil and gas industry and associated service sector has repositioned Aberdeenshire's economic focus, and contributed to a rapid population growth of 50% since 1975. However, a recent sharp fall in oil prices indicates that Aberdeenshire faces fresh challenges that could significantly shape and change the area in the years to come.

Population Age Structure: Aberdeenshire v Scotland 2015



Source: National Records of Scotland

Economy

Aberdeenshire's economy maintains a close link with that of Aberdeen City. In 2015, the area was estimated to have contributed 3.7% to Scotland's total GDP. For 2014-15 Clackmannanshire (2.5%) was forecast to deliver the highest increase in GDP amongst all 32 Scottish local authorities. However, Aberdeen City was forecast to have the lowest growth rate and Aberdeenshire the second lowest, such is the impact of the oil and gas downturn on the city-region.

Gross Domestic Product (GDP)

	2014 £millions (actual)	2015 £millions (estimate)	%Change 2014-15	% of Scotland's total 2015
Aberdeenshire	4,483	4,554	1.6%	3.7%
Aberdeen City	10,205	10,358	1.5%	8.3%
Scotland	122,707	125,406	2.2%	-

Source: Mackay Consultants, North East Scotland: Monthly Economic Report (December 2015)

The median gross weekly earnings for full time employees of workplaces in Aberdeenshire in 2015 was £532.90. This was £5.90 more than the Scottish average and a 5% increase on the 2014 figure.

The median gross weekly earnings for residents in Aberdeenshire is markedly higher at £574.90 as a significant proportion of Aberdeenshire's working residents commute outwards, principally towards Aberdeen City for work.

Source: Annual Survey of Hours and Earnings, workplace and resident analysis (Office for National Statistics, 2015)

Physical Characteristics

Aberdeenshire extends to 6,313 sq km (2,437 square miles), representing 8% of Scotland's overall territory. The varied landscape encompasses the mountainous Cairngorms through to rich agricultural lowlands and rugged coastlines.

Population

In 2015 Aberdeenshire's population was estimated to be 261,900, approximately 5.9% of Scotland's total population of 5,373,000. Over the 10 years from 2005-2015 the population increased by 10.3%, the fourth highest increase in Scotland's 32 local authorities and more than twice the national average of 5.1 %. Inward migration accounted for 74.8% of the 10.3% population growth during this period.

In 2015 Aberdeenshire's population was 50.3% female and 49.7% male, the same as the previous year. This compares to a Scottish average of 51.4% female to 48.6% male. The median age of Aberdeenshire's population is 42, a year older than the median age across Scotland.

Major towns by Population:

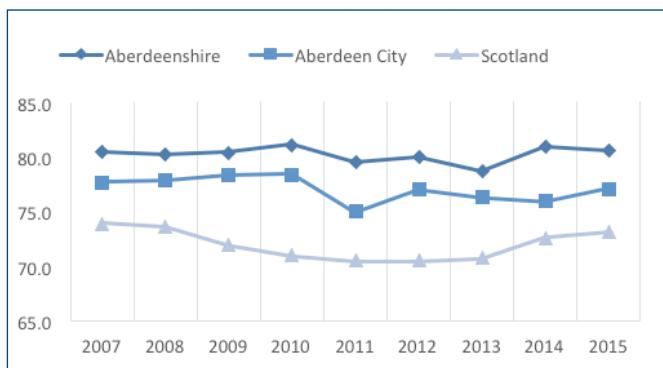
Peterhead	18,450
Fraserburgh	13,140
Inverurie	12,760
Westhill	11,600
Stonehaven	11,370
Ellon	10,100

Mid 2012 Estimates

The age structure of Aberdeenshire varies from the Scottish average. There is a higher proportion of people aged 0-17 and 36-68 residing in Aberdeenshire with a significantly lower percentage of residents aged 18-35 compared to the Scottish average.

Total employment in Aberdeenshire is estimated at 132,100. The majority of employees work within the service sector, predominantly in Public Administration, Education and Health. This is then followed by Distribution, Hotels and Restaurants; and Banking, Finance and Insurance which employ a less significant amount of the Shire's population.

Employment Levels* 2007-2015



* rate refers to the % of people aged between 16-65 who are in employment.

Source: Annual Population Survey (Office for National Statistics, 2015)

While the Shire does possess low levels of unemployment, there has been a 0.3% increase in those looking for work between 2014 and 2016. The average monthly unemployment (claimant count) rate in Aberdeenshire for 2016 (Jan-March) was 1.1%. This is lower than the Scottish and UK averages at 1.8% and 1.6% respectively. However, these figures take no account of self-employed contractors who have lost work and who are not included in the figures so therefore may not necessarily be an accurate representation of employment in Aberdeenshire.

Energy Industry and Energetica

There is significant energy-related infrastructure, presence and expertise present in Aberdeenshire and there have been important recent developments throughout our jurisdiction during the previous twelve months. However, the downturn in the oil and gas industry over the past year due to a decrease in the global price of oil has had a profound impact not just on the energy industry but on many aspects of life in the area as a whole.

An initiative planned which looks to draw on Aberdeenshire's expertise in the energy industry is Energetica, this is a 30 mile development corridor extending from the Bridge of Don, north of Aberdeen to Peterhead. It seeks to establish a global hub of energy-related knowledge, technology and commercial know-how, based within a world class lifestyle and leisure environment. Energetica is a programme jointly-led by Aberdeenshire Council, Aberdeen City Council and Scottish Enterprise.

This aims to strengthen the position of City and Shire as a global energy hub, building on the region's rich oil

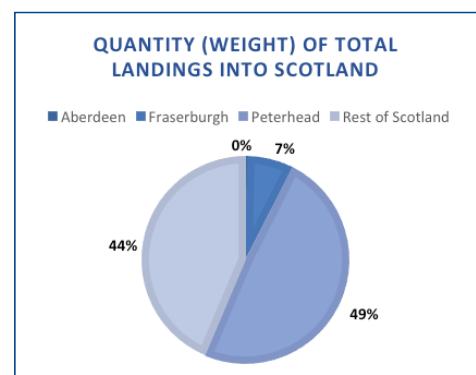
and gas heritage with opportunities for carbon capture and storage, hydrogen, onshore and offshore renewable energy as well as other high value added R&D activity.

With a population of approximately 108,000 and 16% of Aberdeen City and Shire's working population within the corridor, Energetica offers a great place to live, visit, work and invest.

Energetica has attracted £260 million of a potential £750 million investment in its first five years. Construction spend of over £500 million (present value – PV) is expected across the Energetica business parks over the next 20 years. The gross jobs accommodated by new business space on the parks could be expected to generate around £5.1 billion (PV) gross GVA per annum in 2025. New business space expected to be developed on the Energetica parks could accommodate around 12,400 jobs by 2025.

More recent developments include:

- Advances in offshore wind turbine technology has resulted in the advent of the floating offshore wind turbine and Aberdeenshire is at the forefront of efforts to utilise this innovative approach. A €210 Euro, five turbine development by Norwegian firm Statoil located 15 miles off the coast of Peterhead will power up to 20,000 homes and is the first offshore floating wind farm in the world. In addition, there is a second, six to eight turbine development planned outside of Energetica by Kincardine Offshore Wind Limited (KOWL), approximately 10 miles off the Aberdeenshire coast.
- However, the £1 billion funding committed by the UK government to Carbon Capture and Storage (CCS) has been withdrawn and subsequently Shell and SSE (electricity and gas generator and supplier) have cancelled plans to develop their CCS project at Peterhead Power Station.
- Also, further, non-energetica developments in the sector includes Ecosse Subsea Systems (ESS) based in Banchory trebling their profits during 2015 and The Renewables Infrastructure Group (TRIG) purchasing a £246 million stake in six Scottish wind farms including those located in Aberdeenshire.



www.energetica.uk.com/about/?about

Fishing

Aberdeenshire is Scotland's foremost fishing area. In 2014 the region accounted for 56.4% of all fish landed

into Scotland. Together with Aberdeen it provides 31% of Scotland's regular fisheries employment. Moreover, since 2010, the quantity of fish landings in the North East has increased by 23% and total employment by 5.4%.

Source: Scottish Government's Sea Fisheries Statistics for 2014 (Scottish Government, 2015), Mackay Report (September 2015)

Agriculture

Aberdeenshire has 9% of Scotland's land area but 26% of the national arable total. Almost 6,000 people are estimated to be employed in the Agriculture, Forestry and Fishing industry in Aberdeenshire. Also, Aberdeenshire is perhaps best known for its livestock sector, finishing (the process of fattening calves prior to slaughter) over one third of Scotland's beef herd.

www.aberdeenshire.gov.uk/business/support-and-advice/industry-sectors/agriculture-and-rural-development/agriculture-and-rural-development/

Source: Scotland's Census (Office for National Statistics, 2011)

Tourism

Aberdeenshire's tourism industry continues to contribute to the overall economic well-being of the area. In 2013 visitors spent over £220 million and 2.5 million nights in the North East region. There were 441,000 overnight trips made to Aberdeenshire by both domestic and international visitors, with 3.8 million tourist day visits. Domestic spend was down 4.8% in Aberdeenshire in 2012-13, however international spend increased by over 70% during the same period.

Source: Measuring the Visitor Economy (Aberdeen City & Shire Area Tourism Partnership, Visit Scotland, 2013)

Tourism is recognised as a significant sector in both the local and national economy. Aberdeen City and Shire Economic Future (ACSEF), disbanded at the end of 2015 and has been replaced by Opportunity North East (ONE). ONE has pledged private-sector funding to a new Destination Marketing Organisation (DMO) – Visit Aberdeenshire which has been established to promote tourism in Aberdeenshire and Aberdeen City. The additional funding will allow Visit Aberdeenshire to extend the scope and reach of the services provided by its predecessor organisations.

Information on tourism can now be accessed through the Visit Aberdeenshire website – <http://www.visitabdn.com/>

Source: Our strategy for growth 2013-2020 (Aberdeen City and Shire Tourism Partnership, 2013)

Housing

Aberdeenshire has a housing stock of approximately 113,000 dwellings, of which 68% are owner occupied, 15%

rented from the local authority or a housing association, 12% rented privately and 4% in other tenures. This is a considerably higher rate of owner occupation than Scotland as a whole (58%).

Source: Estimated stock of dwellings by tenure and by local authority: 2014, Housing Statistics for Scotland, Scottish Government (2015)

In the past five years (2010-2015) an average of 1,175 new dwellings per year have been built in Aberdeenshire with 56% of the new developments being built within the Aberdeenshire part of the Aberdeen Housing Market Area (HMA) with the remainder concentrated in the larger outlying settlements. The settlements that have accommodated the highest number of new houses over the last five years are Portlethen (698), Inverurie (685), Westhill (584) and Peterhead (543).

Source: Aberdeen City and Shire Housing Land Audit (2016)

Also, the average house price in Aberdeenshire for Quarter 4 2015 was £212,182 compared with the Scottish average of £159,198.

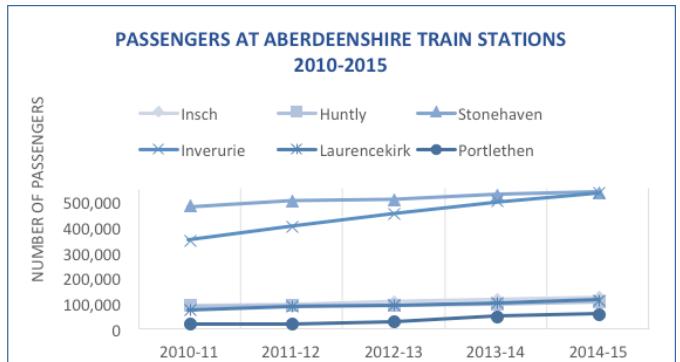
Source: Registers of Scotland (ROS) Full House Price Statistical Report Quarter 4 2015 (2016)

Connectivity

Transport Links

Located in Aberdeen City, the regional airport offer flights to 45 destinations including international hubs in London, Amsterdam, Frankfurt and Paris. Just under 3.5 million passengers travelled through Aberdeen International Airport in 2015. Although passenger numbers for both runway (-15.6%) and helipad (-23.8%) have declined significantly over the last 12 months. During the last ten years Aberdeen has still been one of the fastest growing UK airports outside of London and the third busiest in the whole of Scotland. In fact, since 2005 the airport has experienced a growth in passenger numbers of 22% since 2005 (twice as much of the growth of 11% experienced across all UK airports).

Source: Size of UK airports 2015, Civil Aviation Authority (2016), Mackay Consultants, North East Scotland: Monthly Economic Report (May 2016)



There are eight railway stations in the region, six in Aberdeenshire and two in the City. During 2014-15 the Shire stations served almost 1,500,000 passengers. All six stations have experienced continual annual increase in passenger numbers over the past 5 years. Due to the introduction of more frequent services, Portlethen station has more than trebled its numbers of passengers, Laurencekirk station has undergone a 53% increase in passenger numbers and Inverurie station has experienced a 54% increase and now handles a similar number of passengers to the Shire's busiest station, Stonehaven.

Source: Estimates of Station Usage 2014-15, Office of rail and Road (2015)

Scotland's trunk road network is vital for connecting cities and towns, rural communities and the ports. There are two Trunk Roads in Aberdeenshire:

- A90 Edinburgh – Fraserburgh Road (which passes close to Stonehaven, Balmedie, Ellon, Hatton and Peterhead and through Aberdeen).
- A96 Aberdeen – Inverness Road (which passes close to Blackburn, Inverurie and Huntly).

The Aberdeen Western Peripheral Route/Balmedie-Tipperty (AWPR / B-T) is a major transport infrastructure project which will significantly improve travel times in the wider city-region. The project will divert traffic that would normally travel directly through the city of Aberdeen; around its boundaries on a new road located on its northern and western fringes. When constructed, the 36 mile long AWPR / B-T is expected to carry more than 43,000 vehicles each day through its busiest sections. Construction on the road began in August 2014 and is predicted to be completed ahead of schedule in winter 2017.

In turn, there are plans afoot to upgrade 86 miles of the A96 between Aberdeen and Inverness to dual carriageway by 2030 which seeks to significantly reduce journey times and improve the connectivity between the two cities.

More information - www.transport.gov.scot/project/aberdeen-western-peripheral-route-balmedie-tipperty

Broadband

In Aberdeenshire over 70% of homes have access to download speeds of 24 Mbps and better. Aberdeenshire Council has committed £16 million to the improvement of broadband infrastructure and services across the whole of its jurisdiction. The Rest of Scotland programme, delivering the infrastructure upgrades is likely to see almost 90% of Aberdeenshire premises 'passed by fibre'. KA-band satellite broadband is being rolled out to households which won't be able to access fibre broadband.

Environment

Built Heritage

Aberdeenshire has a rich and diverse built heritage. Within Aberdeenshire there are approximately 3,500 listed structures, 37 Conservation Area designations and 16 proposed designations.

Natural Environment

Aberdeenshire is also rich in natural heritage. It contains 14 Special Protection Areas, 21 Special Areas of Conservation, 86 Sites of Special Scientific Interest, 2 Local Nature Reserves, 7 National Nature Reserves and 1 National Park.

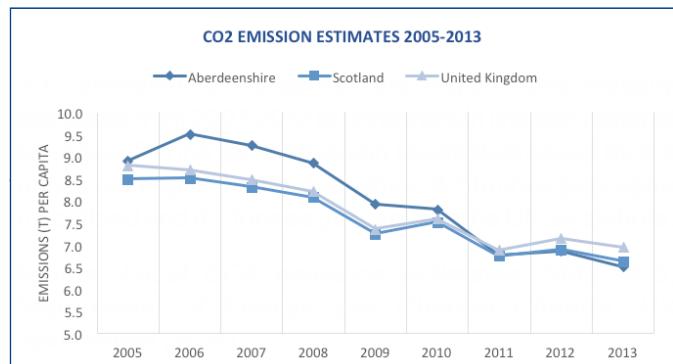
The coastlines of Banffshire, in Aberdeenshire and the neighboring Moray have been voted as one of the 20 most iconic in the world in a National Geographic survey. Much of the Aberdeenshire coastline is designated as Natura 2000 (site of European importance because of its international importance for breeding seabirds).

Source: 99 Coastal Destinations Rated (National Geographic Magazine, 2015)

Climate Change

In 2014 39.9% of Aberdeenshire's household waste was recycled, this is relatively similar to a 42.8% Scottish average, whilst the Scottish government are pushing for an ambitious 50% target for all local authorities in Scotland.

Source: Scottish household waste: Recycled + Organics Recycled + Prepared for Reuse, 2014, Scotland's Environment (2015)



Source: Local CO2 emission estimates 2005-2013, Department of Energy and Climate Change, UK Government (2014)

In September 2013 Aberdeenshire Council adopted a new Environmental Policy setting out its commitments to tackling climate change and reducing the environmental impacts of its functions and services. In November 2013 Aberdeenshire Council agreed to a new CO2 emissions reductions target of 44% from its baseline year and pledged a commitment to become carbon neutral by 2030.

More information - www.aberdeenshire.gov.uk/media/6329/environmentalpolicy.pdf

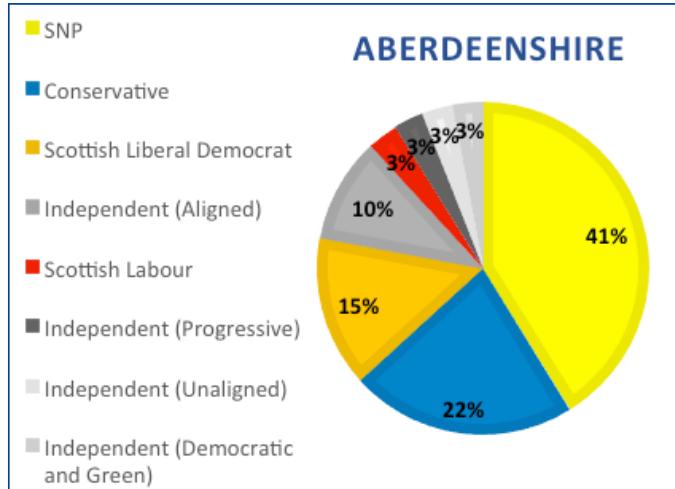
Serving Aberdeenshire

Aberdeenshire Council was established in April 1996, replacing three District Councils (Banff and Buchan; Gordon; Kincardine and Deeside) and Grampian Regional Council.

Aberdeenshire Council has devolved local decision making to six Area Committees: Banff and Buchan; Buchan; Formartine; Garioch; Marr and Kincardine and Mearns. These Areas have very diverse characteristics, challenges and opportunities. More information regarding the administrative areas and their main settlements can be accessed through the Aberdeenshire Council website: www.aberdeenshire.gov.uk/statistics/area/index.asp.

Aberdeenshire has 19 multi-member electoral wards, served by 68 councillors; 28 SNP, 15 Conservatives, 13 Independent, 10 Liberal Democrats and 2 Labour. The Council's current political administration is a partnership between SNP, Progressive Independent and Labour councillors.

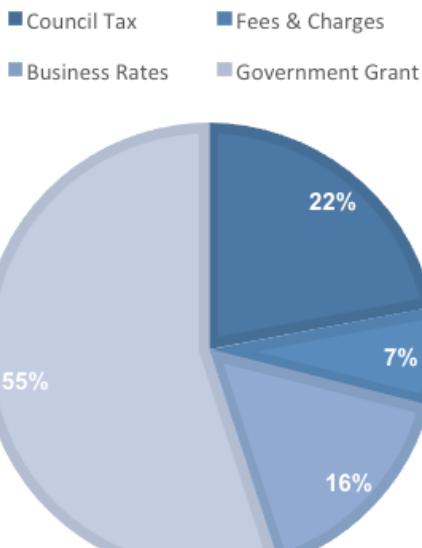
The Council's revenue budget for 2015-16 was approximately £532million. 55% of the budget is provided by the Scottish Government through the Revenue Support Grant, 22% from council tax, 16% from business rates and 7.1% from fees and charges. The band D Council



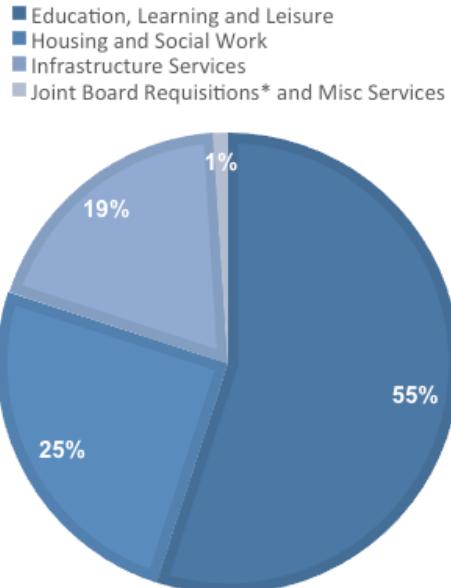
Tax for 2016-17 is £1,141, representing a 0% increase from the previous financial year. The 2016-17 band D wastewater and domestic water charges of £423.90 are set by Scottish Water and represent a 3.2% increase from the previous year.

Should you have any queries regarding this publication require any additional information please do not hesitate to contact Aberdeenshire Council's Information and Research Team: statistics@aberdeenshire.gov.uk

SOURCES OF BUDGET FUNDING 2015-16



BUDGETED NET SPEND BY SERVICE 2015-16



Source – Our budget, Aberdeenshire Council (2015)

*Funding for requisitions from the Joint Valuation Board (previous budgets included provisions for the Fire and Rescue and Police Joint Boards).

The publishers assume no responsibility for errors, omissions or inaccuracies of source statistics.

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