Aberdeenshire
Local Authority Profile
October 2018

A publication by the Planning Information and Delivery Team
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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. It covers 6,313 km² (2,437 m²), or 8% of Scotland’s overall territory, and includes the Cairngorm mountains, rich agricultural lowlands and varied coastal landscapes.

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, the recent sharp fall in oil prices brought fresh challenges for Aberdeenshire and have had noticeable effects on unemployment levels, the local economy and population change. The strengthening oil price and recent reductions in unemployment are perhaps the first signs that the effects of the 2014 oil price crash are receding.

Population

In 2017 Aberdeenshire’s population was estimated to be 261,800, approximately 5% of Scotland’s total population of 5,424,800. There was a small decline in the population between 2016 and 2017 of -0.1% but over the 10 years between 2007-2017 the population increased by 7.1%, the fifth highest increase amongst Scotland’s 32 local authorities and considerably more than the national average of 4.9%. Migration accounted for approximately half of the population growth during this period.
The graph below compares the age structure of Aberdeenshire’s population to that of Scotland’s, giving the percentage of the total population that each ten year age group represents. It highlights the difference in the proportion of people in the 20 – 29 year old age group between Aberdeenshire and Scotland.

At a more detailed level Aberdeenshire has a higher proportion of people aged less than 20 and of people aged 36 to 70 than in Scotland overall and a significantly lower percentage of people aged between 19 and 36.

**Figure 2: Population Composition**

Housing

Aberdeenshire has a housing stock of approximately 116,000 dwellings, of which 69% are owner occupied, 15% rented from the local authority or a housing association, 11% rented privately and 4% in other tenures. This is a considerably higher rate of owner occupation than Scotland as a whole (58%).
In the past five years (2013-2017) an average of 1139 new dwellings per year have been built in Aberdeenshire with 57% of the new developments being built within an approximately 20 mile radius of Aberdeen City and the remainder concentrated in the larger outlying settlements. The towns that have accommodated the highest number of new houses over the last five years are Portlethen (334), Inverurie (734), Westhill (338) and Peterhead (521). While there has been a fall in the level of new housing completions in recent years with the market having been affected by the downturn in the oil and gas industry, completions are forecast to rise again over the next five years as the market picks up.

The average house price in Aberdeenshire for April-June 2018 was £210,541, significantly higher than the Scottish average of £175,967. Although the average house price remains high, there was a fall over the period 2015 to 2017 from a peak of £246,582 in 2014. There are some signs that the market is now beginning to recover and house prices are anticipated to slowly rise again.

Source: Estimated stock of dwellings by tenure and by local authority: 2016, Housing Statistics for Scotland, Scottish Government (2017); Aberdeen City and Shire Housing Land Audit (2018); Registers of Scotland (ROS) Quarterly House Price Statistics

Economy

Aberdeen’s economy was traditionally dependent on fishing, agriculture and forestry, but today it is also closely linked with that of Aberdeen City and the energy industry. The graph below shows the levels of Gross Value Added (GVA), which measures the value of the goods and services produced in an economy, for the period 2006 to 2016 in Aberdeenshire. The trend overall is upward, with an increase of around 50% over the period. However, the slight decline in GVA from 2014 reflects the recent downturn in the energy sector which has had a significant effect on the economy of the region.

Figure 3: GVA Aberdeenshire

City Region Deal

The Aberdeen City Region Deal was agreed in 2016 and is valued at £826.2 million over a ten year period. It is designed to act as a catalyst for economic growth and diversification across the region, with investment in innovation, internationalism, digital connectivity and infrastructure. Further information can be found at www.abzdeal.com.
Earnings

The median gross weekly earnings for full time employees of workplaces in Aberdeenshire in 2017 was £514.60. This was below the Scottish average of £547.30 and a 4% decrease on the 2016 figure.

The median gross weekly earnings for residents in Aberdeenshire was higher at £566.10. A significant proportion of Aberdeenshire’s working population is employed outwith the local authority, principally in Aberdeen City, where workplace median earnings are higher. Even so there was a small decline of 0.7% in residents’ weekly earnings between 2016 and 2017.

Source: Annual Survey of Hours and Earnings, workplace and resident analysis (Office for National Statistics, 2018)

Employment

In 2017 total employment in Aberdeenshire was estimated to be 141,400, with 82% of people aged 16-64 in employment. This level of employment is the highest amongst all Scottish mainland local authorities, with only the Orkney Islands and the Shetland Islands having a higher employment rate.

Figure 4: Percent 16-64 year old’s in employment

![Graph](Source: Annual Population Survey 2017)

24% of all jobs were in the Public Administration, Education and Health sector. As in Scotland overall this sector had the most employees. However in Aberdeenshire this sector is proportionately smaller than in Scotland where 30% of all jobs come under this heading. Aberdeenshire also differed from Scotland in that almost twice as much employment was in Agriculture and Fishing and almost four times as much employment in Energy and Water.
What's happening in Aberdeenshire

Figure 5: Percent of employment in each sector Aberdeenshire

Source: Annual Population Survey 2017 (Note: these figures do not include self-employment.)

Claimant count and unemployment

In July 2018 Aberdeenshire’s unemployment rate, as measured by the number of people unemployed and claiming benefits, stood at 1.2%, one of the lowest rates in the UK. This low headline figure disguises the fact that average unemployment rose by almost 100% in Aberdeenshire between 2014 and 2017, reflecting the effect of the downturn in the North Sea oil and gas industry. People in the 49 – 64 year old age group were disproportionately affected by this with their unemployment rate increasing by more than 180% during this time.

The number of people unemployed and claiming benefit peaked in March 2017 and since then the average monthly figure has followed a downward trend. The unemployment rate, however, is still higher than in 2014.

The graph below shows how Aberdeenshire’s unemployment rate has compared to that of Scotland and the UK over the last five years. It is noticeable that the trend in Aberdeenshire ran counter to that of the country as a whole for most of this period.

Figure 6: Unemployment Rates

Source: NOMIS
Energy Industry

The oil and gas industry remains an important part of the Aberdeenshire economy, notwithstanding the global downturn in oil prices since 2014 which has forced many operators to reduce costs and workforce. In the past two years the oil price has been gradually increasing from a low point of $31 per barrel in 2016 to around $70 per barrel in early 2018, bringing some confidence back to the industry. A large number of oil and gas related companies are situated within Aberdeenshire, in particular at Westhill, Portlethen and Kintore.

The wind energy sector and associated technology is also important to Aberdeenshire both onshore and offshore. Over 1000 wind turbines had been granted planning permission in Aberdeenshire from 2003 to the end of 2017. Notable recent developments include the Hywind Scotland floating wind farm off the coast of Peterhead completed in 2017 and the Aberdeen Bay Wind Farm off the coast of Blackdog completed in 2018.

Source: www.eia.gov.uk, www.aberdeenshire.gov.uk/online/open-data

Fishing

Aberdeenshire is Scotland’s foremost fishing area. In 2018 Peterhead was named ‘Fishing Port of the Year 2017’ by Fishing News after a new port record annual catch of £195m was achieved. During 2018 a £52 million redevelopment of Peterhead harbour will be completed; this will include deepening the inner harbours and building a new fishmarket with 80% more floor space. In 2016 Scottish vessels landed 154,410 tonnes of fish worth £173,751 into Peterhead and Fraserburgh. More fish was landed into Peterhead and Fraserburgh than into all the rest of the Scottish ports combined

Figure 7: Percentage of Scottish catch into different Scottish ports


25% of all Scotland’s fishing employment is found in Aberdeenshire, and Fraserburgh has the greatest number of fishermen of all Scottish fishing districts. (These figures relate to employment on Scottish registered vessels.)
Agriculture

Aberdeenshire contains 9% of Scotland's farmed area and 26.5% of its arable farming area. Arguably one of the most mixed farming areas in Europe, it produces 28% of Scotland's cereals, 30% of its oil seed rape, 26% of its feeding cattle and 52% of its pigs. The Scottish pig industry is concentrated in the north east of Scotland and Aberdeenshire dominates the Scottish red meat production sector, processing 42% of Scotland's sheep and 33% of its cattle. In terms of contribution to the local economy it is beef production that is most important, accounting for almost 40% of total farm income.

A detailed review of agriculture in the north east of Scotland is available at: https://www.aberdeenshire.gov.uk/media/22087/land-based-sector-web.pdf

Tourism

Tourism is recognised as a significant sector in both the local and national economy. In 2016 the combined spend of day and overnight visitors was £630 million in the Aberdeen City and Shire region. VisitAberdeenshire aims to ensure that the tourism industry continues to contribute to the overall economic well-being of the area and has recently launched a tourism strategy with a target of increasing visitor spend to £1billion by 2023.


An annual review of Aberdeenshire’s Economy with further information can be found at https://www.aberdeenshire.gov.uk/council-and-democracy/statistics/economy/

Connectivity

Transport Links

Air

Located in Aberdeen City, the regional airport offer flights to up to 50 destinations including international hubs in London, Manchester, Amsterdam and Paris. Phase 2 of a multi-million pound redevelopment programme was completed in June 2018 and the airport has a new security search area, an enlarged baggage reclaim area, new immigration facilities and new retail units, including an expanded duty free area. Almost 3.1 million passengers travelled through Aberdeen International Airport in 2017. Although passenger numbers have declined since the peak of 3.7 million in 2014, 2017 saw an increase of 5% over 2016. There was also a small 2% increase in the amount of freight moved. The number of helicopter passengers, however, continued to decline.
What's happening in... Aberdeenshire

**Figure 8: Passengers using Aberdeen Airport**

*Source: Airport Data 2017, Civil Aviation Authority*

**Rail**

From 2010-11 to 2015-16 all six railway stations in Aberdeenshire experienced an annual increase in passenger numbers. Due to the introduction of more frequent services, Portlethen station more than trebled its numbers of passengers, though from a fairly low base. Between 2015-16 and 2016-17, however, passenger numbers dropped at all stations and although Aberdeenshire stations served almost 1,350,000 passengers in 2016-17, this was a decrease of 7% from the year before.

**Figure 9: Passenger Numbers in Aberdeenshire stations**

*Source: Estimates of Station Usage 2016-17, Office of Rail and Road*

The drop in passenger numbers, both by rail and by air, has been linked to the economic downturn the north east of Scotland has experienced since the oil price fell in 2014.

Network Rail is working to improve its infrastructure in and around the north east of Scotland. A major investment programme is underway and when complete in 2019 will allow for more through services to the central belt via Aberdeen and half hourly services to and from Inverurie, an increase of 3,000 seats per day on this route. Services to Inverness will mostly be by high speed trains and the number of passenger seats on this will increase by 1,400 each day. Looking to the future the track improvements provide the infrastructure necessary for new stations at Kintore (expected to open end of 2019) and Inverness Airport.

*Source: [www.networkrail.co.uk](http://www.networkrail.co.uk)*
Road
Scotland’s trunk road network is vital for connecting towns and cities, rural communities and ports.

The Aberdeen Western Peripheral Route/Balmedie-Tipperty (A90) 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 - it is expected to carry more than 43,000 vehicles each day through its busiest sections. The section of the road between Balmedie and Tipperty, one fifth of the total route, opened in August 2018 and the whole Western Peripheral Route is expected to open by the end of 2018.

In addition, there are plans to upgrade the A96 between Aberdeen and Inverness, much of which beyond Inverurie is presently single carriageway. The Scottish Government has committed to dualling the carriageway by 2030, significantly reducing journey times and improving the connectivity between the two cities. On completion of this project all Scottish cities will be linked by a dual carriageway network.

Source: [www.transport.gov.scot](http://www.transport.gov.scot)

Broadband
In Aberdeenshire over 70% of homes have access to download speeds of 24 Mbps or better. Aberdeenshire Council has committed £16 million to the improvement of broadband infrastructure and services across the whole of its jurisdiction. As a result, 90% of Aberdeenshire should be able to access download speeds of 24 Mbps or better by the end of 2018. KA-band satellite broadband is being rolled out to households which will not be able to access fibre broadband.


Environment

Built Heritage
Aberdeenshire has a rich and diverse built heritage. Within the area there are approximately 3,500 listed structures, 41 Conservation Area designations and 14 proposed designations including the Ardmore Distillery site in Kennethmont.

Source: [www.aberdeenshire.gov.uk/environment/built-heritage](http://www.aberdeenshire.gov.uk/environment/built-heritage)

Natural Environment
Aberdeenshire is also rich in natural heritage. It contains 16 Special Protection Areas, 21 Special Areas of Conservation, 85 Sites of Special Scientific Interest, 2 Local Nature Reserves, 9 National Nature Reserves and 1 National Park.
Aberdeenshire has 165 miles of attractive coastline. In particular the Banffshire coastline in Aberdeenshire together with the neighboring Moray coastline have been voted as one of the 20 most scenic 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: www.gateway.snh.gov.uk

Source: 99 Coastal Destinations Rated (National Geographic Magazine)

Climate Change

In 2016 43.5% of Aberdeenshire’s household waste was recycled. This is relatively similar to a 45.2% Scottish average, whilst the Scottish Government are pushing for an ambitious 50% target for all local authorities by 2020.


CO2 emission levels across the region have steadily decreased from 2007-2016 to bring them in line with national averages.

Figure 10: CO2 Emission Estimates 2005-2016


In November 2016 Aberdeenshire Council adopted an Environmental and Climate Change Policy setting out ways in which the council will meet statutory responsibilities in the Climate Change (Scotland) Act 2009 and fulfil its commitment to sustainable development and safeguarding the environment.

Source: https://www.aberdeenshire.gov.uk/environment/environmental-policy
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 towns can be accessed through the Aberdeenshire Council website: https://www.aberdeenshire.gov.uk/council-and-democracy/statistics/areas-and-towns/

Councillors

Aberdeenshire has 19 multi-member electoral wards, served by 70 councillors; 21 SNP, 23 Conservatives, 11 Independent, 14 Liberal Democrats and 1 Labour. (Local Government Elections 2017) The Council’s current political administration is an alliance between Conservatives, Liberal Democrats and Allied Independents.

Figure 11: Aberdeenshire Council 2018 Political Make Up


Budgets

The Council’s revenue budget for 2018-19 is approximately £553million. 25% of the budget is funded by Council Tax and the remainder comes from the Scottish Government, Business Rates and other sources. The band D Council Tax for 2018-19 is £1,205, representing a 3% increase from the previous financial year, which is in line with the Scottish Average of £1,208.

The graph below shows that over half of the Council’s revenue expenditure is on Education and Children’s Services, and approximately one fifth on Adult and Social Care.
Figure 12: Budgeted Net Spend by Council Service 2018-19

![Bar chart showing budgeted net spend by council service 2018-19](Figure.png)


Should you have any queries regarding this publication or require any additional information please do not hesitate to contact Aberdeenshire Council’s Planning Information and Delivery Team: [statistics@aberdeenshire.gov.uk](mailto:statistics@aberdeenshire.gov.uk)


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