From mountain to sea

Aberdeenshire Council Strategic Assessment 2023/24

September 2023
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Contents

Document Details

Title	Aberdeenshire Council Strategic Assessment 2023/24
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Intended Audience	Elected Members, internal colleagues, partner agencies, and wider public
Document Status	Final Draft

Purpose

The Strategic Assessment forms part of the evidence base that will inform the overarching priorities for consideration by the full council later this year (2023).

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

Acknowledgement

This report has been 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.

Executive Summary

The Aberdeenshire strategic assessment is a really important document, providing an evidence-based picture of Aberdeenshire's current situation and how it may change in the future. It has been developed in collaboration with teams across all services and with input from community planning partners.

In summary, Aberdeenshire fares better than most other areas of Scotland, with a good standard of living, strong economy, low crime rates and generally high levels of income. However, this positive overview can mask issues of inequality and poverty experienced across our communities.

The demographics of Aberdeenshire provide clear evidence for how the Council needs to adapt and prepare for future challenges. Aberdeenshire's population has risen from approximately 189,000 residents in 1981, to 263,000 in 2021 – an increase of 39%, exceeding the national average increase of 6%. Since 1981 there's been a noticeable reduction in the percentage of children and young adults in the population, whilst our working age population is in decline. Our ageing population (agreed 65 and over) is growing and this has significant implications for healthcare, social services and the economy. All these factors are critical in shaping our places – understanding how communities function and connect with each other. Place must become a central pillar by which the public sector engage with communities.

There are significant financial challenges to public sector budgets, greater demand and need on services, higher costs through inflation, pay awards and addressing post pandemic challenges like the cost of living crisis. All this demonstrates clear evidence to how the Council needs to adapt and prepare for future challenges.

Transformation is critical to the future position of the Council, understanding our future challenges and shaping our services so they are fit for future generations.

Introduction

Aberdeenshire is replete with Advantages: Much of the available evidence indicates favourable outcomes for the residents of Aberdeenshire compared to other regions in Scotland. On average, Aberdeenshire residents are observed to have higher levels of employment and economic activity, increased income per household, higher vocational qualifications, enhanced health and longevity, and fewer incidences of crime and disorder. Some variations exist, but the overall trend is positive.

However, these favourable outcomes should not obscure the complex challenges lying ahead. Councils across Scotland, including Aberdeenshire, are navigating an intricate fiscal environment characterised by extraordinary financial pressures.

Facing a Complex Fiscal Environment

Economic Challenges: Councils across Scotland, including Aberdeenshire, have been navigating extraordinary financial pressures in recent years, reflecting wider challenges in both national and local budgets. These challenges have had profound implications for households, businesses, and public services.

Impact on Households: In the UK, households have experienced a 7% reduction in disposable income over recent years, driven primarily by inflation in energy and food prices. This trend, coupled with rising interest rates, has impacted local service delivery and consumer demand, resulting in an increase in business insolvencies and a consequent reduction in national tax revenues.

The trends in macroeconomic factors exert a complex influence on the Scottish government's fiscal policy, mirroring the broader economic climate and shaping the strategies detailed in the Scottish Budget for 2023-24.

Scottish Budget 2023-24: Despite a 3.9% real-terms increase in overall spending, over half is allocated to recently devolved and new social security benefits, leaving non-benefit spending at 1.6% lower than in 2022–23, or 0.8% lower after accounting for one-off policies. Most services have seen a spending boost, with health and the 'net zero, energy and transport' portfolios as key winners, while funding for local government is still expected to fall in real terms.

The Scottish Government's Medium-Term Financial Strategy (MTFS), published after the budget, highlights a challenging financial landscape, with updated projections outlining a funding gap of £1 billion in 2024–25, increasing to £1.9 billion by 2027–28[1]. This gap is primarily driven by growth in social security spending and increasing demands in health and social care. Improvements in Scottish income tax revenues have alleviated the gap compared to previous projections, but it remains substantial. Significant uncertainties and varying scenarios could see the gap range from £3.9 billion to a surplus of £2.0 billion by 2027–28.

Scotland's notional fiscal deficit is estimated to have fallen to £19.1 billion or 9.0% of GDP, due to higher oil and gas revenues, yet it's still substantially higher than the figure for the UK. This reflects Scotland's higher public spending and lower onshore tax revenues, partly offset by oil and gas revenues. The outlook indicates that Scotland's

notional fiscal deficit will only fall modestly over the next four years, with the gap with the rest of the UK likely to grow.

Without additional funding from the UK government, tough choices will be required in public spending cuts or tax revenue increases. The Scottish Government must plan strategically to address this gap while remaining open to opportunities if additional funding becomes available. The 2023–24 Scottish Budget partially reflects these challenges, with an increased focus on social security benefits and a boost in health and energy spending. However, issues such as local government funding and Scotland's notional fiscal deficit still reflect broader fiscal pressures.

The impact on Aberdeenshire is consistent with the broader Scottish outlook, with potential benefits from increased spending on health, energy, and transport, but challenges may persist in local government funding. Attention to the specific needs and economic conditions of the region will be essential to maximise the positive effects of the budget and mitigate potential strains on public services.

While the 2023–24 Scottish Budget and various fiscal measures address certain challenges, they do not fully alleviate the underlying strains on public services, including the complexities related to pandemic costs, inflation, and other escalating financial pressures.

Strain on Public Services: Public services continue to face pressure from costs related to the pandemic, including purchase expenses, pay awards, and the Real Living Wage. Several factors such as inflation, pandemic-induced delays, and supply chain issues are also escalating costs for capital programmes, potentially undermining their implementation. These programmes are vital for modernising services and supporting communities during this difficult economic period.

Such strains lead to a broader question regarding the long-term viability of these services.

Concerns Regarding Sustainability: Council chiefs have expressed concerns regarding the sustainability of council services due to these financial pressures and anticipated funding cuts. A survey by the Society of Local Authority Chief Executives (SOLACE) found that 78% of senior managers and chief executives reported significant budget gaps for the 2023/24 fiscal year.

As the cumulative funding gap in Aberdeenshire's Medium-Term Financial Strategy demonstrates, like most other council areas in Scotland and the UK, reconciling budgetary needs with available funding is an ongoing challenge that underscores the persistent pressures facing public services.

Cumulative Funding Gap: Aberdeenshire Council's Medium-Term Financial Strategy acknowledges the intense challenge and outlines measures taken to find savings and deliver efficiencies. Nonetheless, a potential cumulative funding gap of £92 million by 2027/28 has been identified, highlighting a critical disparity between projected budgets and expected funding. This gap, situated within the complex context of Scotland's fiscal landscape, embodies the intertwining pressures on public services, regional economic considerations, and national budget constraints. It symbolises the broader struggle to align local needs with available funding and stands as a microcosm of the fiscal challenges facing Scotland as a whole. It reinforces the necessity for strategic planning

and collaboration, to navigate the delicate balance between sustainability and growth in an uncertain economic environment.

Policy Context

As Aberdeenshire Council grapples with the identified funding gap and strives to sustain vital services, the broader policy landscape serves as more than a backdrop; it's a vital framework that directs and informs the region's unique challenges and opportunities. The recently announced policy measures by the Scottish Government, in conjunction with local initiatives, underscore a comprehensive approach that complements and supports Aberdeenshire's economic and social objectives. This interplay of national policies and community-driven approaches is essential in shaping a sustainable path that resonates with the region's goals.

Programme for Government: The Scottish Government's updated Programme for Government, released in September 2023, marks a pivotal point as the first manifestation of First Minister Humza Yousaf's "Fresh Start for Scotland" vision and as a crucial gauge of the government's fidelity to the Verity House Agreement. Building 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. Notably, there is a shift in approach towards treating local government as a valued partner rather than just a delivery arm, affirming the importance of the Verity House Agreement in addressing Scotland's collective challenges. However, there is a relative dearth of detailed financial commitments to local government, casting a shadow of uncertainty that should be fully examined during the upcoming December 2023 budget proceedings.

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 (NPF): In alignment with the mission for 2026, the NPF 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 NPF consists of Eleven 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 NPF encourages partnership working across organisations to achieve shared outcomes. Place-based approaches are central to the NPF, acknowledging the complex influence of place on behaviour, environmental impact, and opportunities. The Place Principle supports the NPF's collective purpose, helping local communities apply the framework to their specific contexts.

Local Place Plans: Place-based approaches are central to the NPF, acknowledging the complex influence of place on behaviour, environmental impact, and opportunities. The Place Principle supports the NPF's collective purpose, helping local communities apply the framework to their specific contexts.

Work on Local Place Plans (LPPs) in Aberdeenshire is advancing, with Community Bodies now formally invited to submit their plans. Introduced to augment community participation in the planning process, LPPs provide a community-led perspective on land development and usage, highlighting areas and buildings of local importance. Once registered, they will factor into both the preparation of the Local Development Plan and future planning applications.

The proactive approach to incorporating community views through LPPs, coupled with efforts to support and engage with Community Bodies, demonstrates a concerted effort to decentralise planning and make it more responsive and reflective of local needs and values.

New Deal for Local Government: The Scottish Government's 'Verity House Agreement' with local councils 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 doesn't 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 seemingly aligns with Aberdeenshire's interests, potentially enhancing local autonomy, collaboration, efficiency, and accountability in the region.

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

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

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

UK 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 Budget 2023 sets an economic backdrop with significant implications for Scotland. Key Announcements and Implications for Scotland are outlined below.

- **Fiscal Framework Implications:** Various announcements, including changes in disability benefit rules and inflationary increases in alcohol duty, will necessitate a thorough examination of Scotland's fiscal framework.
- **Energy Price Guarantee (EPG):** The extension of the EPG will directly affect consumers in Scotland, with the cap on energy bills remaining at £2,500 for typical use in the next quarter.
- **Corporation Tax and Business Support:** Changes in corporation tax and new reliefs such as the Video Games Expenditure Credit will impact businesses in Scotland.
- **Universal Credit and Welfare Changes:** The announced reforms, including upfront claims for childcare and the replacement of Work Capability Assessment with Personal Independence Payment (PIP) assessment, require close examination in Scotland, especially considering the new Adult Disability Payment (ADP).
- **Investment and Funding:** The Chancellor's announcements on investment zones, funding for specific initiatives such as the Cloddach bridge, and Barnett consequentials underscore the interplay between UK-wide and Scotland-specific policy.
- **Consequentials and Devolved Areas:** The expansion of childcare policy in England and other announcements will lead to significant Barnett consequential for Scotland. The devolved nature of certain policies will require careful consideration and potentially different implementations within Scotland.
- **Migration:** Legislation such as the Nationality & Borders Act 2022, Illegal Immigration Bill will impact on Scotland. Resettlement schemes including the United Kingdom Resettlement Scheme, Afghan Citizens Resettlement Scheme, the Homes for Ukraine visa schemes as well as Unaccompanied Asylum Seeking Children and Wider Asylum Dispersal have implications for devolved policy and powers.

Aberdeenshire Council Plan: The influence of these UK-wide policies on Scotland, coupled with local Scottish policies, creates a multifaceted policy environment with specific implications for Aberdeenshire's economic and social landscape. The Aberdeenshire Council Plan navigates this intricate environment, aligning itself with both broader shifts and unique regional challenges and opportunities. The following details illustrate how the council's strategy seeks to integrate with the wider Scottish policy framework:

- *Learning for Life*: Aims to enhance skills for work and life, matching the government's focus on education and childcare.
- *Resilient Communities*: Aligns with the government's emphasis on community wealth building and equality, targeting community empowerment and poverty reduction.
- *Economic Growth*: Coincides with the government's 'Wellbeing Economy,' focusing on job creation, business strength, and renewable energy. The Scottish Government's commitment of £25 million from the North East Just Transition Fund supports this alignment.
- *Climate Change*: Aligns with the government on sustainable practices but faces challenges such as high car ownership in Aberdeenshire, domestic emissions of greenhouse gases, and trade-offs in investment for public transport.
- *Infrastructure and Public Assets*: Complements the government's reform desires through the New Deal and related policies.

Aberdeenshire Council's plan aligns closely with the Scottish Government's aspirations for a prosperous and sustainable future. Yet, with the region facing significant opportunities and challenges, including an identified £92 million cumulative funding gap, this alignment alone is not the solution. While it may be prudent to continue prioritising areas that conform to the broader policy framework, transformational changes are imperative. Such shifts are necessary to enhance Aberdeenshire's ability to meet its economic and social goals, in sync with the Scottish Government's overarching ambitions, thereby fostering a sustainable and resilient future for the country.

The Need for Transformation

Addressing both existing and emerging challenges such as climate change, child poverty, and inequalities calls for a more innovative approach. The management of public expectations in the context of limited resources and financial constraints presents a complex challenge. Collaborative efforts among councils, the public sector, the third sector, and local communities will be crucial. This includes working with other councils and involving service users in the redesign of services. Effective communication strategies will be essential, focusing on two-way engagement, transparency, and support for community involvement in local matters, to progress towards shared objectives.

Aberdeenshire Council Transformation Workstream: Moving forward, Aberdeenshire Council has demonstrated a commitment to a continuous cycle of reflection and action. This commitment is underpinned by the council's transformation workstream, acknowledging that transformation is a constant, dynamic process requiring ongoing energy, focus, and agility. Such an approach is viewed as crucial in addressing the identified funding gaps over the next few years. Successful transformation relies on robust data and evidence, enabling the targeting of areas that will have the most significant impact on communities – an approach that echoes the principles of the Verity House Agreement. By persistently scrutinising processes and outcomes, and taking proactive steps to improve them, Aberdeenshire Council aims to not only meet the requirements of the Verity House Agreement but also build upon the work already being done to foster a more responsive, effective, and community-focused local government. This approach, in turn, has the potential to contribute to a more prosperous, sustainable, and inclusive Aberdeenshire.

Potential Future Strategy and Regional Collaboration: Aligning Priorities for Prosperity

In Aberdeenshire, organisational developments are anticipated to gain momentum, particularly with regards to fostering greater regional collaboration. This acceleration, driven by budgetary constraints and shared objectives, may lead to a heightened focus on regional partnerships that could influence various services within the area, including economic strategy, transport, education, and health. Significant progress has been made in recent years towards embracing this collaborative model.

Themes such as regional partnerships, participatory budgeting, comprehensive planning among the broader partnership network, and community engagement are expected to gain prominence as the challenges become more apparent and resources grow increasingly limited. The goal is to 'future-proof' the region, ensuring its continued relevance and prosperity in the face of changing circumstances. This involves leveraging

regional assets to meet global economic ambitions, providing efficient health and social care, and securing the well-being and future of children and young people. These initiatives resonate with both the Council's priorities and the Scottish Government's broader mission, which emphasises success, opportunity, well-being, sustainable growth, and equality across Scotland.

Executive Summary of Key Strategic Assessments

People: Learning for Life

- **Child-Centric Approach and Community Collaboration:** The 'Getting it Right for Every Child' (GIRFEC) approach in Aberdeenshire emphasises a child-centric perspective, aligning with the region's dedication to children's rights and working towards enhancing the wellbeing of children and young people. This includes initiatives by Aberdeenshire Council like reducing socio-economic inequality, collaborating with strategic partnerships, and focusing on holistic development such as 'Learning for Life' and 'Health and Wellbeing.' The collaborative efforts are geared towards an integrated service delivery model, aimed at effective and efficient services, improving outcomes for the community's children, and fostering a more resilient society.
- **Strategic Initiatives and Skill Development:** The Children and Young People's Services Plan 2023-2026 and the focus of Education & Children's Services (ECS) highlight the council's proactive strategy in addressing crucial areas. This encompasses mental health, support for those with additional needs, the wellbeing of whole families, and safety in communities. Furthermore, the council's integrated approach to academic and vocational education demonstrates its commitment to equipping young people in Aberdeenshire with a broad range of skills, contributing to both individual success and the region's economic vitality.
- **Educational Resilience and Continuous Improvement:** Despite challenges faced during the 2021-22 academic year, Aberdeenshire's educational system has shown resilience, with above-average school attendance. However, an increase in both authorised and unauthorised absences underlines a need for enhanced student support. The Education and Children's Services Committee's dedication to continuous improvement and strong governance exhibits a forward-thinking and responsive stance, expected to lead to improved services and support, creating a nurturing environment for the growth and development of children and young people.

People: Health and Wellbeing

- **Health Equity and Regional Collaboration:** Public Health Scotland's strategic plan for 2022-2025 sets forth a vision for a more equitable Scotland, reflecting a commitment to diminishing health disparities and promoting wellbeing for all. Aberdeenshire Health and Social Care Partnership's localised strategy and the North East Population Health Alliance's regional collaboration work in tandem with this vision, aiming for efficiency through resource pooling and best practice sharing. Concurrently, the Scottish Government's push for a National Care Service (NCS) to streamline health and social care has undergone revisions to address

concerns over control, although questions remain over shared accountability and its alignment with Aberdeenshire's needs.

- **Health Metrics and Socio-Economic Challenges:** Recent trends highlight a troubling stagnation in life expectancy across Aberdeenshire and the UK, reflecting potential systemic health or socio-economic issues, despite Aberdeenshire's higher-than-average figures. This is compounded by a decline in healthy life expectancy, persistent disparities in conditions such as coronary heart disease and cancer and widening inequality in health risk factors. Moreover, residents in deprived areas face a multitude of challenges such as limited access to healthcare and economic hardships, resulting in poorer health outcomes, emphasising the integral relationship between socio-economic factors and overall wellbeing.

- **Addressing Complex Challenges through Collaboration and Purpose:** Grampian's multi-dimensional health challenges, including a decade-long stagnation in health improvements and impacts of the COVID-19 pandemic, necessitate innovative, collaborative approaches. The region's strong cross-sector partnerships and shared commitment to innovation lay a groundwork to tackle these challenges and aspire for a healthier, fairer future. Meanwhile, Aberdeenshire's correlation between life satisfaction and a sense of purpose underlines the value of focusing on meaning and purpose in daily life. Aberdeenshire Council's prioritisation of health and well-being aligns with these complex considerations, promoting a healthier, more equitable community.

Environment: Resilient Communities

- **Strategic Focus on Equality, Opportunity, and Community Resilience:** The government's emphasis on Equality, Opportunity, and Community forms a holistic approach to building resilient communities. Within this framework, the Equality mission focuses on reducing child poverty, promoting a society where every individual has the opportunity to thrive, regardless of background. Collaboration between government, businesses, and local stakeholders, including Aberdeenshire Council, is central to this strategy, reflecting a commitment to collective efforts in tackling challenges such as poverty. The shift towards 'person-centred public services' signals a move to ensure services are tailored to individual needs, enhancing their effectiveness and community resilience. Finally, Aberdeenshire's alignment with the Scottish Government and COSLA, particularly through prioritising the Place Principle, lays the groundwork for creating communities that are resilient, attuned to local needs, and focused on resident feedback and tailored service delivery.

- **Addressing Child Poverty, Health, and Safety Challenges:** Despite an increase in relative child poverty in Aberdeenshire between 2015 and 2022, the region remains below the Scottish average. This trend, mirroring wider UK developments, requires both local and national interventions. The Scottish Child Payment is a positive step, though its effectiveness may be hindered by external pressures such as rising living costs. In areas like Fraserburgh and Peterhead, understanding root causes and targeted interventions are vital. Further challenges include supporting households with disabilities or long-term health issues and refining child protection through collaboration. Consistent declines in crime rates and initiatives like the Community Safety Partnership demonstrate the region's proactive approach to community safety and well-being.

- **Aberdeenshire's Holistic Approach to Community Safety and Inclusiveness:** Aberdeenshire Council exhibits a holistic strategy in managing diverse risks and

fostering community resilience. The Risk and Resilience Team, established in 2020, has been vital in addressing various challenges, ranging from avian flu to weather events, through proactive tools and commitment to training. The endorsement of the Tackling Poverty and Inequalities Annual Report in March 2023 further signifies a clear, data-driven direction to support at-risk residents. By emphasising co-production, strengthening partnerships, and enhancing rural access, Aberdeenshire is paving a path towards success for all residents, regardless of their socio-economic standing. Aberdeenshire's New Scots Refugee Integration Strategy 2023-2027 demonstrates that refugee and asylum resettlement and integration remains rooted in the principles of partnership, community development, innovative practice and co-production – putting new Scots and welcome communities at the heart of the approach and recognising new Scots as a power for change and positive influence in our communities and not simply victims of conflict, disaster, torture, or war. Resettlement is a temporary state that enables people to move through difficult junctures in their lives, with respect, dignity, and hope.

Environment: Climate Change

- **Global and National Climate Context:** Climate change, accelerated by human activities, is a current global concern, and the immediacy of the issue is evident in phenomena like shrinking glaciers and shifting habitats. An approximate 1.1-degree Celsius temperature increase since pre-Industrial times highlights humanity's significant role in climate shifts. The UK's "Build Back Greener" strategy, aimed at net-zero emissions by 2050, and Scotland's ambitious goal for 2045, exhibit a comprehensive, inclusive approach. Emphasising a "just transition," both strategies focus on equitable change, balancing environmental objectives with societal wellbeing. The collective duty to address climate change transcends national boundaries, necessitating global collaboration and innovation.
- **Aberdeenshire's Climate Strategies and Challenges:** Aberdeenshire Council's approach, aligned with Scotland's national climate policies, displays strong dedication to climate change mitigation. With an ambitious target to reduce emissions by 75% by 2030 and the introduction of a carbon budget, the council integrates financial and environmental sustainability. Strategies for 2023-2024 span technological changes, infrastructure upgrades, and community engagement, illustrating a holistic approach. Balancing investment needs with workforce capabilities will be essential to the success of carbon reduction aspirations. "Climate Ready Aberdeenshire" fosters community-driven collaboration for holistic climate mitigation and adaptation.
- **Local Climate Trends and Implications:** Aberdeenshire demonstrated significant emission reductions between 2005 and 2021 across sectors, but challenges persist in areas like Transport, Agriculture, and the Domestic sectors. Unique regional factors call for tailored, sector-specific approaches to further reductions. Marked climate shifts, such as warmer temperatures and altered rainfall in Scotland, mirrored in Aberdeenshire, indicate expected challenges in agriculture, infrastructure, and health, emphasising the all-encompassing nature of climate change and the need for strategic adaptation. Aberdeenshire Council's alignment with the ambitious targets of the UK and Scottish governments underscores the importance of ongoing, tailored strategies for climate action, adaptation, and resilience.

Economy: Economic Growth

- **Global and Regional Economic Overview:** The global economy shows signs of recovery but remains volatile, with concerns over inflation, rising interest rates, and geopolitical conflicts like the Ukraine crisis. Scotland's economy indicates modest growth, challenged by inflation, stagnant wages, and demographic shifts, but buoyed by investment in renewable energy and infrastructure. Aberdeenshire's economic history reflects strong growth until 2014, followed by stagnation, highlighting the vulnerability linked to oil price changes and the COVID-19 pandemic.

- **Aberdeenshire's Economic Landscape and Challenges:** A substantial part of Aberdeenshire's economic output is concentrated in top-performing Data Zones, highlighting potential vulnerabilities, and underscoring a need for broader regional development. An analysis of the region's GVA growth reveals consistent growth in sectors like Information and Communication, suggesting opportunities for future investments and supportive policies in these areas. Though Aberdeenshire enjoys a higher median income, pockets of economic disparity call for targeted interventions to ensure a more equitable distribution. The region's reliance on specific sectors, coupled with an identified need to explore growing industries such as Health and Tourism, emphasises the importance of strategic diversification. Moreover, lingering impacts from the global oil price downturn and persistently elevated unemployment rates post-pandemic highlight the region's need for actions that ensure sustainable economic resilience.   The challenges and opportunities identified in Aberdeenshire's economic landscape may be addressed through a focused adherence to the North East's Regional Economic Strategy.

- **Strategic Direction and Future Opportunities:** The North East's Regional Economic Strategy illustrates a proactive, multifaceted approach towards embracing the future, with a focus on green energy, digital, tourism, and life sciences. This broader perspective offers a buffer against future shocks and reflects a nuanced commitment to sustainable growth and environmental responsibility. The Aberdeen City Region Deal (ACRD) symbolises a concerted effort to catalyse growth in technology and sustainability, suggesting potential amplified investments and employment in emerging sectors. Global trends, like the Future of Jobs Survey, underscore the importance of technology, presenting opportunities for Aberdeenshire to prioritise adaptive skill development and bolster renewable energy initiatives, such as the Kintore Hydrogen project.

Economy: Infrastructure and Public Assets

- **National and Regional Infrastructure Commitments:** The Scottish Government's Infrastructure Investment Plan (IIP) for 2021-26 illustrates strong commitment to public infrastructure and services, with an emphasis on net-zero emissions. Supply chain disruptions, inflation, labour shortages, and reduced capital grant allocation may slow the pace of progress. In Aberdeenshire, ChargePlace Scotland and the R100 digital programme offer enhancements in sustainable transport and digital connectivity, but stakeholder engagement is vital to address fiscal and logistical challenges.

- **Road Asset Management:** Aberdeenshire's Annual Status and Options Report (ASOR) demonstrates a comprehensive approach to road asset management. This thoughtful planning is poised to respond to emerging challenges and aligns with the region's broader objectives, representing a promising direction for future

transport planning, which includes (but is not limited to) the integration of e-mobility and ambitious targets like a 20% reduction in car kilometres by 2030.

- **Financial Planning and Community Initiatives:** Aberdeenshire's Environment & Infrastructure Services' (E&IS) comprehensive framework supports infrastructural needs, with a budget of £59.668 million for 2023-24. The associated borrowing, engagement with benchmarking initiatives, and the need for careful financial management reflect the balance required between obligations and service delivery.

- **Strategic Vision and Local Development:** The Aberdeenshire Local Development Plan 2023 balances economic growth with environmental protection, community interests, and cultural values. Strategies like harbour asset optimisation, regional regeneration initiatives, and the "Developing Excellence in our North Coast Communities" initiative, coupled with sustainability goals, innovative housing strategies, and effective collaboration, underline the vision for enhancing the region's potential. Regular engagement and adaptive strategies are vital for the positive trajectory of these development plans.

Medium-Term Financial Strategy and Budget Setting 2023-28

Aberdeenshire Council has outlined its financial strategy and budget for the fiscal year 2023/24, with indicative budgets for the years 2024/25 to 2027/28. The proposed budget includes a Council Tax rise of 4%, agreed by the Council on 9 February 2023, and incorporates the proposed Reserves, Treasury Management, and Medium-Term Financial Strategies[2].
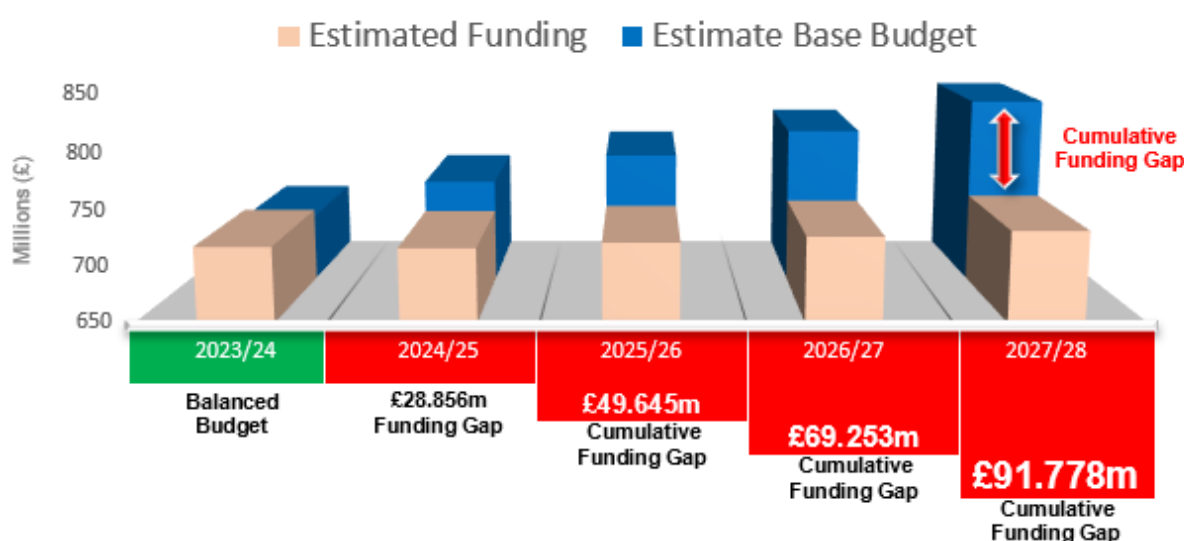
Medium-Term Financial Strategy

The Medium-Term Financial Strategy (MTFS) of Aberdeenshire Council is a strategic document that aligns the council's financial capacity with its medium-term priorities. In a progressive step, the council agreed that the Carbon Budget be integrated with the MTFS and financial budget setting process for 2024/25. This integration is a testament to the council's commitment to both fiscal responsibility and environmental stewardship.

The MTFS aims to ensure financial sustainability through:

- Transformation
- Partnership working
- Targeted investment
- Cost reduction
- Efficiency improvements

Figure 1 below illustrates the council's forecasted cumulative funding gap, projected to reach £91.778 million by 2027/28. Addressing this deficit will necessitate meticulous planning and strategic decision-making.

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 council's strategy to achieve financial sustainability is prudent, but its success depends on effective implementation and the external economic climate. The council's

reliance on government grants, borrowing, and investments, along with income from fees and charges, exposes it to financial risks. Any fluctuations in government funding, interest rates, and economic conditions could significantly impact the council's financial standing.

Revenue Budget

The council's day-to-day costs, such as salaries, premises costs, utility bills, borrowing costs and payments to suppliers, are expected to be £711m in 2023/24. These costs are funded through revenue income sources like the General Revenue Grant, Council Tax, Business Rates, and charges for some services.

The budget setting process involved a full review of all budgetary requirements and anticipated income levels. It identified savings, efficiencies, and risks to achieve a balanced budget position. The council started the 2023/24 budget process with an out of balance position of £20.497 million. However, through various measures, the council has managed to balance the budget.

Capital Plan

The Council's capital plan outlines its intended investments in long-term assets and projects that contribute to the development, improvement or maintenance of the Council's infrastructure, facilities and other tangible resources to support the delivery of the Council's priorities. The 15-year plan is an essential component of the Council's overall Financial Strategy.

The Capital Plan is financed through several sources, including capital grant funding, capital receipts, developer contributions, external funding, and borrowing.

- 2023/24: £115.258 million, Scottish Government Capital Grant (£26.288 million) and UK Government Grant Funding (£1.241 million)

An essential component of the 2023/24 budget setting process was the agreement by Council to undertake an evaluation and prioritisation of the Capital Plan for 2024/25 onwards. This strategic determination stems from the Council's commitment to ensure that the financial feasibility and viability of the capital plan aligns with the principles of prudence, affordability and sustainability.

Treasury Management Strategy

Treasury Management Strategy demonstrates how the Council will effectively manage its financial resources, including its cash, investments and debt to fulfil its obligations and deliver on its priorities. The strategy ensures the prudent and efficient use of funds whilst minimising financial risks.

A pivotal aspect of the strategy involves projecting future borrowing needs to sustain capital investment. This forward looking estimate holds a fundamental role within the MTFS, and will underpin the capital plan prioritisation process.

Reserves

Reserves act as a financial safety net, providing the Council with a cushion to manage unexpected expenditure, economic downturns or emergencies. They ensure that the Council can continue to provide services and meet its financial obligations even during challenging times. Reserves also support long term planning by allowing the Council to set aside funds for future projects or initiatives, which helps align financial decisions with the longer term vision and priorities.

The Council holds five types of reserves: Working Balance, Statutory Funds, Earmarked Reserves – Capital, Earmarked Reserves, and Unusable Reserves for Statement of Accounts.

The Council's strategy for managing reserves is supported by three key elements: strategic intent, programme for use, and framework for use. The reserves strategy is part of a suite of supporting strategies and plans that supplement the Council Plan and 2023-28 Medium Term Financial Strategy (MTFS). The Council's reserves are forecast to be £103.866 million at the start of 2023/24.

Assessment

Aberdeenshire Council's financial strategy for 2023-28 is a robust plan that aligns with its medium-term priorities, aiming for financial sustainability through transformation, targeted investment, and efficiency improvements. Despite this, a projected funding gap of £91.778 million by 2027/28 presents a significant challenge, necessitating cost-saving measures and potential reassessment of service delivery standards.

The council's revenue budget for 2023/24 is well-planned, but it carries risks related to income generation, demand, and demography, as well as uncertainties about future inflation rates and pay awards. These risks could require further use of reserves or additional savings if they materialise.

The Capital Plan for 2023-2028 outlines a comprehensive strategy for managing the council's assets and infrastructure. However, its reliance on borrowing to finance capital investments could impact the council's financial sustainability due to future revenue budget commitments.

The council's Treasury Management Strategy effectively manages its financial resources, but the ambitious Capital Plan will necessitate increased borrowing, leading to higher borrowing costs.

The council's reserves strategy is a prudent approach to managing financial risk and promoting financial sustainability, allowing for effective planning and risk management.

In conclusion, Aberdeenshire Council's financial strategy and budget for 2023-28 is both comprehensive and strategic. Despite facing considerable financial challenges in the medium term, the council's focus on careful resource management, effective strategy implementation, and ongoing monitoring is key to ensuring financial sustainability.

Demographics Profile

Aberdeenshire's Population Trends

Figure 2 (below) traces the steady ascent of Aberdeenshire's population over time. From approximately 189,000 residents in 1981, the region's population has expanded to roughly 263,000 in 2021 – an increase of 39%. This represents the highest growth rate observed across Scotland during this period, markedly exceeding the national average increase of 6%.

Figure 2: Total Population of Aberdeenshire, 1981-2021, and Annual Rate of Change
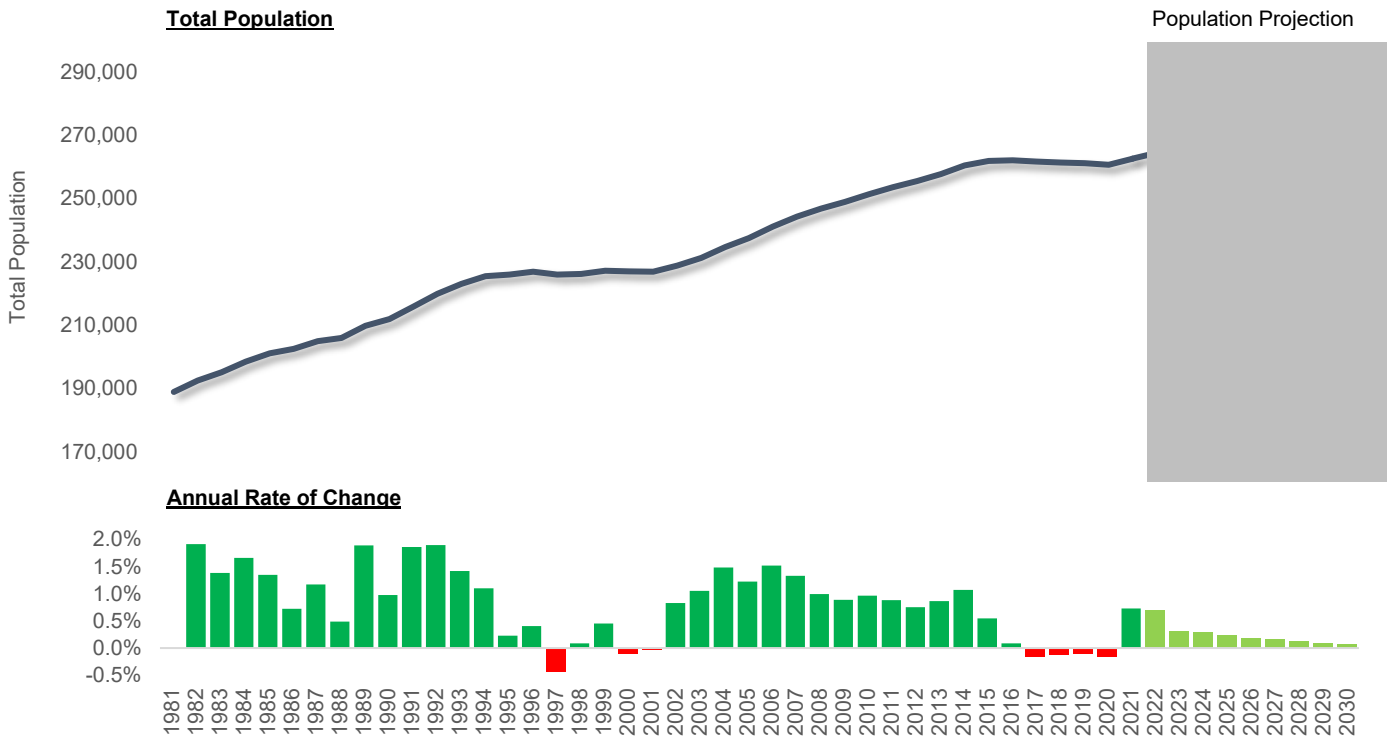
Source: National Records of Scotland

The trajectory of Aberdeenshire's population growth, however, has not been a straight line. A period of accelerated growth is evident from 1981 until the mid-1990s, indicating a phase of rapid population expansion.

After 2016, the growth curve starts to flatten, with minor declines hinting at a phase of stagnation. During this post-2016 period, Aberdeenshire's growth rate of 0.2% is amongst the lowest in Scotland. It's worth noting that this period coincides with the tail-end of the oil price slump and the onset of the Covid-19 pandemic, both potential factors contributing to the slowed population growth between 2016 and 2020. Although the slight increase in 2021 hints at a potential rebound, projections suggest that the pace of total population growth is likely to remain relatively subdued in the coming years.
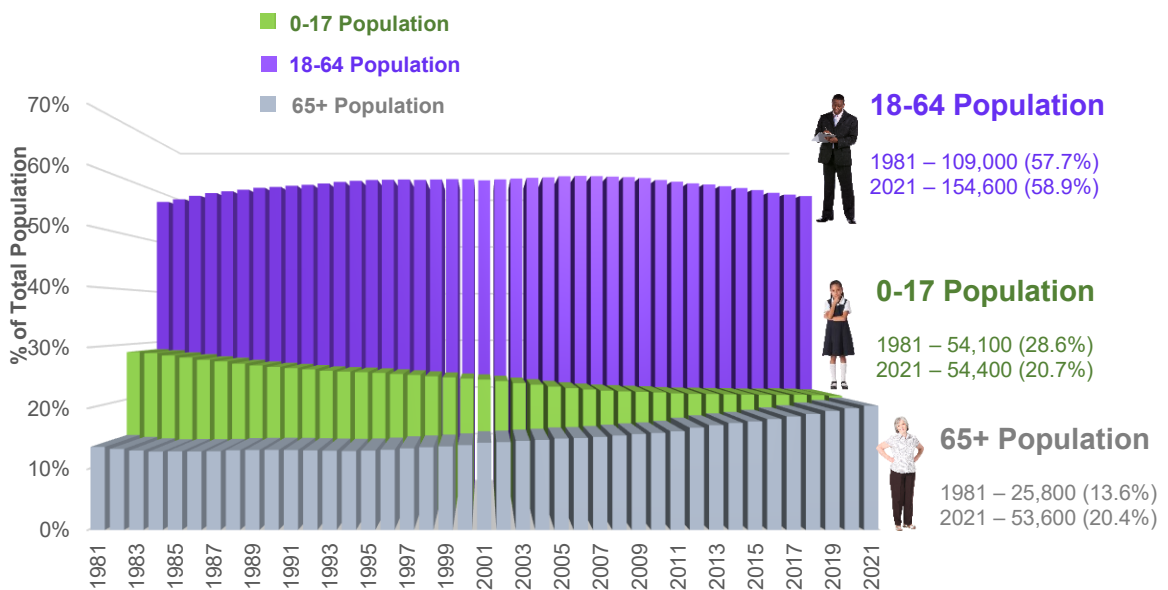
Age Breakdown

From the breakdown of the age structure of Aberdeenshire's population, several key trends have emerged:

- **Shift in Youth Demographics:** Since 1981, there's been a noticeable reduction in the percentage of children and young adults in the population. This trend might stem from a mix of factors, including decreased birth rates or the migration of young individuals for educational or job opportunities. This declining youth population poses potential hurdles for the region, particularly concerning its future workforce and prospects for economic expansion.
- **Evolving Working-Age Demographics:** While there was a surge in the working-age population from 1981 to 2001, numbers have since tapered off, showing a modest decline by 2021. This suggests a transition toward an older demographic within the working-age group. Such a trend poses challenges for workforce strategies, especially when addressing the increasing demands of an ageing society.
- **Ageing Population:** Over the years, Aberdeenshire has witnessed a consistent increase in the proportion of older adults (those aged 65 and above). The pre-retirement and elderly age groups have both expanded since 1981, with the most noticeable growth in the pre-retirement group. This trend aligns with the overall narrative of an ageing population and has significant implications for healthcare, social services, and the economy.

As depicted in Figure 3 below, the distribution of Aberdeenshire's population across broad age groups from 1981 to 2021 reveals a significant shift. 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

18-64 Population
1981 – 109,000 (57.7%)
2021 – 154,600 (58.9%)

0-17 Population
1981 – 54,100 (28.6%)
2021 – 54,400 (20.7%)

65+ Population
1981 – 25,800 (13.6%)
2021 – 53,600 (20.4%)

Source: National Records of Scotland

These patterns reveal a significant transformation in Aberdeenshire's demographics. The recent plateauing of overall population growth, coupled with these age structure shifts, suggests that Aberdeenshire, like many developed regions globally, is facing the challenges and opportunities of an ageing population. Understanding these trends is crucial for planning and policymaking across a range of areas, including healthcare, social services, infrastructure, and the economy.

Projected Population

Using historical data and current demographic trends, the future population of Aberdeenshire has been projected. While an anticipated slowdown in the growth rate is evident, the overall population is still expected to rise. By 2030, the estimated population of Aberdeenshire will approach 268,300. This growth is substantially influenced by an increase in the segment of residents aged 65 and over, as illustrated in Figure 4 below.

Figure 4: Indexed[a] Population Projections per Broad Age Group, Aberdeenshire in the context of Scottish Council Areas, 2018-2030

0-17 Population Projection **18-64 Population Projection** **65+ Population Projection**

- 4.7%   - 2.9%   + 28.0%

2018 2020 2022 2024 2026 2028 2030

━━ Aberdeenshire
━━ All other Scottish council areas
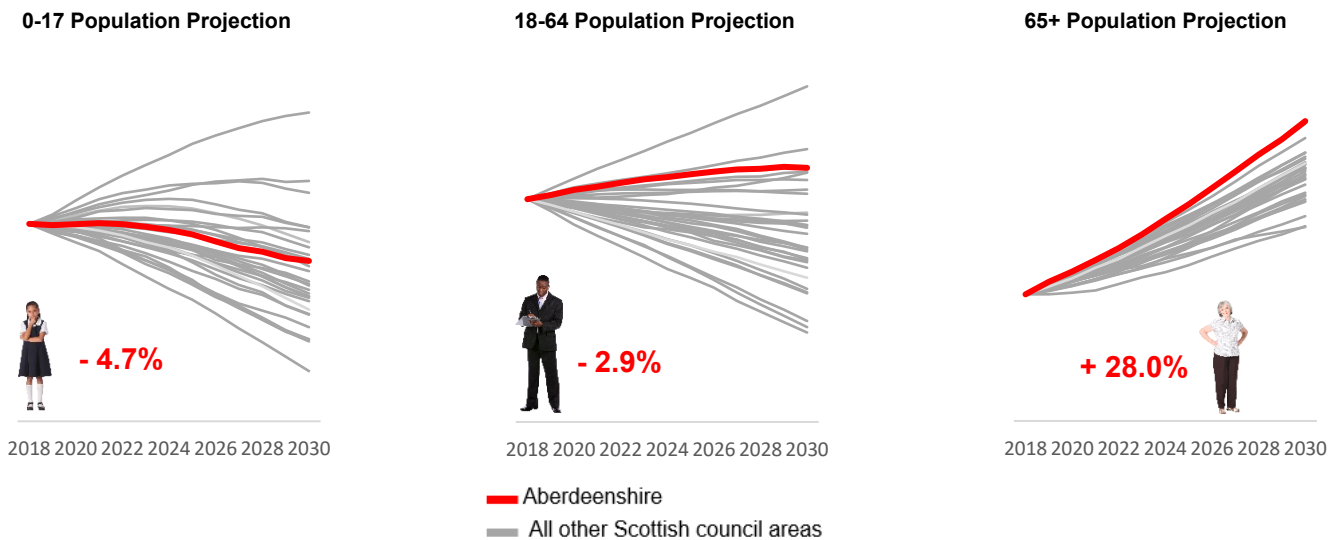
Aberdeenshire population projections per age group, annual rate of change based on the 2018 baseline, 2018 to 2030

Age Group	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
0-17	-	0.3%	0.6%	0.7%	0.8%	0.8%	0.5%	0.0%	-0.8%	-1.8%	-2.9%	-4.0%	-4.7%
18-64	-	-0.3%	-0.6%	-1.0%	-1.2%	-1.5%	-1.6%	-1.7%	-1.8%	-2.0%	-2.2%	-2.5%	-2.9%
65+	-	2.5%	4.7%	7.0%	9.1%	11.5%	13.6%	15.7%	17.9%	20.4%	23.0%	25.6%	28.0%

Scotland local authority average population projections per age group, annual rate of change based on the 2018 baseline, 2018 to 2030

Age Group	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
0-17	-	-0.2%	-0.2%	-0.3%	-0.6%	-1.0%	-1.5%	-2.1%	-2.9%	-3.7%	-4.5%	-5.5%	-6.4%
18-64	-	-0.2%	-0.5%	-0.8%	-1.2%	-1.5%	-1.9%	-2.2%	-2.5%	-2.9%	-3.3%	-3.7%	-4.1%
65+	-	1.6%	3.1%	4.8%	6.6%	8.5%	10.5%	12.4%	14.6%	16.8%	19.1%	21.3%	23.6%

Source: Improvement Service

The aging population of Aberdeenshire is projected to increase by 28% by 2030, one of the most significant increases when compared to other regions in Scotland. This suggests Aberdeenshire may experience more pronounced effects of an aging demographic than other Scottish areas.

To further understand this trend, the spatial variations in these demographic shifts at the ward level are examined below in the form of dependency ratios per Ward area.

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[a] An indexed chart plots trends in data over time, showing percentage changes relative to a base value set at 100

Projected Dependency Ratio per Multi-Member Ward

The dependency ratio[b] projections for Aberdeenshire suggest that certain sub-council areas are likely to witness significant increases in dependency ratios from 2018 to 2030, notably Stonehaven and Lower Deeside, Banchory and Mid Deeside, Westhill and District, Ellon and District, North Kincardine, and West Garioch. The only area projected to experience a decrease in the dependency ratio is East Garioch.

Figure 5: Projected Dependency Ratio per Aberdeenshire MMWs, 2030
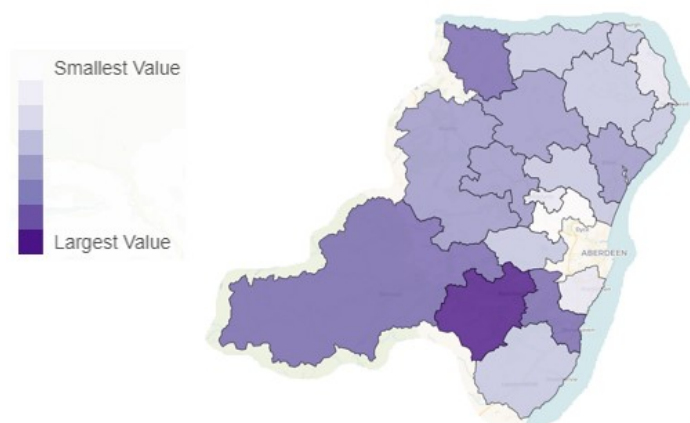
Source: Improvement Service

These changes indicate a potential decline in the workforce paired with an expanding dependent, older population in Aberdeenshire.

Higher dependency ratios in certain areas suggest growing demands for healthcare and social services catering to an aging population. This could also strain the local economy, with fewer working-age individuals available to support the dependent demographic. As the workforce evolves, there may be increased needs in health and social care sectors. If the dependent group includes many children, educational demands could also change. It's crucial to enact policies to address challenges linked to elevated dependency ratios, such as promoting economic activity, drawing in working-age individuals, and supporting the dependent group.

It's imperative to understand the factors causing these demographic shifts to devise effective strategies for managing high dependency ratios. These strategies gain prominence, especially when viewing the wider implications of an aging Aberdeenshire population.

Implications of an Ageing Population

- **Healthcare and Social Services:** Longer life expectancies mean rising demands for healthcare due to age-related diseases. There's also an increased need for long-term care services, necessitating more trained professionals.
- **Pensions and Social Security:** Prolonged life expectancy strains pension systems as individuals draw on these resources for extended periods.
- **Family Dynamics and Infrastructure:** Aging populations alter family structures, demanding caregiving across generations and necessitating accessible housing and transportation.
- **Global Demographic Shift and Fiscal Implications:** It is important to acknowledge that Aberdeenshire is not alone in experiencing this demographic shift. Developed countries worldwide are witnessing a decline in young and working-age populations, coupled with an increase in the number of older

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[b] Dependency Ratio = population of children (aged 0-15) and elderly people (aged 65+) as a proportion of the working age population (aged 16-64).

individuals. This is attributable to factors such as decreased birth rates and increased average lifespan. This demographic transition carries significant implications for the labour market and the Fiscal Framework agreement with the UK, where the budget of Scotland is dependent on its relative tax performance. The rising number of older individuals, who are more likely to be inactive due to health reasons, may lead to a contraction in the labour force. This can potentially affect tax revenues and, consequently, the funds received from the Scottish Government. Thus, it is financially critical to attract younger workers or individuals of working age to Scotland.

- **Opportunities and Adaptation Strategies:** While an ageing population presents challenges, it's also a reflection of improved healthcare and living conditions. This demographic shift offers opportunities, including longer societal contributions from older individuals, whether through employment or volunteering. Ensuring they are equipped with digital skills can help in accessing online services, promoting independence, reducing isolation, and enabling remote healthcare provision. With careful planning and sound policy decisions, societies can adapt to these changes and ensure that all citizens can age with dignity and quality of life.

Resettlement and Asylum Programmes: Immediate and Long-term Impacts

In addition to natural growth and demographic changes, Aberdeenshire's population is also influenced by migration patterns, particularly through resettlement and asylum programmes. For this financial year, the council is committed to supporting approximately 1,200 individuals across various schemes, including UK resettlement schemes, wider asylum dispersal approaches, and Homes for Ukraine Visa schemes. This commitment has several implications:

- **Population Growth:** The influx of approximately 1,200 individuals could contribute to a change in the region's population size and growth rate, affecting projections and potentially counterbalancing the recent period of stagnation.
- **Demographic Diversity:** These schemes introduce a multicultural facet to Aberdeenshire, potentially impacting community integration and cultural diversity.
- **Public Services:** This influx will put additional pressure on public services, particularly healthcare and social services, which are already challenged by an ageing population.
- **Economic Impact:** Given the limited funding for community planning around these schemes, there may be additional fiscal implications for Aberdeenshire.

  Multi-agency coordination will be essential, particularly in healthcare, which is devolved, while immigration policy remains a centralized function.

Assessment

Aberdeenshire is experiencing a pronounced demographic shift with an aging population trajectory, contrasted by a diminishing youth demographic. This progression not only signifies potential challenges in workforce sustainability and increased demand on healthcare and social services but also accentuates the evolving socio-economic landscape of the region. The emerging narrative is more complex when considering the

influx of approximately 1,200 individuals through various resettlement and asylum programmes.

Specific attention needs to be given to age-friendly infrastructure, encompassing housing, transportation, and digital accessibility, ensuring the continued support and inclusiveness of the elderly within the community.

While the demographic trend poses certain challenges for Aberdeenshire, it also presents opportunities. The expanding elderly population can contribute substantially to the community through prolonged employment or volunteer roles. Emphasising and investing in digital inclusivity for this demographic can foster independence, reduce feelings of isolation, and enable efficient access to remote services. The region's future hinges on strategic planning and the implementation of policies that address these demographic changes, focusing on creating a resilient and inclusive environment that caters to the diverse needs of all residents.

Risks and Opportunities

On the following page, a diagram is presented to illustrate 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, each risk or opportunity is depicted by a circle, 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 in the near future.
- Outer Segments (Red/Green): Refers to longer-term effects that may take more time to materialise.

The Council Plan is designed 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

RISKS THREATS

STRENGTHS OPPORTUNITIES

KEY

RED denotes a RISK

GREEN denotes an OPPORTUNITY

Size of dot denotes significance of risk / opportunity

Risks (red)

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

Priorities & Outcome

The best council, from mountain to sea

Short Term | Medium Term | Long Term

Opportunities (green)

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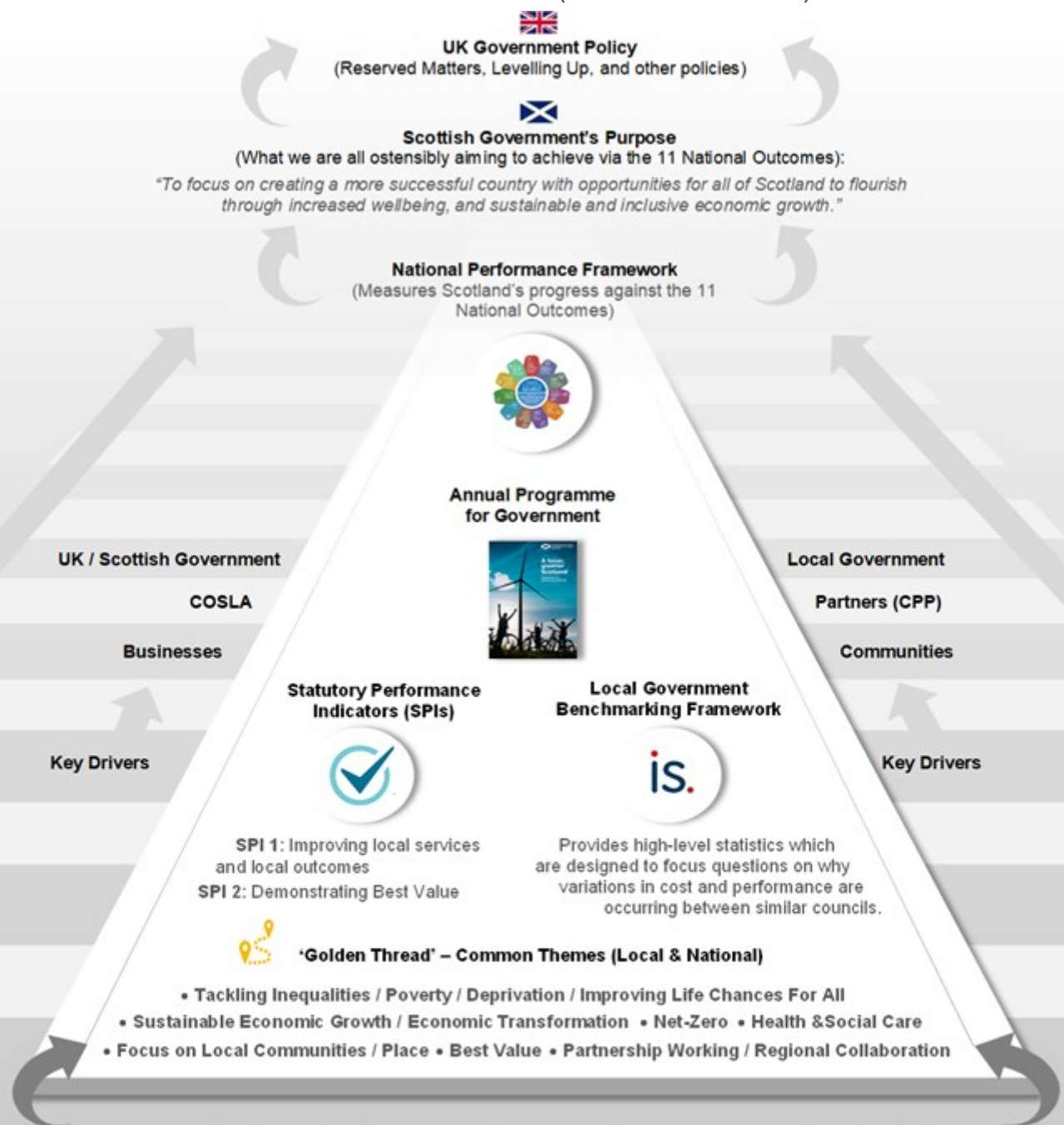
Council Priorities in Context

Aberdeenshire Council plays a pivotal role in enhancing the lives of its residents, which in turn contributes to harnessing and elevating Scotland's potential. Focusing on the core priorities of "Learning for Life", "Health and Wellbeing", "Resilient Communities", "Climate Change", "Economic Growth", and "Infrastructure and Public Assets", 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…

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

UK / Scottish Government

COSLA

Businesses

Key Drivers

Statutory Performance Indicators (SPIs)

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

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.

Local Government

Partners (CPP)

Communities

Key Drivers

'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 2022 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, businesses, COSLA, and the Scottish Government.

The council's priorities capture some of the issues above, under the 'golden thread' heading. Addressing Inequality, Poverty, Deprivation, and working to enhance Life Chances resonate across numerous areas, given that these challenges often underlie poorer outcomes. Emphasising Communities and Place align with several local manifesto commitments, working towards satisfying diverse and essential needs within Aberdeenshire.

People:
Learning for Life

Strategic Assessment

- Aberdeenshire's approach to planning and developing children's services is guided by the 'Getting it Right for Every Child' (GIRFEC) approach and is underpinned by a **commitment to children's rights**. This approach aligns with the region's commitment to children's rights and resonates with the Scottish Government's emphasis on person-centred public services (see the Resilient Communities chapter for more information). Coordinated by the Children and Young People's Rights Strategic Group, Aberdeenshire Council's dedication to promoting rights awareness and considering children's rights in all decisions suggests a **prioritisation of a child-centric approach**. This is likely to enhance the wellbeing of children and young people in the area, aligning with broader governmental strategies for holistic and individualised support, and potentially leading to improved outcomes for children and young people.

- The Aberdeenshire Community Planning Partnership (CPP) focuses on reducing socio-economic inequality, with strategies interlinked with the Children and Young People's Services Plan, the Local Outcome Improvement Plan (LOIP) 2017-2027, and the statutory Child Poverty Action Plan. Coordinated across various sectors, including through 6 Local Learning Community Partnerships, this alignment indicates that **the council is working collaboratively towards a more equitable society**, demonstrating a comprehensive commitment to community welfare and child well-being. This approach will likely benefit all residents of Aberdeenshire.

- The GIRFEC approach in Aberdeenshire, involving a collaborative network of public authorities, strategic partnerships, and individual agencies, demonstrates **Aberdeenshire Council's commitment to an integrated service delivery model**. This model, grounded in a shared understanding of the needs of children, young people, families, and communities, suggests a strategic alignment of resources and efforts. This alignment is likely to result in more effective and efficient services, leading to improved outcomes for Aberdeenshire's children and young people and a stronger, more resilient community overall.

- The Aberdeenshire Council Education and Children's Services Directorate's focus on 'Learning for life' and 'Health and wellbeing' underscores the council's strategic vision of holistic development. This approach not only **prepares students for future challenges but also fosters their physical, mental, and emotional health**. This implies that **the council recognises the importance of education in fostering thriving communities**.

- The Children and Young People's Services Plan 2023-2026 in Aberdeenshire, with its five **strategic priorities, reflects the council's proactive approach to addressing key areas**. By focusing on mental health, support for children with additional needs, care experienced young people, whole family wellbeing, and safety in communities, **the council is likely to create a supportive environment that fosters the wellbeing of children and young people**, thereby contributing to the quality of life in the region.

- The progress made by Education & Children's Services (ECS) in areas such as post-school destinations, English literacy and numeracy levels, and the uptake of Foundation Apprenticeship (FA) programmes, demonstrates **the effectiveness of the council's integrated approach to academic and vocational education**. This strategy ensures that young people in Aberdeenshire are equipped with a broad range of skills, **enhancing their future employability prospects**. As a result, this approach not only sets up individuals for personal success but also **contributes to the economic vitality of the Aberdeenshire region**.

- Despite the COVID-related challenges of the 2021-22 academic year, **Aberdeenshire's above-average school attendance rate demonstrates the resilience of its educational system**. However, the **increase in both authorised and unauthorised absences signals a need for enhanced student support mechanisms**. The council's response to these trends will be important in maintaining educational engagement and preventing potential long-term academic and social consequences for the affected students.

- The Community Learning and Development (CLD) Service is a targeted service providing learning and development support through **collaboration with various stakeholders to strengthen community resilience, enhance life opportunities, foster lifelong learning, and contribute to economic growth**. The service alignments with regional and national policies and strategies, underpinned by a focus on well-being and resilience. Informal learning and development and removing barriers to employability are reflecting in a **robust and comprehensive strategy**. This legal obligation aims to create more resilient, supportive, influential, and inclusive communities, thus **fulfilling its commitment to improving life chances for individuals across all age groups.**

- The Education and Children's Services Committee's dedication to continuous improvement and accountability indicates a **strong governance structure in place**. A thorough review of past activities and proactive identification of areas for future scrutiny demonstrate **a forward-thinking and responsive approach** to service improvement. This approach is anticipated to lead to enhanced services and support for the residents of Aberdeenshire, thereby creating a nurturing environment that promotes the growth and development of children and young people, as well as adult learners.

Assessment of Issues

'Getting it Right for Every Child' (GIRFEC) Approach

The GIRFEC Approach: The Scottish Government designed the 'Getting it Right for Every Child' (GIRFEC) approach as a comprehensive framework[3] to guide all governmental, public, and voluntary services impacting children and young people.

This national strategy aims to enhance outcomes and bolster the wellbeing of children and young people in Scotland.

Alignment with International Standards: The foundation of the GIRFEC initiative is the United Nations Convention on the Rights of the Child (UNCRC). This commitment to global standards underscores Scotland's vision of a society that genuinely upholds children's rights.

This vision took a strategic leap with the Children and Young People (Scotland) Act (2014)[4]. The Act legally embedded pivotal elements of GIRFEC, positioning children and young people at the heart of decision-making and public service delivery.

The Promise & Independent Care Review: "The Promise", the product of an Independent Care Review in February 2020[5], outlines the essential evolution required in Scotland's care system. Crafted for Scotland's children, youth, adults, and families, "The Promise" ensures that every child or young person in care grows up feeling valued, safe, and nurtured. Three detailed strategies, running from 2021-2030, set the pathway to realise this commitment by 2030.

Implementation in Aberdeenshire: Aberdeenshire is currently centred on executing the Promise Plan 2021-2024. However, preparations are already in place to integrate the 2025-2027 Plan within the Children and Young People's Services Plan (CYPS Plan) 2023-2026. This proactive strategy guarantees a fluid progression between plans, ensuring sustained care and support.

Whole Family Support in Scotland: Whole Family Support in Scotland is generally perceived as a variety of services designed to assist families in meeting their unique needs. The strategic goal is to enhance families' wellbeing by offering advice and support to help them avert crises. This support is provided by a diverse range of organisations, including agencies, professionals, the third sector, and trusted partners. This strategic approach to family support ensures a holistic, comprehensive network of care and assistance for families in need.

Aberdeenshire's Approach to Planning and Developing Children's Services

Commitment to Children's Rights: Aberdeenshire's approach to planning and developing children's services is fundamentally rooted in a commitment to children's rights. This dedication becomes especially pertinent as the region anticipates the enforcement of the UNCRC Incorporation (Scotland) Bill[c]. The strategy centres on amplifying opportunities for children and young people to claim their rights, enhancing rights awareness, and ensuring every decision reflects children's rights.

Engagement and Consultation: The Children and Young People's Rights Strategic Group oversees enhancements and performance concerning children's rights. Beyond

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[c] Following a Supreme Court judgment, amendments have been drafted to focus on compatibility with Scottish Parliament Acts, reducing coverage but offering clarity and protection. The Scottish Government is urging the UK to incorporate the UNCRC into UK law, and the revised Bill will be considered after the summer recess (2023).

merely soliciting their opinions, the strategy champions the voice of the child, empowering them to actively partake in decision-making processes. This commitment was clearly demonstrated during the consultation phase of the Children and Young People's Services Plan 2023-2026 with nearly 2,000 children, young people, and families in Aberdeenshire contributing to its development.

Strategic Alignments: The Aberdeenshire Community Planning Partnership (CPP), tasked with ushering in positive community transformations in Aberdeenshire, prioritises curtailing socio-economic inequality. The objectives pinpointed in Aberdeenshire's Local Outcome Improvement Plan (LOIP) 2017-2027 resonate with the Children and Young People's Services Plan, mutually reinforcing each other.

Additionally, these strategies are underpinned by the statutory Child Poverty Action Plan and Annual Action Report. In Aberdeenshire, this responsibility extends to a full Community Planning Partnership commitment.

The Aberdeenshire Learning Community Partnership (ALCP) also plays a role, producing and delivering on a three-year cycle, with the current plan for 2021-2024. Delivery is co-ordinated through 6 Local Learning Community Partnerships, ensuring alignment with Aberdeenshire's LOIP priorities.

This multifaceted approach illustrates a deep and comprehensive commitment to community welfare and child well-being, aiming for a coordinated impact across various sectors.

The GIRFEC Approach: The 'Getting it Right for Every Child' (GIRFEC) approach in Aberdeenshire involves a range of public authorities, strategic partnerships, and individual agencies. These partners, aware of the economic climate and associated financial constraints, plan and deliver services in the most integrated way, based on a shared understanding of the key needs of children, young people, families, and communities.

Aberdeenshire Children and Young People's Services Plan 2023-2026

The Children and Young People (Scotland) Act (2014) requires every local authority and its corresponding health board to collaboratively prepare a Children's Services Plan for the local authority's area every three years. This strategic planning process aims to enhance outcomes for all children and young people in Scotland. It ensures that local planning and service delivery are integrated, prioritise quality and value through preventative approaches, and are committed to safeguarding, supporting, and promoting child wellbeing.

The consultation process and Strategic Needs Assessment led to the development of five strategic priorities for 2023-26:

1. Children and young people's mental health is promoted and improved.
2. Children and young people with additional support needs and/or disability and their families are well supported to achieve their potential.

3. Aberdeenshire's care experienced young people will have a good loving childhood, where their needs are met and outcomes are improved for them, through ensuring the Promise is kept.
4. Whole Family Wellbeing is promoted and improved by enabling families to get the right support early and effectively.
5. Children and young people are safe, valued and listened to in our communities.

To implement these priorities, Aberdeenshire will continue to use the effective model of 'Getting it Right for Every Child' (GIRFEC) Thematic Groups. Each group will focus on a specific priority, pooling resources, and planning interventions collaboratively. This approach ensures a broad representation from individual services, fostering a two-way dialogue on current needs and interventions, and promoting a shared commitment to achieving these strategic priorities.

A hallmark of the strategy is its reliance on empirical evidence to discern and address needs. Coupled with working hand in hand with local communities and service users, this approach facilitates the design, development, evaluation, and continual enhancement of services. The strategy's blueprint is crystallised around the four tenets of Children's Services Planning: Early Intervention & Primary Prevention, Integration, Best Value, and Wellbeing.

Assessment

Aberdeenshire's approach to planning and developing children's services is comprehensive, strategic, and child-centric. It is underpinned by a commitment to children's rights and a focus on early intervention, integration, best value, and wellbeing. By emphasising active engagement, alignment across various sectors, and evidence-based decision-making, the strategy positions itself as progressive and responsive, aiming for a coordinated and holistic impact on child welfare within the region.

Aberdeenshire Council Education and Children's Services Directorate

The Education & Children's Services (ECS) Directorate in Aberdeenshire primarily focuses on 'Learning for life'—providing education that prepares students for future challenges—and 'Health and wellbeing'—ensuring the physical, mental, and emotional health of students. However, the influence of the ECS Directorate extends beyond these areas. Education equips individuals with skills to navigate economic challenges and cultivates a comprehensive understanding of diverse issues that will serve them throughout their lives. Moreover, as community hubs, schools contribute to local decision-making and resilience. Thus, the ECS Directorate's impact permeates through all of Aberdeenshire Council's strategic priorities, underscoring the multifaceted role of education in fostering thriving communities.

Progress and Achievements in Aberdeenshire Education: Overview

Post-School Destinations: During the 2021/22 school year, Aberdeenshire saw 96.7% of all school leavers secure a positive post-school destination, such as further education, training, or employment. This figure represents an improvement from pre-Covid pandemic levels (96.4% in the 2018/19 session) and surpasses both the national level (95.7%) and the Northern Alliance rate (95.4%).

English Literacy Levels: In the same year, Aberdeenshire's combined levels for English Literacy across the three primary stages showed an increase from the 2020/21 session. However, at 67.5%, they were slightly below the national achievement levels of 70.5%. When combined with the S3 cohort, this rate increased to 69.8%. Notably, there was a 1.1% increase in P1 children achieving Early level or better compared to the previous year.

Numeracy Levels: Aberdeenshire also saw an increase in Numeracy levels, reaching 77.3%, albeit slightly below the national achievement levels of 77.9%. When the S3 cohort was included, the rate rose to 79.5%. Both P1 and P7 children showed improvements, with increases of 0.9% and 3.8% respectively compared to the 2020/21 session.

Foundation Apprenticeships: The number of young people in Aberdeenshire completing a Foundation Apprenticeship (FA) programme[d]—a work-based learning programme that allows students to gain a qualification while getting hands-on experience in the workplace—increased by 5.8% compared to the 2020/21 school year. Aberdeenshire accounted for 16.7% of all FAs delivered nationally in 2021/22. The increase in schools offering FAs via the Aberdeenshire managed programme reflects the in-school nature of the delivery model, which has been recognised as sector-leading.

Tariff Scores and Post-School Destinations: While the average tariff scores—a measure of the total qualifications a student has gained—for our Care Experienced Young People (CEYP) school leavers during the 2021/22 session largely maintained the high levels achieved in the preceding two years, a longer-term view reveals a more significant improvement, with an increase of 62 tariff points compared to five years ago, and an increase of 184 points from the 2016 exam diet. However, the proportion of those securing a positive post-school destination has decreased compared to the preceding three years, although it still represents over four-fifths of the given cohort.

Attendance and Absence in Aberdeenshire Schools 2021-22[6]

During the 2021-22 academic year, Aberdeenshire schools experienced a 2.5% decrease in attendance rates across all sectors: primary schools faced a 2.8% decline, secondary schools a 1.7% drop, and special schools a 3.6% decrease. This culminated in an overall attendance rate of 92.4%. Concurrently, both authorised and unauthorised absences increased, with the most significant rise attributed to sickness without educational provision.

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[i]Either managed by Aberdeenshire or FE College

This year, the first post-Covid year without school closures, likely saw the lingering effects of the pandemic contributing to these changes. Despite these challenges, Aberdeenshire's attendance rate remains above the national average. However, the trends highlight the need for enhanced monitoring and intervention strategies.

Assessment

Aberdeenshire Council's Education and Children's Services Directorate demonstrates a comprehensive commitment to fostering education and well-being, playing a multifaceted role in building resilient communities. The progress and achievements in areas such as post-school destinations, English literacy, numeracy, and Foundation Apprenticeships reveal a trend of growth and above-average performance, with some minor challenges in English Literacy and Numeracy. While the school attendance rates show a slight decline, possibly reflecting the lingering effects of the pandemic, the overall picture reveals a region prioritising lifelong learning, health, and economic resilience, with attention to continued monitoring and adaptation.

Governance: Annual Review and Future Plans of Aberdeenshire's Education and Children's Services Committee[7]

Commitment to Continuous Improvement: The Aberdeenshire Education and Children's Services Committee has shown a strong commitment to continuous improvement and accountability, as evidenced by its comprehensive review of activities in 2022/23. This review is part of an annual process designed to monitor progress, ensure action implementation, and identify future scrutiny needs.

Scrutiny Process and Improvements: The Committee's scrutiny process, which includes both formal and informal activities, has led to significant improvements in several areas, such as the review of the *Chief Social Work Officer Report*, the *Additional Support Needs (ASN) Review Update Report*, and Aberdeenshire's Triannual *Scottish Attainment Challenge Report*. Informal scrutiny, conducted through workshops and induction sessions, has fostered in-depth discussions, and led to actionable insights, such as the review of service provision to children with disabilities and the promotion of the Foundation Apprenticeships programme.

Future Plans and Challenges: Looking ahead, the Committee has identified key areas for improvement, including education, catering, and early years. It plans to consider future reports on these areas, demonstrating a proactive approach to addressing challenges. However, the Committee must remain adaptable to emerging issues, such as the ongoing impact of the COVID-19 pandemic and the increasing focus on climate change and sustainability.

Assessment

The Committee's strategic approach to improving education and children's services in Aberdeenshire is commendable. By maintaining a rigorous scrutiny process and

focusing on areas for improvement, the Committee is well-positioned to enhance service delivery and outcomes for children and young people. The ongoing efforts to address key areas and adapt to emerging challenges demonstrate a proactive and responsive approach.

Youth, Adult and Learning in Community (Community Learning and Development and Instrumental Music Service)

In Aberdeenshire, the Community Learning and Development (CLD) Service plays a vital role in shaping the lives and landscapes of both individuals and communities. Situated within the broader framework of Education and Children's Service, the CLD Service operates in conjunction with council and public services, third-sector partners, and community organisations. This comprehensive collaboration is designed to support key priorities that align with both regional and national visions, including the Adult Literacies in Scotland 2020 and the Adult Learning Strategy for Scotland 2022-2027.

CLD focusses on learning for life providing informal learning for young people adults and communities. Through data driven, needs assessments, targeted learning support is offered to communities, adults and young people. This contributes to supporting nurtured and collaborative communities using a person centred approach. This support assists learners to be more active, influential and resilient in their communities and enhances economic capacity.

The subsequent details provide an insight into the CLD Service's strategic approach, focusing on enhancing life opportunities, strengthening community resilience, fostering lifelong learning, and contributing to the overall economic growth of the region. The following key judgements have been deduced from the multi-faceted plan laid out by the service:[8]

- **Collaborative Approach and Community Impact:** The CLD Service offers targeted learning and support, with a focus on functional, emotional, digital, health, and financial literacies that respond to changing needs and developments. These efforts increase participation in community activity and decision making. Examples of transformative projects include the Mental Health and Wellbeing SQA Award, New Pitsligo Family Fun and Food initiative, and the Inverurie Diversionary project.
- **Alignment with National and Local Priorities:** The planning and implementation within the CLD Service are intricately linked with the national priorities for CLD as well as the core priorities of the Aberdeenshire Council. The Community Learning and Development Regulations, formalised in 'The Requirements for Community Learning and Development (Scotland) Regulations 2013,' further support this alignment. This ensures a focused approach towards improving life chances through learning, personal development, building resilient communities, and tackling broader challenges like climate change and economic growth.
- **Resilience and sustainability:** There is a significant emphasis on building resilience, enhancing health, well-being, and sustainability through personal

development and strengthening communities activity. The use of Outdoor Learning, STEM, and volunteering opportunities are examples used to achieve these goals.

- **Commitment to Education and Lifelong Learning:** The strategies highlight a commitment to facilitate learning for life. Activities are designed to meet the educational and developmental needs across different age groups. This includes literacy learning, English as a Second Language (ESOL) support, alternative pathways for youth, family learning opportunities, and harnessing accreditation to promote continuous education.

- **Economic Growth and Employability Focus:** The CLD plan highlights an intent to create learning opportunities that remove barriers to employability. This is facilitated through learning pathways, capacity building through volunteering, and specific initiatives to support the young workforce. The aim is not only to improve individual lives but to contribute positively to the region's economic growth.

- **The Instrumental Music Service** delivers Instrumental Music Tuition in all 17 Teaching Networks. In addition, partnership working within Live Life Aberdeenshire Communities Wellbeing and Partnership and CLD Music Development also offers learning opportunities in the community through a variety of projects and signposting to established community groups.

Assessment

These points collectively outline a comprehensive and aligned approach by the CLD Service in Aberdeenshire, focusing on collaboration, education, well-being, community resilience, and economic development. The legal requirement on local authorities to provide CLD, as defined in the Education (Scotland) Act 1980, reinforces the commitment to improving life chances for all ages through learning, personal development, and active citizenship. Stronger, more resilient, supportive, influential, and inclusive communities are at the core of this approach.

Forward Look

The Scottish Government's Programme for Government 2023-24[9] adopts an "anti-poverty, pro-growth" approach, with a particular emphasis on childcare and education. Backed by a £405 million investment in the Scottish Child Payment, the Programme for Government (PfG) aims to extend funded childcare to an additional 13,000 families. This initiative is poised to have a significant impact on Aberdeenshire, given its diverse population and the varying needs in its urban and rural communities.

The PfG also sets ambitious targets for local infrastructure development for childcare services, starting from nine months of age up to the end of primary school. The programme further introduces digital innovations to assist parents in managing childcare, along with a pay boost for childminders to £12 per hour. These measures

are expected to augment local employment and capacity-building within Aberdeenshire.

On the educational front, the PfG pledges to improve literacy and numeracy and aims to reintegrate Scotland into international assessments. It also plans to eliminate core curriculum charges and expand free school meals to Primary 6 and Primary 7 pupils by 2026, thus increasing the number of pupils eligible compared to the current statutory criteria.

However, the PfG leaves certain aspects unclear, such as the specific criteria for expanding funded childcare and its exact impact on reducing child poverty in areas like Aberdeenshire. These undefined variables require that the Council take a proactive role in influencing the establishment of these criteria to ensure they align with local demographics and needs.

Overall, the PfG is geared towards creating a more inclusive and effective childcare and education system, which resonates with its prior focus on tailoring qualifications and assessment to individual learners' needs and providing support for those with additional needs. Nevertheless, the implementation of these policies in Aberdeenshire will hinge on how well the Council adapts to increased demand and operational pressures, especially in the context of the proposed extension of free school meals and local infrastructure development.

Scottish Government's Comprehensive Strategy for Enhancing Education and Addressing Societal Challenge

Comprehensive Education Strategy: Addressing societal challenges and enhancing education are key priorities for the Scottish Government, as reflected in their comprehensive strategy. This strategy encompasses a range of initiatives aimed at improving the quality of education and opportunities for all, while also tackling pressing societal issues.

Reducing the Poverty-Related Attainment Gap: One of the government's main goals is to substantially reduce the poverty-related attainment gap. To achieve this, they plan to refresh the Scottish Attainment Challenge approach and invest up to £200 million. A national discussion on education, set to begin in September 2022 and report in Spring 2023, will provide pupils and students with an opportunity to shape the future based on their experiences.

Supporting Additional Needs and Digital Access: In addition to these initiatives, the government plans to develop an accredited qualification and registration programme for Additional Support Needs assistants by autumn 2023. They are also working to ensure every school-aged learner has access to a digital device by the end of this parliament.

Education and Skills Portfolio: The Scottish Government's Education and Skills portfolio is a cornerstone of its commitment to improving the life chances of children, young people, and learners of all ages. This portfolio plays a crucial role in achieving key government priorities, such as enabling everyone to reach their full potential,

eradicating child poverty, and supporting economic transformation to deliver Net Zero ambitions.

Additional Funding and Support: To further support these goals, the government plans to provide additional capital funding to expand free school meals provision in the fiscal year 2023-24. They will also provide £50 million through Whole Family Wellbeing Funding for preventative holistic family support and a further £30 million to KeepThePromise to care-experienced children and young people.

In summary, the Scottish Government's strategy is a comprehensive plan that aims to provide quality education and opportunities for all, while also addressing key societal issues such as poverty and economic transformation. The success of these initiatives will play a crucial role in shaping the future of education in Scotland and in creating a more equitable and prosperous society.

Assessment

The Scottish Government's multifaceted approach to enhancing education and addressing societal challenges appears ambitious and well-aligned with pressing needs, such as reducing poverty-related attainment gaps and ensuring access to digital devices. The breadth of initiatives reflects a holistic view, tackling not only educational quality but also broader societal issues.

For Aberdeenshire specifically, the implications of this strategy could be significant. The initiatives such as investment to reduce the poverty-related attainment gap, accreditation for Additional Support Needs assistants, and the provision of digital devices to every school-aged learner, may directly benefit students in the region, potentially improving educational outcomes.

The focus on areas such as eradicating child poverty and supporting economic transformation aligns with broader strategic priorities that could resonate within Aberdeenshire, contributing to more prosperous and equitable communities. In addition, the expansion of free school meals and dedicated funding for holistic family support may provide tangible support for vulnerable or economically disadvantaged families within the region.

However, the success of these initiatives in Aberdeenshire, as elsewhere, will likely depend on effective implementation, collaboration with local authorities, and ongoing evaluation to ensure that the strategies are achieving the desired outcomes. The specified plans for discussions and reviews, as well as tailored funding, show promise, but execution at the local level will be crucial to realising the potential benefits.

Key Recommendations from the Independent Review of Qualifications and Assessment in Scotland

The Independent Review of Qualifications and Assessment, launched by the Scottish Government in 2021 and led by Professor Louise Hayward, aimed to optimise the role

of qualifications and assessment in enhancing opportunities for learners. Recognising the importance of these elements in informing progress, guiding admissions, evidencing school quality, and ultimately, contributing to each learner's life chances, the review focused on learners aged 15-18 across all educational settings, with considerations for home-educated and adult learners.

The Independent Review proposed several key recommendations for the Scottish education system:

1. Introduction of a Scottish Diploma of Achievement (SDA) with three elements: Personal Pathway, Programmes of Learning, and Project Learning. The SDA is intended to be the graduation certificate offered in all settings where Senior Phase education is provided.

2. Programmes of Learning would continue to involve in-depth study of individual areas of the curriculum, general subjects, and vocational, technical, and professional qualifications. Courses would be designed in modules, and as learners complete modules, they would build credit.

3. The Personal Pathway focuses on reflection on learning, whether that be learning in school, in college, or in the community. The purpose of the Personal Pathway is to give learners the opportunity to personalise their qualification profile.

4. Project Learning would provide learners the opportunity to use the knowledge and skills they have developed in their Programmes of Learning to tackle a significant question or problem that is important to them.

5. The Review also recommends the creation of a digital profile for all learners, which allows them to record personal achievements and plan future learning.

6. To strengthen parity of esteem between different types of qualifications, there should be a move to use the terms 'SCQF level' as the key descriptor followed by the type of qualification.

7. The information on learners' achievements within the SDA, courses, and projects should be aligned in Scottish Statistics on Attainment and Initial Leaver Destinations and INSIGHT data.

8. The Review also includes recommendations on the change process and what must happen if the Scottish Diploma of Achievement is to be developed successfully.

The Scottish Government is currently considering these recommendations.

The Independent Review's recommendations, if adopted, could have implications for Aberdeenshire Council and the wider Aberdeenshire area:

- **SDA Implementation:** The introduction of the Scottish Diploma of Achievement (SDA) may require Aberdeenshire Council to adapt its

educational offerings and assessment methods to align with the new structure. This could involve changes to curriculum planning, teaching methods, and assessment processes in schools across Aberdeenshire.

- **Enhanced Learning:** The emphasis on Programmes of Learning and Project Learning could lead to a more personalised and engaging learning experience for students in Aberdeenshire. This could potentially improve student motivation and outcomes, contributing to the overall educational attainment in the region.
- **Digital Transition:** The creation of a digital profile for all learners could require Aberdeenshire Council to invest in new digital infrastructure and training for educators. This could also provide an opportunity for the council to leverage digital technology to enhance learning and assessment.
- **Qualification Parity:** The move to use the terms 'SCQF level' as the key descriptor followed by the type of qualification could help to promote a more equitable view of different types of qualifications in Aberdeenshire. This could potentially lead to greater recognition and value being placed on vocational and technical qualifications, which could benefit students who choose these pathways and contribute to a more diverse and skilled workforce in the region.
- **Data Alignment:** By aligning the data on learners' achievements from the Scottish Diploma of Achievement (SDA), individual courses, and projects with Scottish Statistics on Attainment and Initial Leaver Destinations, as well as INSIGHT data, Aberdeenshire Council could gain a more comprehensive and precise understanding of student outcomes. This enriched data pool could then underpin more effective policy decisions and resource distribution within Aberdeenshire's education sector.

Aberdeenshire has worked closely with The Wood Foundation to creating a number of "Excelerate" Schools, focussing significantly on developing community and business links and strengthening project-based learning. In addition, since 2019 Aberdeenshire has been a Foundation Apprenticeship provider, now offering these courses to roughly 1000 young people across our secondary schools. This work will allow Aberdeenshire schools to respond positively to the recommendations which are coming from the review into the future of qualifications and assessment.

Assessment

In summary, the Independent Review of Qualifications and Assessment in Scotland presents a forward-thinking approach to education, focusing on personalised learning paths and a broader understanding of achievement. The proposed changes, if implemented, could bring significant benefits to Aberdeenshire's education system.

The introduction of the Scottish Diploma of Achievement (SDA) and the proposed focus on Programmes of Learning, Project Learning, and digital profiles represent a potentially transformative shift. Given Aberdeenshire's existing initiatives, such as the "Excelerate" Schools and Foundation Apprenticeships, the region may already possess foundational elements to adapt effectively to these recommendations. However, the implementation of these changes would necessitate careful planning, adaptation, and potentially significant investment, especially in terms of digital infrastructure. Collaborative stakeholder engagement, involving educators, parents, and students, will be crucial for a smooth transition.

The move towards parity among different qualifications could enhance the value and perception of various educational pathways in Aberdeenshire, supporting a more diverse and skilled local workforce. The alignment of data on learners' achievements could also offer more precise insights, driving better policy decisions.

Overall, the recommendations of the Independent Review may require Aberdeenshire Council to take strategic steps to align with the new educational landscape, embracing innovative approaches and investing in areas that will enable the successful realisation of the proposed initiatives. The implications are vast and may contribute positively to the life chances of learners in Aberdeenshire, provided that the transition is managed with care, collaboration, and a focus on the unique needs of the local educational community.

Complex Policy Landscape

Previous versions of the Strategic Assessment have observed that the educational policy landscape is multifaceted and complex. This complexity, which exists both on national and local scales, can give rise to several challenges:

- **Lack of Clarity and Focus:** When there are too many policies in place, it can be challenging to understand which policies are most important or how they interact with each other. This can lead to confusion and a lack of focus in implementation.
- **Inefficiency:** Overlapping or redundant policies can lead to wasted resources. Time and money may be spent on implementing and maintaining policies that do not add significant value or that duplicate the efforts of other policies.
- **Inconsistency:** With many policies, there's a higher risk of contradictions or inconsistencies between different policies. This can create confusion and make it difficult to achieve policy objectives.
- **Reduced Effectiveness:** When there are too many policies, it can be difficult to effectively monitor and evaluate each one. This can lead to reduced effectiveness and difficulty in identifying which policies are working and which are not.
- **Stakeholder Overwhelm:** An overly complex policy landscape can be overwhelming for stakeholders, including the public, businesses, and organisations that are expected to comply with these policies. This can lead to lower levels of compliance and engagement.
- **Barrier to Innovation:** A cluttered policy landscape can stifle innovation by creating too many rules and regulations that businesses and organisations must navigate. This can discourage risk-taking and experimentation, which are often key drivers of innovation.
- **Policy Fatigue:** Over time, an overly cluttered policy landscape can lead to policy fatigue, where the constant introduction of new policies leads to a lack of interest or engagement from stakeholders. This can undermine the effectiveness of new and existing policies.

To mitigate these risks, it's important for policymakers to regularly review and streamline the policy landscape, ensuring that each policy is necessary, effective, and aligned with broader policy objectives.

2 People:
Health and Wellbeing

Strategic Assessment

- Public Health Scotland's strategic plan for 2022-2025 sets a vision for a more equitable Scotland. This indicates a country-wide commitment to addressing current health disparities and promoting well-being for all residents. **Aberdeenshire Health and Social Care Partnership's focus on coordinated care and service integration can be seen as a localised strategy to achieve the broader vision of health equity in Scotland**. The North East Population Health Alliance (NEPHA) focuses on broader regional collaboration; its goals can also be seen as complementary to Public Health Scotland's strategic plan. **Regional collaborations** can help in pooling resources and sharing best practices, thereby achieving **health equity more efficiently**.

- The Scottish Government's push for a National Care Service (NCS) seeks to streamline and enhance health and social care experiences. Following opposition to its original structure, **revisions have been made to the NCS plan, allowing councils to retain control over their social work functions rather than transferring them to the NCS or regional care boards**. However, the intricacies of shared accountability in this revised framework remain undefined, emphasising the importance of monitoring associated developments to ensure Aberdeenshire's needs are adequately addressed.

- While the 20th century saw a consistent rise in life expectancy in Aberdeenshire and across the UK, the past decade has shown a troubling stagnation. This mirrors the wider trend observed in the Grampian region and signifies potential systemic health challenges or socio-economic issues impacting longevity. Despite broader challenges, **Aberdeenshire boasts a life expectancy higher than the Scottish average for both males and females**, indicative of certain regional health advantages or lifestyle factors. However, **Scotland has the lowest life expectancy in Western Europe,** with a widening gap compared to other European nations.

- While longevity is one metric, the quality of those years is equally critical. **Both Scotland and Grampian, including Aberdeenshire, have observed declining healthy life expectancy over the past decade**. This raises concerns about the prevalence of chronic diseases or conditions impacting the quality of life in the region.

- Despite various health initiatives, **disparities persist, especially in areas like coronary heart disease, respiratory conditions, cancer, and mental health**. The widening inequality in health risk factors underscores the deeply entrenched nature of these challenges and the intricate relationship between socio-economic factors and health outcomes.

- **Residents in more deprived regions often grapple with a myriad of challenges that adversely affect their health**. Factors like limited access to quality healthcare, fewer recreational and green spaces, substandard living conditions, and economic hardships (e.g., the cost-of-living crisis) contribute to this imbalance. Consequently, these residents frequently experience poorer health outcomes, manifesting in higher rates of chronic diseases, reduced life expectancy, and greater vulnerability to health risks. Such disparities underscore the **crucial importance of addressing socio-economic factors and their intrinsic link to health and well-being.**

- The strong correlation between residents feeling that things they do in their life is worthwhile and their overall life satisfaction underscores the **importance of purpose and meaning in the lives of Aberdeenshire's inhabitants**. This suggests that interventions or policies aimed at enhancing life satisfaction might benefit from focusing on ways to enhance residents' sense of purpose and the meaningfulness of their daily activities.

- Grampian faces multifaceted health challenges, where a decade-long stagnation in health improvements, rising premature mortality, and widening health disparities have been further **exacerbated by the socio-economic impacts of the COVID-19 pandemic**. Coupled with escalating living costs, persistent infectious disease threats, and the overarching effects of climate change, these intertwined challenges **underscore a need for novel, collaborative approaches**. Despite the complexities, **Grampian's strong cross-sector partnerships and a shared commitment to innovation provide a foundation to address these challenges and strive for a healthier, fairer, and safer future for its residents**.

- **Aberdeenshire Council should continue to prioritise health and well-being** to address complex challenges and promote a fairer, healthier community.

Assessment of Issues

Public Health Scotland's Strategic Plan 2022-2025: Implications for Aberdeenshire

Public Health Scotland's strategic plan for 2022 to 2025, "A Scotland where everybody thrives"[10], outlines a vision for a healthier, more equitable Scotland. The plan acknowledges the current health disparities in Scotland, with life expectancy lower than any other Western European country and a significant gap between the wealthiest and poorest communities. The plan also recognises the impact of socio-economic factors such as poverty, poor-quality housing, low-paid work, unhealthy environments, and poor access to services on people's physical and mental health.

Key strategic priorities of the plan include:

- **Improving Life Expectancy**: Addressing the life expectancy stagnation since 2012, monitored through annual National Records of Scotland data.
- **Reducing Health Inequalities**: Diminishing the life expectancy gap between Scotland's affluent and deprived areas and addressing the disproportionate impacts of COVID-19 on vulnerable sectors.

- **Collaboration**: Emphasising partnerships across public, private, and third sectors, including with the Scottish Government, local bodies, and public health teams.
- **Public Engagement**: Active stakeholder engagement, both directly and through other organisations.
- **Accountability & Impact Measurement**: Setting clear milestones aligned with national outcomes and the National Performance Framework.
- **Adaptability:** Public Health Scotland will continually adapt its strategies, supporting the Scottish Government's initiatives on population health, health inequality reduction, and system sustainability.

Assessment

The health profile of Aberdeenshire demonstrates several intersections with the overarching strategic priorities laid out by Scotland's Public Health Strategy (PHS). Aberdeenshire aligns with the key aspects of the Scottish Plan in the following ways:

- *Improving Life Expectancy: Both Aberdeenshire and Scotland have observed a stagnation in life expectancy. PHS's objective to reverse this trend is directly applicable to Aberdeenshire, demanding targeted local interventions.*
- *Reducing Health Inequalities: Aberdeenshire's socio-economic disparities, while subtler than the national average, align with broader Scottish trends. PHS's priority to diminish these health inequalities is imperative within the region.*
- *Collaboration: Aberdeenshire already exhibits strong ongoing collaboration, as evident from the North East Population Health Alliance's initiatives and the Aberdeenshire Health and Social Care Partnership. The broader North East region's history of collaborative ventures substantiates this, with the Alliance working towards fostering public health learning and integration across various partnerships in the region.*

National Care Service

The Scottish Government's proposed establishment of a National Care Service (NCS) represents a significant shift in public service reform. This initiative presents an opportunity to address long-standing challenges in health and social care, many of which have been further highlighted during the COVID-19 pandemic.

Challenges in the Current System: In the current system, accessing care and support in the community has been described as 'notoriously difficult', 'over-complicated', and 'bureaucratic'[11]. Recurring frustrations about having to repeat personal information across the health and social care system, and difficulties in accessing social care support from the outset, underscore the need for a more streamlined, user-friendly system.

Objectives of the National Care Service: In response to these challenges, the NCS aims to revolutionise the experience of social care support and related services, with

a focus on prevention, community-based support, and reforming access. It also aims to continue integrating community health and social care and strengthen partnerships with other services and agencies.

Revisions and Implications of the National Care Service Plan: The Scottish Government's plan for the NCS has recently undergone revisions, with councils now set to continue employing social workers and other social work staff. This marks a departure from the original plan, which proposed transferring councils' social work functions, including staff, to the NCS or regional care boards.

Accountability and Scope of the Revised Plan: Under this revised approach, accountability for the NCS will be shared between councils, the NHS, and the Scottish Government. Initially, the NCS will cover only adult services, with the potential to incorporate children's and criminal justice social work in the future. This change follows widespread opposition to the initial plans, including from local government and social work leaders, leading to a slowdown in the passage of the National Care Service (Scotland) Bill.

Reception and Remaining Concerns: The Scottish Association of Social Work and the Convention of Scottish Local Authorities (COSLA) have welcomed the revised plan, hoping it will reduce anxiety and offer stability to social workers. However, COSLA and UNISON Scotland have highlighted that there is still more work to do in relation to the reform.

Assessment

For Aberdeenshire, this revised plan could mean a continuation of local employment and control over social work functions, potentially leading to a more seamless transition to the NCS and maintaining the focus on local needs and expertise. However, the details of how shared accountability will work at a local level are yet to be developed, and the implications of this for Aberdeenshire will need to be closely monitored.

Aberdeenshire Health Profile
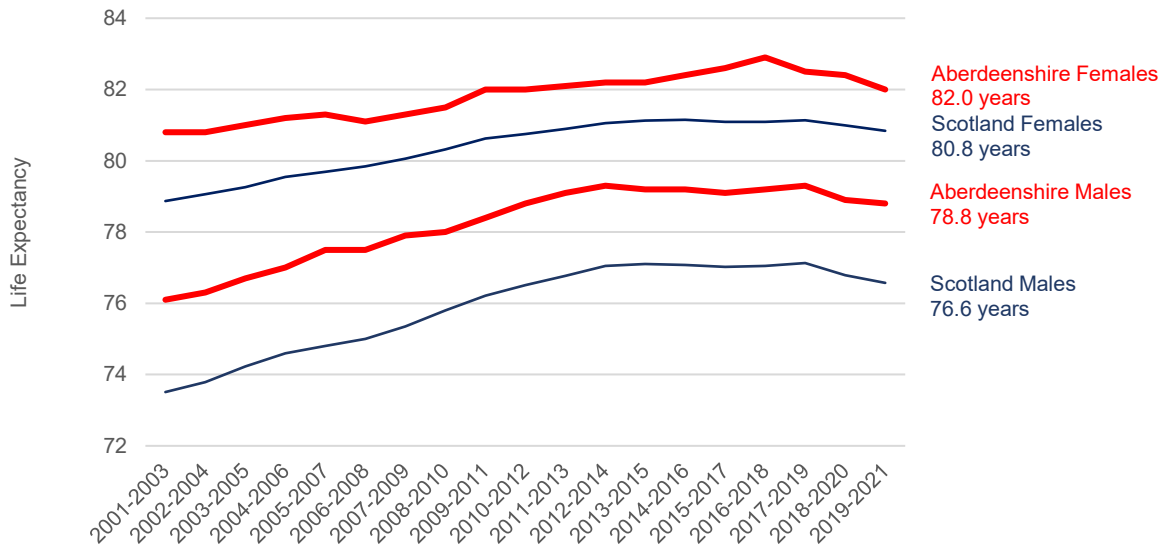
Life Expectancy

Historical Perspective on Life Expectancy: For much of the 20th century, life expectancy consistently increased year on year, with notable exceptions during the world wars. This upward trajectory was observed not only in Aberdeenshire but across the UK and Scotland. However, by the turn of the decade, leading up to the onset of the COVID-19 pandemic, there was a clear stagnation in these health advancements. Notably, between 2008-2010, the pace of improvement in life expectancy began to slow down, and from 2012-2014 until 2017-2019, any forward movement in life expectancy ground to a halt. This pattern held true not just for Aberdeenshire but also for the Grampian region.

Scotland's Position in Western Europe: Scotland, unfortunately, has the distinction of having the lowest life expectancy in Western Europe. Over the last decade, this gap with other European nations has only grown wider. 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. This socio-economic disparity, which mirrors the widening gap between the rich and the poor, is also evident in Grampian, albeit less marked, with a difference of 8.3 years for men and 6.1 years for women.

Scotland's Position in Western Europe: 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. However, it is worth noting that the rate of increase in male life expectancy at birth surpassed that of females between 2001-03 and 2019-21. Moreover, when juxtaposed with the national average, Aberdeenshire's life expectancy at birth stands out as being higher than the Scottish average for both genders, as delineated in Figure 6 below.

Figure 6: Life Expectancy at Birth, Males and Females, Aberdeenshire and Scotland, 2001-03 to 2019-2021

Source: National Records of Scotland

Healthy Life Expectancy

Understanding Healthy Life Expectancy: Healthy life expectancy (HLE) is not just about living longer but living well. This critical metric gauges the average years a person is expected to live in a state of self-rated good to very good health. It plays a vital role in policy development and healthcare planning, guiding targeted interventions and illuminating disparities in health and well-being.

Trends in Scotland and Grampian: Based on the prevailing mortality rates coupled with the prevalence of perceived good health, Scotland has observed a decline in this metric over the past decade. Similarly, in Grampian, there's been a notable downturn and stagnation in healthy life expectancy in the same period. This trend is reflected across all local authorities in the region.

A Closer Look at Aberdeenshire: 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. In both instances, this is less than the Grampian and Scotland averages (Figure 7).

Figure 7: Healthy Life Expectancy per Gender, Scotland and Grampian, 2019-21

Males 2019-21

Scotland	60.4	16.2
Grampian	63.9	14.3
Aberdeenshire	67.2	11.7
Aberdeen City	60.2	16.7
Moray	62.4	15.9

0   20   40   60   80

■ Years in Good Health ■ Years in Poor Health

Females 2019-21

Scotland	61.1	17.7
Grampian	64.5	17.3
Aberdeenshire	67.3	14.8
Aberdeen City	61.4	19.7
Moray	62.7	19.7

0   20   40   60   80

■ Years in Good Health ■ Years in Poor Health
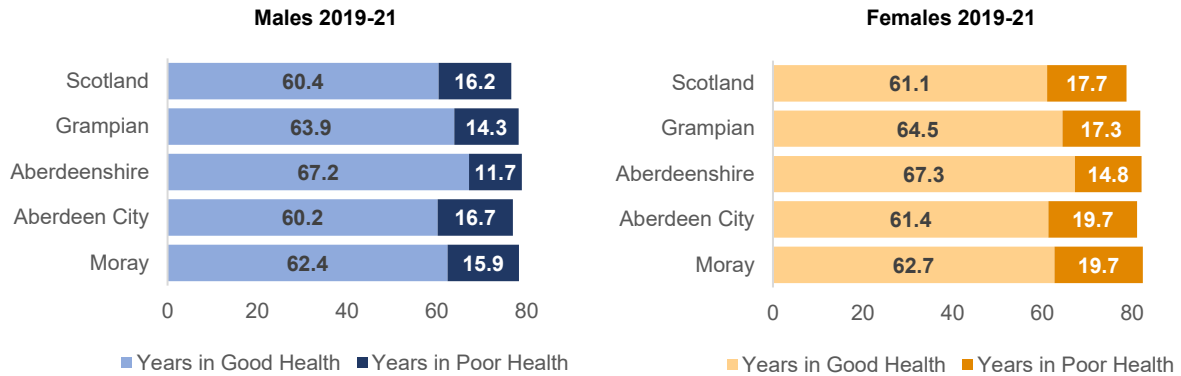
Source: National Records of Scotland

Mortality

Progress and Plateau in Health Advancements: The decrease in life expectancy is attributed to a surge in excess deaths. Between 2000 and 2012, strides were taken in reducing deaths from sources such as cancer, cardiovascular disease, alcohol-related incidents, and suicides. These strides also corresponded to a decline in absolute mortality inequalities. However, the subsequent decade witnessed a plateau in such advancements, and in certain instances, an exacerbation of outcomes and disparities.

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. Alarmingly, even infant mortality, traditionally a low figure in Scotland, has seen an upswing in the most socio-economically challenged communities since 2012-14.

Aberdeenshire's Distinct Situation: In Aberdeenshire, the scenario is similar yet distinct. Mortality rates for those under 75 years, often termed 'early deaths', were on a decline until 2012-16. Post that period, however, there's been an uptick, as depicted in Figure 8.

Figure 8: Death rates (per 100,000 population) for Aberdeenshire: age-standardised using the 2013 European Standard Population – Males, Females and All Persons under 75
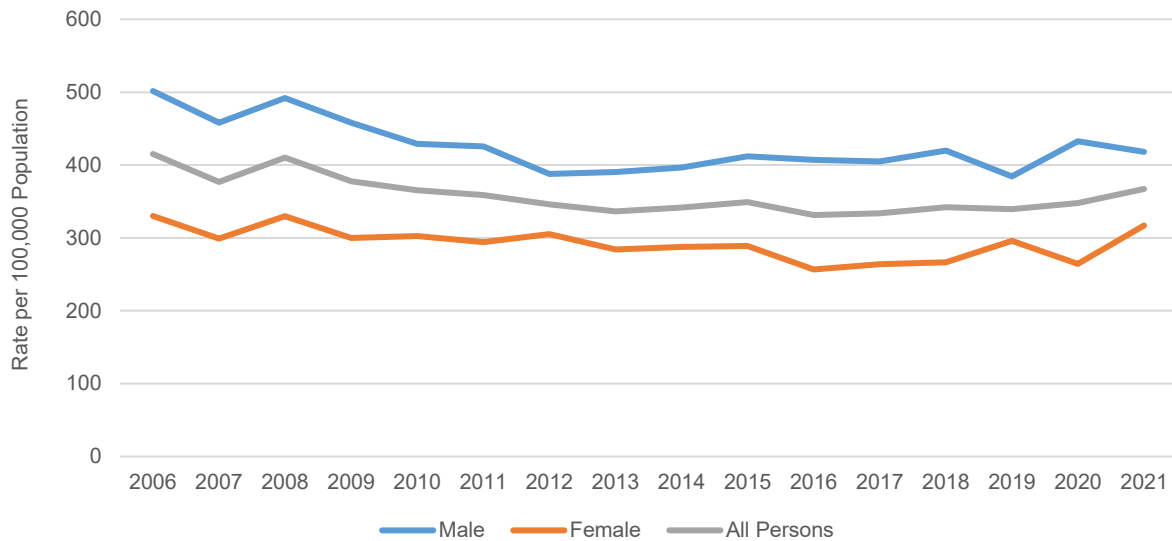
Source: National Records of Scotland

Potential Avenues for Intervention: While the data underscores the complexities of health outcomes and disparities both nationally and in Aberdeenshire, it also illuminates potential avenues for intervention. Tackling the emergent challenges in young male demographics, especially concerning drug-related deaths and suicides, calls for targeted mental health support, addiction services, and community-based interventions. The uptick in infant mortality in socio-economically challenged communities suggests the need for enhanced maternal and child health programmes, perhaps with a focus on early-life interventions. In Aberdeenshire, a granular analysis of causes behind the recent increase in early deaths could pinpoint specific areas of concern. Collaborative efforts, informed by both data and community insights, will be pivotal in devising responsive strategies.

Health Inequalities

The Growing Gap in Health Inequalities: Long before the advent of the pandemic, a palpable health disparity persisted between the most and least vulnerable members of our communities. This health inequality gap has expanded over the past decade, impacting various medical conditions.

Broad Spectrum of Disparities: Such disparities are evident across multiple health areas, encompassing coronary heart disease, respiratory conditions like asthma and chronic obstructive pulmonary disease, cancer, and mental health. Even more concerning is the expanding gap in areas like deaths related to alcohol-specific causes and drug usage. Inequalities also manifest in health risk factors: an increasing divide is observable in practices such as smoking during pregnancy, maternal obesity, and the uptake of the HPV vaccination among girls.

Aberdeenshire's Context: Figure 9 offers a comparative view of the extent and distribution of some of these health disparities across Aberdeenshire. Each Intermediate Zone is ranked based on 24 health-related indicators.

Figure 9: 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)
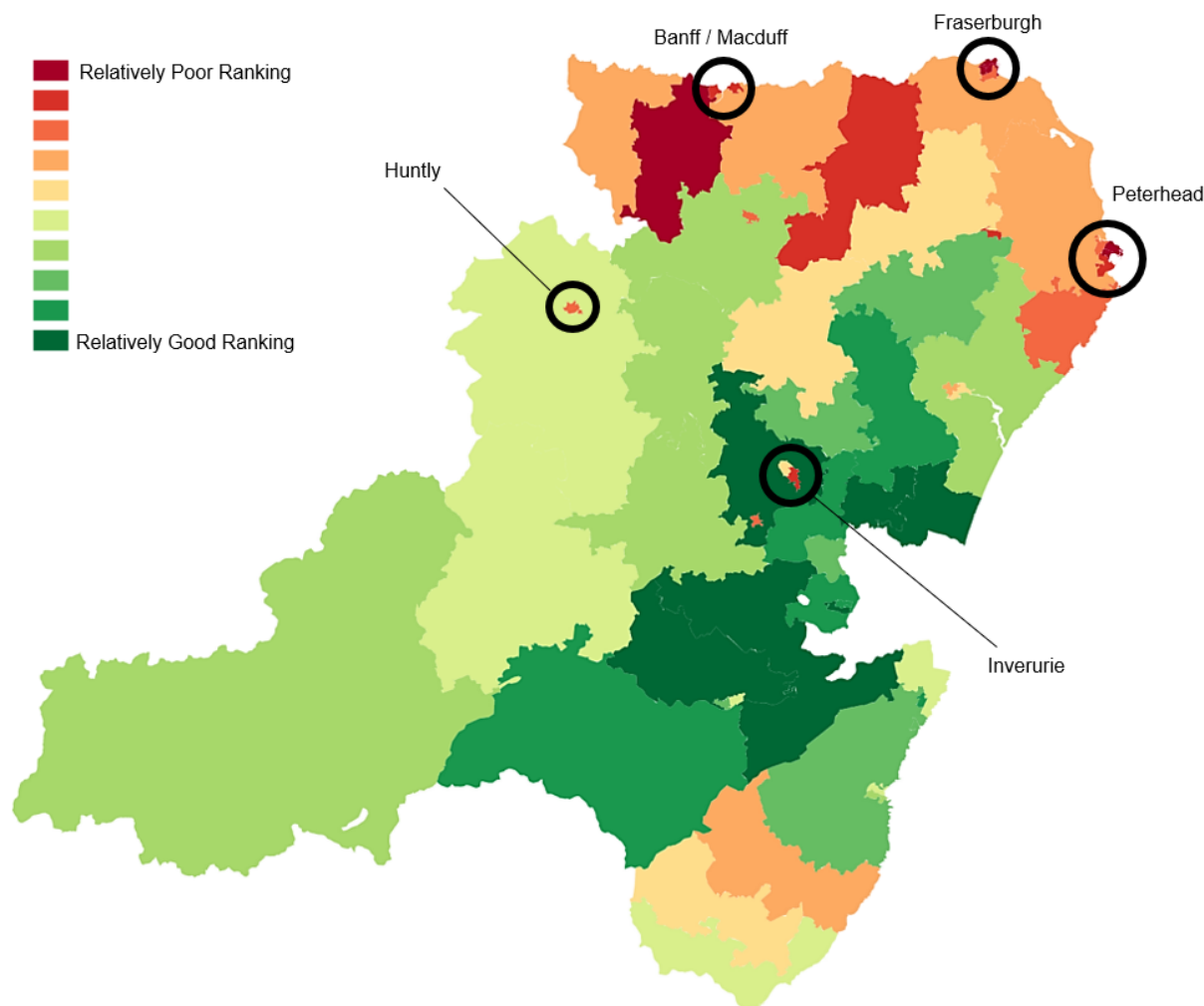
Source: Scottish Public Health Observatory (ScotPHO)

Challenges in Deprived Regions: Residents in more deprived regions often grapple with a myriad of challenges that adversely affect their health. Factors like limited access to quality healthcare, fewer recreational and green spaces, substandard living conditions, and economic hardships (e.g., cost-of-living crisis) contribute to this imbalance.

Socio-Economic Factors and Health Outcomes: Consequently, these residents frequently experience poorer health outcomes, manifesting in higher rates of chronic diseases, reduced life expectancy, and greater vulnerability to health risks. Such disparities underscore the crucial importance of addressing socio-economic factors and their intrinsic link to health and well-being.

Potential Collaborative Solutions: While the root causes of these disparities are multifaceted, the collaborative efforts of the North East Population Health Alliance, with its comprehensive focus on holistic health solutions, could offer a promising avenue for addressing the intertwined socio-economic factors contributing to these health inequalities. As Aberdeenshire and the broader region grapple with these

pressing challenges, the Alliance's approach to fostering partnerships and unified action may be pivotal in charting a path towards more equitable health outcomes for all. More on this in a later section.

Personal Wellbeing Estimates (Office for National Statistics)

Holistic Assessment of Health: When assessing the health profile of a region, it's essential to consider not just the physical and clinical aspects but also the emotional and psychological dimensions. Personal wellbeing serves as a crucial barometer in this regard, offering insights into the mental and emotional health of a population.

The Role of ONS and Wellbeing Metrics: The Office for National Statistics (ONS) recognises the importance of this holistic approach and, as such, publishes annual estimates on personal wellbeing. These metrics, which encompass Life Satisfaction, Worthwhile feelings, Happiness, and Anxiety, provide a comprehensive view of the overall quality of life experienced by residents.

Comparative Analysis in Aberdeenshire: In the context of Aberdeenshire, comparing its data with other Scottish local authorities offers a comparative perspective. It allows stakeholders to gauge where Aberdeenshire stands in terms of its residents' mental and emotional wellbeing and identify areas of strength and potential concern.

Integrating Wellbeing into Health Interventions: By integrating personal wellbeing metrics into the broader health profile analysis, policymakers, health professionals, and community leaders can design more effective, holistic interventions. These interventions can address not only the physical health needs but also the emotional and psychological well-being of the community, ensuring a more comprehensive approach to health and wellness.

Limitations and Challenges: However, it's worth noting that, unfortunately, the granularity of this data does not extend to a sub-council level, which may pose limitations in drawing hyperlocal conclusions or interventions.

Figure 10: Measures of Personal Wellbeing in Aberdeenshire relative to all other Scottish Local Authorities, 2011/12 to 2021/22
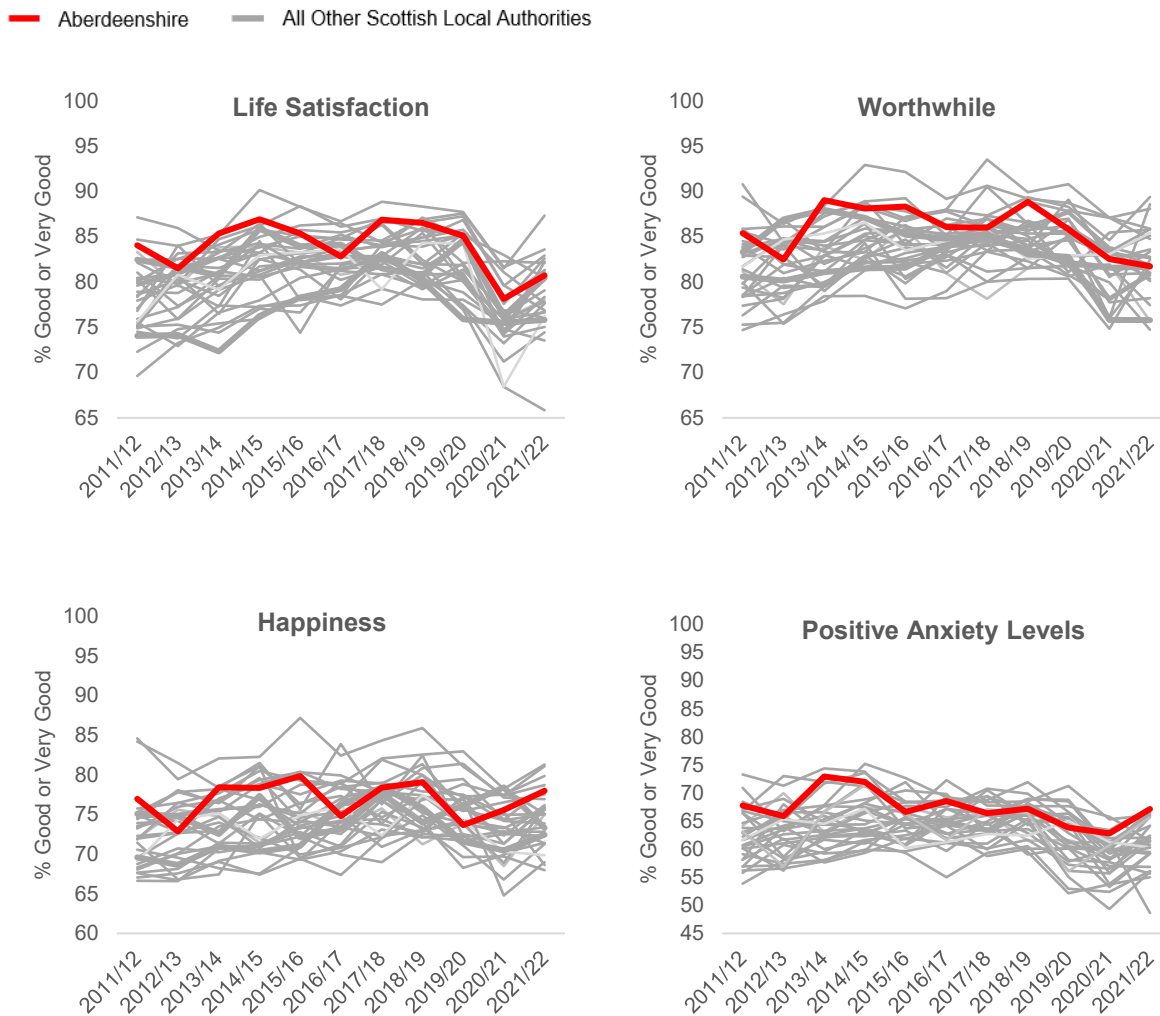
Aberdeenshire measures of wellbeing, 2011/12 to 2021/22 (figures are percentages)

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

Personal Well-being Metrics in Aberdeenshire: A Comparative Analysis

Life Satisfaction:

- Throughout the years, Aberdeenshire has consistently showcased elevated life satisfaction levels, often exceeding the Scottish average.

- Notably, Aberdeenshire experienced a decline in life satisfaction during 2015/16 and again in 2020/21. These downturns align with significant events: the aftermath of the oil price drop and the onset of the Covid pandemic, respectively. The latter event marked the decade's lowest satisfaction levels, a trend observed throughout Scotland. While there was a rebound in the subsequent year, current levels remain subdued compared to the highs of 2017/18.

Residents feeling that the things they do in life is Worthwhile:
- Aberdeenshire's scores in this category were notably high, frequently ranking among the top regions in Scotland.
- However, a noticeable decline is evident in recent years. While other measures of personal well-being in Aberdeenshire, such as life satisfaction and positive anxiety levels, saw a post-Covid 'bounce', the 'worthwhile' sentiment did not follow suit.
- The absence of this post-Covid bounce is intriguing. It suggests that while residents might be regaining life satisfaction, their sense of purpose or the value they attach to their daily activities hasn't rebounded as swiftly.
- This could be attributed to various factors: perhaps the pandemic has led to a deeper introspection about what makes life meaningful, or economic and social changes in the aftermath of the pandemic might be influencing this sentiment.
- It's also worth noting that while there's a dip in recent years, the 2021/22 figures remain relatively high, indicating that many Aberdeenshire residents continue to find the things they do in their lives meaningful.

Happiness:
- Historically, Aberdeenshire has showcased happiness levels that often exceed the Scottish average, despite some fluctuations.
- A significant downturn in happiness was observed during the peak of the global oil crisis between 2015 and 2017. This economic event likely had a profound impact on the region's morale, given its ties to the oil industry.
- An intriguing pattern emerges when examining the period leading up to and during the Covid pandemic. Contrary to expectations, happiness levels in Aberdeenshire began to decline even before the pandemic's onset. However, rather than falling further during the pandemic's initial year, happiness levels rebounded and continued to rise into 2021/22.
- This resilience in happiness, even in the face of global challenges, speaks to the region's adaptability or perhaps other local factors that cushioned the blow of the pandemic. It might also suggest that while global events influence happiness, local community bonds or other regional attributes played a role in maintaining and even boosting morale during challenging times.
- The data underscores Aberdeenshire's unique trajectory in happiness levels, especially when juxtaposed against other regions. While many areas experienced varied impacts from global events, Aberdeenshire's ability to rebound in happiness during the pandemic is noteworthy and warrants further exploration to understand the underlying causes. This may not only enrich our understanding but also inform strategies to bolster community resilience.

Anxiety:

- Aberdeenshire's anxiety levels, as indicated by the proportion of respondents who felt their anxiety was good or very good, remained relatively stable over the years.

- Compared to other regions, Aberdeenshire often reported better anxiety levels, indicating a lower prevalence of anxiety among its residents.

- However, a closer examination of the data reveals a discernible decline in positive anxiety levels starting from 2013/14, which aligns with the onset of the global oil price slump. Given Aberdeenshire's economic ties to the oil industry, it's plausible that the downturn in the sector had ripple effects on the community's mental well-being.

- Post 2013/14, while there were some recoveries, the levels never quite reached the highs of the early 2010s. The decline in positive anxiety levels during this period might reflect the economic uncertainties and job insecurities stemming from the oil price decline, which would have affected a range of sectors.

- It's worth noting that while the Covid pandemic has had a profound impact globally, Aberdeenshire's anxiety levels during this period did not see a drastic decline compared to many other areas in Scotland. This could be attributed to various factors, including community resilience, support systems, or other regional attributes that might have played a role in cushioning the psychological impact of the pandemic.

- The data underscores the sensitivity of Aberdeenshire's mental well-being to global economic events, especially those directly impacting its core industries. The region's anxiety trajectory during the oil price slump and the subsequent years provides valuable insights into the intertwined nature of economic health and mental well-being. Further research might be beneficial to understand the specific factors that contributed to these trends and to devise strategies to bolster community resilience in the face of future challenges.

Correlation Analysis of Wellbeing Metrics

Exploring the Relationships Among Wellbeing Metrics: After reviewing each personal wellbeing metric, the next step is to explore the relationships among these measures. This section presents a correlation analysis to determine the association between life satisfaction and other wellbeing indicators in Aberdeenshire.
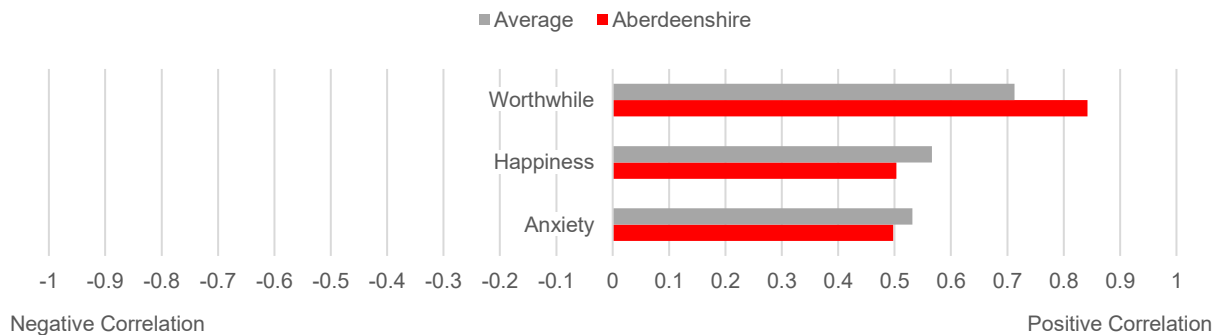
Understanding the Correlation Coefficient: The correlation coefficient is a statistical measure that indicates the strength and direction of the relationship between two variables. A value close to 1 signifies a strong positive relationship, a value close to -1 indicates a strong negative relationship, and a value close to 0 suggests little to no relationship.

Analysis of Life Satisfaction in Aberdeenshire: For the metrics presented in the graph, each has a coefficient of at least 0.5. This suggests that when these metrics improve or rise positively, there's a general corresponding increase in life satisfaction in Aberdeenshire.

Figure 11: Correlation Between Life Satisfaction and the Other Measures of Personal Wellbeing in Aberdeenshire relative to all other Scottish Local Authorities, 2011/12 to 2021/22

Correlations with Life Satisfaction

■ Average ■ Aberdeenshire

Worthwhile	
Happiness	
Anxiety	

-1 -0.9 -0.8 -0.7 -0.6 -0.5 -0.4 -0.3 -0.2 -0.1 0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1

Negative Correlation   Positive Correlation

Source: Office for National Statistics

Importance of Purpose and Meaning: The strong correlation between residents feeling that things they do in their life is worthwhile and their overall life satisfaction underscores the importance of purpose and meaning in the lives of Aberdeenshire's residents. This suggests that interventions or policies aimed at enhancing life satisfaction might benefit from focusing on ways to enhance residents' sense of purpose and the meaningfulness of their daily activities.

Other Factors Influencing Life Satisfaction: The moderate positive correlations between both happiness and good anxiety levels with life satisfaction indicate that while these factors do play a role in life satisfaction, they might not be as pivotal as the sense of worthwhileness.

Interrelated Impacts of Key Public Health Threats

Introduction to Public Health Challenges: Every challenge posed to public health has its unique sequence of repercussions. Addressing and curtailing these consequences requires strategies tailored to the specific challenge at hand. Yet, while the responses may vary, the resulting harms and long-term impacts often merge into a shared trajectory, as illustrated in Figure 12 (below).

Figure 12: Common pathway of harms and impact from four key threats to population health

Source: Delivering Change, Improving Lives…, Director of Public Health Annual Report, 2022

Illustration of Common Pathways: This implies that each threat reverberates across various domains: influencing child health and development, determining health risk behaviours, shaping both physical and mental health across an individual's lifespan, and affecting the broader community's wellbeing. As these impacts accumulate, the community's health and wellbeing deteriorate further, exacerbating disparities. If unchecked, this initiates a cascading effect, deepening health concerns, escalating inequalities, and ultimately stifling economic vibrancy.

Understanding the Cascade Effect: The pathways delineated in Figure 12 underline the interconnectedness of various public health challenges and their subsequent impacts. This interconnectedness suggests that addressing a singular threat could potentially mitigate associated repercussions across multiple domains, emphasising the need for holistic, multi-faceted interventions.

- **Multi-Domain Influence:** The cascade effect, as visualised, indicates that the repercussions of any given health threat permeate through child health, health risk behaviours, individual physical and mental well-being, and broader

community wellness. This reiterates the critical importance of early interventions to disrupt these cascading impacts.

- **Exacerbation of Disparities:** As these consequences compound, they exacerbate pre-existing health disparities within the community, reinforcing the importance of equity-centric strategies to ensure all community members benefit from interventions.
- **Economic Implications:** The deepening health concerns and escalating inequalities, if unchecked, could have broader socio-economic ramifications. Beyond health, these threats could potentially compromise community productivity, economic growth, and overall community development.

Assessment

Aberdeenshire exhibits a mixed health profile that combines positive indicators, such as higher life expectancy and relatively lower years of sub-optimal health, with challenges mirrored in broader Scottish trends. The stagnation in life expectancy growth and emerging concerns related to specific demographics underline the necessity for tailored interventions in the region. Health inequalities, shaped by socio-economic factors, further compound the complexity of the health landscape.

Addressing these disparities requires an integrated approach that leverages community insights, policy development, and collaborative efforts that are unique to Aberdeenshire's context. The specific challenges and underlying factors in Aberdeenshire provide potential avenues for targeted strategies and collaborative solutions that can lead to improved health outcomes and more equitable well-being across the region.

In this light, the shared trajectory of harms and impacts underscores the critical importance of a comprehensive approach to public health – one that not only addresses the immediate challenges unique to Aberdeenshire but also anticipates and mitigates their cascading consequences. By understanding these interrelationships, policymakers and health professionals can be better equipped to devise effective strategies that ensure a healthier, more resilient community.

Following an examination of the overarching trends and effects of public health threats, attention now turns to how regional entities, specifically the Aberdeenshire Health and Social Care Partnership (AHSCP) and the North East Population Health Alliance, navigate these intricacies while aligning with national objectives. The subsequent sections will delve into the formation, strategic priorities, challenges, and performance metrics of the AHSCP. This exploration will shed light on the intricacies of health and social care delivery at the regional level, with insights into collaborative efforts between regional health alliances.

Aberdeenshire Health and Social Care Partnership[12]

Aberdeenshire Health and Social Care Partnership was established in April 2016 following Scottish Government legislation to integrate health and social care services.

The work of the Partnership is governed by the Integration Joint Board (IJB) which is comprised of members from both Aberdeenshire Council and NHS Grampian, as well as those representing the interests of the Third Sector, staff, service users and carers.

Strategies and Plans: The partnership offers a suite of documents that highlight strategic planning, governance, performance, and a dedication to health and social care equality in the region. These documents include strategic plans addressing areas like general health, mental wellbeing, dementia, learning disabilities, and the needs of older residents, among others. They also encompass policies and strategies ensuring consistent practices across various service areas, such as adult social work transport and medication-assisted treatment standards. Through these resources, the AHSCP and IJB demonstrate their commitment to transparency and a patient-centred approach, consistently seeking community feedback to enhance care outcomes and address the diverse needs of the region's inhabitants.

Strategic Priorities: Building on this strong foundation of integrated planning, the AHSCP and IJB have identified several strategic priorities that guide their approach to health and social care provision. These priorities reflect a steadfast commitment to improving the health and wellbeing of Aberdeenshire's residents, particularly those who are most vulnerable**.**

The strategic plan is anchored in five key priorities:

1. **Prevention and Early Intervention:** The AHSCP is committed to promoting healthy lifestyles and helping people manage long-term conditions and avoid preventable ones.
2. **Reshaping Care:** The focus is on supporting people to live healthy, independent lives in their own homes, ensuring they can access the right support when needed.
3. **Engagement:** The AHSCP values transparency in decision-making, responsiveness to individual and community feedback, and open, honest communication.
4. **Tackling Inequalities and Public Protection**: The plan prioritises the safety of vulnerable people, accessibility of services and treatments for all, and collaboration with partners to make Aberdeenshire a safe and happy place to live.
5. **Effective Use of Resources:** The AHSCP aims to have the right staff with the right skills and to allocate resources where they are most needed, managing a reducing budget against increasing demand.

Navigating the Complexities of Integrated Care

The comprehensive approach adopted by the AHSCP is commendable. However, it's essential to recognise that it faces inherent challenges. These are not shortcomings but the realities of implementing such an ambitious and wide-ranging strategy.

Resource Allocation and Coordination Complexities: Potential pressures emerge due to the extensive range of initiatives and plans, particularly concerning resource allocation and management. The integration of health and social care services

introduces its own set of complexities. Different organisational cultures and practices among stakeholders could lead to coordination and implementation challenges.

Data Integration and Privacy Concerns: It's also worth noting that data integration continues to play a pivotal role as health and social care services become more intertwined. While this integration promises enhanced service provision and decision-making capabilities, it inherently raises concerns related to data privacy and the secure management of sensitive information. To address these challenges and ensure that data sharing is optimised for public benefit while safeguarding individual privacy, an informal consortium of data analysts and scientists from Aberdeenshire Council and associated health agencies has been established. This group convenes periodically to evaluate data-sharing protocols, discuss emerging privacy issues, and identify best practices in data management.

External Determinants and Their Influence: In addition, the strategic objectives of the AHSCP and IJB are invariably subject to a spectrum of external determinants. Fluctuations in national policy directives, variability in funding structures, and macroeconomic conditions pose potential challenges, underscoring the need for the AHSCP and IJB to maintain a nimble operational stance to meet their established goals effectively.

Unwavering Mission and Commitment: Despite these challenges, the AHSCP and IJB remain unwavering in their mission: to enhance the health and wellbeing of Aberdeenshire's residents, especially the most vulnerable. Their approach, rooted in transparency, accountability, and patient-centred care, showcases their commitment and adaptability.

Performance

Commitment to Improvement and Monitoring: The AHSCP has consistently worked to tackle the challenges and continually identify areas for improvement in its performance. This commitment is evident through the rigorous monitoring process which utilises a blend of national and local performance indicators.

Focus on Delayed Discharges: Among the various challenges faced, Delayed Discharges have been a primary focus due to their potential detrimental impact on patient health and wellbeing.

System-wide Pressures Across Services: The broader landscape paints a picture of significant system-wide pressures, manifesting most prominently in Care Homes, Very Sheltered Housing, Care at Home, Community Hospitals, Mental Health Services, and Primary Care. Root causes range from the lingering effects of the pandemic and changing demography to the evolving population health needs and pressing workforce challenges. The issue of Delayed Discharges has intensified, particularly due to constraints in bed availability combined with care-at-home capacity issues, with staffing hurdles at the heart of these challenges.

Pending Provision of Care at Home: To provide a clearer perspective on one of these challenges, the graph in Figure 13 delineates the number of weekly hours of

care at home still pending provision, post-assessment in both hospital and community settings.

Figure 13: number of weekly hours of care at home still pending provision, post-assessment in both hospital and community settings, Aberdeenshire, Oct 2022 to Jul 2023
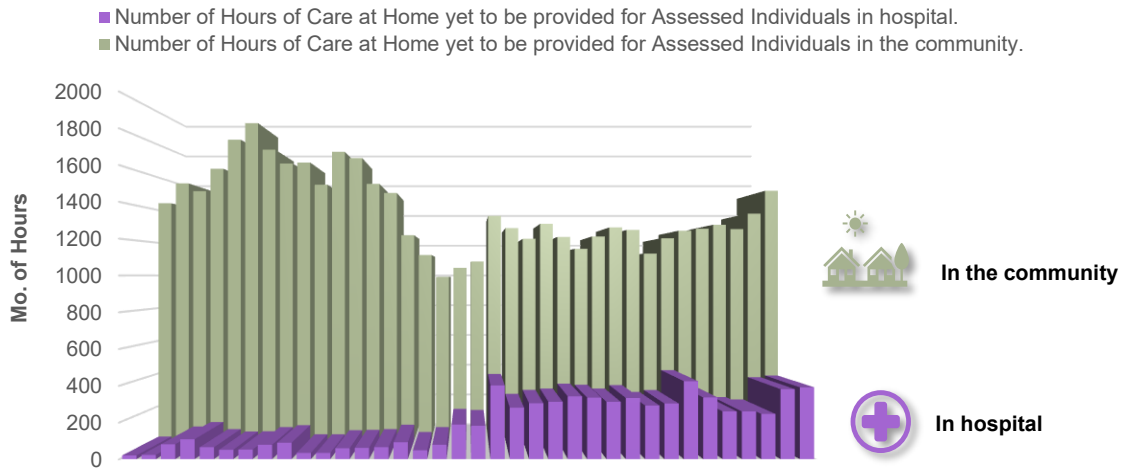
Source: Public Health Scotland

Increasing Demand versus Capacity: It appears that the demand for care (both in the community and for those already in receipt of a care package) is increasing. However, the capacity to deliver this care, particularly in hospitals, is not keeping up with the increasing demand. This could potentially lead to longer wait times for care, more unmet needs, and a lower quality of care.

Data-Driven Improvements: Despite these challenges, the AHSCP has been proactive in using data to monitor and improve the situation. Weekly snapshots of care packages and outstanding hours not yet provided by a provider have shown a positive trend, indicating improvements in addressing unmet needs.

North East Population Health Alliance

Broadening the Scope - Beyond Aberdeenshire: While the AHSCP focuses on Aberdeenshire's health and social care, it's essential to recognise that the challenges of public health extend beyond its borders. In the broader North East region of Scotland, another collaborative initiative aims to address these challenges at a larger scale.

Importance of Health and Wellbeing to Community Prosperity: Health and wellbeing are foundational to the prosperity of any community. In the realm of public health and care, preventative strategies, when scaled appropriately, have consistently showcased their efficacy.

Collaborative Ventures in the North East Region: The North East region of Scotland exhibits a history of collaborative ventures across public agencies, the private sector, and the communities themselves. Despite previous successes, some pressing population health challenges remain, further intensified by the recent global pandemic.

Inception of the North East Population Health Alliance - A Strategic Move: Given this backdrop, the inception of the North East Population Health Alliance represents a strategic move. Its mission is to foster continuous public health learning and integration across various partnerships in the North East of Scotland. This initiative not only addresses immediate challenges but also ensures the region's long-term health resilience and prosperity.[13]

First-Year Objectives:

- **Strengthen Collaborative Working:** Maintain and enhance partnership working as demonstrated during the pandemic.
- **Define Alliance Principles**: Chief Executives/Officers will refine and develop principles for collaboration based on evidence from the King's Fund.
- **Grow Membership:** The goal is to shift the focus from individual responsibilities to a more collective approach addressing wider determinants of health.
- **Connect Policy with Local Realities:** Use the King's Fund's four pillars as a framework to bridge central policy decisions with ground-level challenges.
- **Engage New Audiences:** Attract members from various sectors and engage in dialogue on the four pillars approach and mental health promotion.
- **Tackle Substance Abuse:** Recognising its impact on life expectancy and inequalities, the Alliance aims to employ a system-wide response to address Scotland's troubled relationship with substance use.
- **Promote Continuous Learning**: Leaders aim to integrate data with external evidence to continually enhance practices. The Public Health Research Network has been established to merge evidence with local insights.

Assessment

The AHSCP's strategic approach is comprehensive and forward-thinking, demonstrating a strong understanding of the multifaceted nature of health and social care. Its strategic response to challenges, particularly around Delayed Discharges, and the initiation of Surge and Winter Resilience Plans, is indicative of its ability to adapt and respond to system pressures with strategic foresight in managing demand and mitigating potential negative impacts on patient health and well-being. Furthermore, the AHSCP's alignment with national priorities reflects the region's commitment to addressing broader health and social care issues, ensuring consistency in strategies across different levels of governance, and facilitating collaborative efforts towards shared goals.

However, the need for continuous adaptation is made clear by ongoing system-wide pressures, exacerbated by the pandemic, demographic changes, and workforce pressures. The AHSCP's strategic plan must be dynamic and flexible to evolve in response to these external pressures and changing circumstances. The data-driven approach, another strategic strength of the AHSCP, supports this adaptability, allowing for evidence-based decision-making, which is crucial in identifying areas of improvement and measuring the effectiveness of implemented strategies.

The governance of the AHSCP, led by the IJB, is both robust and proactive, evidencing a strong commitment to strategic planning, accountability, and continuous improvement. However, recommendations from internal audits across different service areas indicate areas for enhancement. The AHSCP's proactive stance in ensuring timely responses to audits and monitoring the progress of recommendations is a positive step towards further improvement.

In its inaugural year, the North East Population Health Alliance underscores the commitment to uniting a range of stakeholders to lay strong foundations that serve both communities and partnerships in the region. Central to these efforts is the Aberdeenshire Health and Social Care Partnership (AHSCP), with Aberdeenshire Council playing a pivotal role not only in its formation and governance but also in wider regional welfare. The intricate collaboration between the AHSCP, with its holistic strategies and dedication to integrated care, and the Council emphasises the crucial role of inter-organisational collaboration. Together, with their focus on a data-driven approach, they highlight the opportunities and challenges in refining health and social care. The North East Population Health Alliance, drawing on the strengths and insights of both the Council and AHSCP, is well-positioned to drive forward sustainable and collaborative care initiatives throughout the northeast.

Forward Look

Getting it Right for Everyone (GIRFE): A Multi-Agency Approach to Health and Social Care[14]

Introduction to GIRFE: The proposed multi-agency model "Getting it Right for Everyone" (GIRFE) seeks to provide comprehensive, personalised, and holistic support from young adulthood to end of life care. Building on existing practices and the "Getting it Right for Every Child" (GIRFEC) model, GIRFE does not replace the Community Health and Social Care Integrated Services Framework but offers a means to deliver it, focusing on person-centred outcomes.

Objectives and Principles: As part of a broader programme for enhancing population wellbeing, GIRFE's principles focus on individual care needs, understanding of physical and mental wellbeing, early intervention, joined-up working, and a human rights-based approach. This design empowers individuals in decision-making and ensures timely, appropriate support.

Implementation in Aberdeenshire: Aberdeenshire stands as one of the eight GIRFE pathfinders, pioneering this approach. Implementing GIRFE may enhance coordination, personalisation, and equity in service delivery. Emphasising early intervention and human rights, it aligns with Scotland's broader goals, potentially reducing the strain on health services and fostering community wellbeing.

Timeline and Next Steps: GIRFE's implementation extends to summer 2025. Pathfinders are currently collaborating with people with lived experience to develop journey maps through the GIRFE Design School. The process will follow with a sense-making process, ideation phase, and testing of prototypes, aiming to implement

GIRFE across Scotland by summer 2025, marking a considerable transformation in health and social care service delivery.

Assessment

Aberdeenshire's role as a pathfinder in the implementation of GIRFE demonstrates a progressive and forward-thinking approach to health and social care. By focusing on a multi-agency model that emphasises personalised, comprehensive care, and early intervention, Aberdeenshire is positioning itself at the forefront of innovative care strategies. The region's commitment to this initiative aligns with broader Scottish goals to enhance overall community wellbeing and reduce health inequalities. With the planned implementation extending to summer 2025, Aberdeenshire has the potential to set a transformative example in the delivery of health and social care services, reflecting a human rights-based approach and a strong focus on individual needs and collaboration.

Environmental Influence on Health: A Perspective from the Place and Wellbeing Symposium

The environment in which individuals reside plays a pivotal role in shaping health and wellbeing. In September 2022, the North East Population Health Alliance hosted the Place and Wellbeing Symposium. The event attracted 80 participants from across Grampian, representing a spectrum of sectors: healthcare organisations, local authorities, police, the third sector, and academia.

Topics of discussion revolved around the intersections of the built environment, climate, health, and place. This gathering marked the inception of a burgeoning network, deeply invested in exploring the nexus between place, health, and wellbeing. Motivated by a shared vision, this network is poised to place a spotlight on the potential of nature and climate in optimising health outcomes. With several objectives already outlined, the forthcoming steps involve crafting detailed plans and identifying funding opportunities to ensure the long-term viability of these endeavours.

Assessment

The insights and initiatives stemming from the Symposium signal broader implications for regions like Aberdeenshire. The findings and the broader trends they represent can provide insight into Aberdeenshire's potential trajectory in various domains:

- *Health and Wellbeing: The correlation between the environment and health suggests Aberdeenshire may see increased initiatives focusing on green spaces, sustainable urban planning, and pollution control. As health disparities amplify, interventions targeting the most vulnerable populations will likely become pivotal.*

- *Economic Development:* A health and wellbeing-centric approach can pave the way for investments in sectors like eco-tourism, sustainable agriculture, and green technologies.
- *Environmental Challenges:* Aberdeenshire's distinct coastal and inland topography might face challenges due to rising sea levels and extreme weather events, necessitating forward-thinking planning.
- *Societal Cohesion:* Rising health disparities may lead to potential societal challenges. Hence, fostering community cohesion and resilience will be crucial.
- *Infrastructure Needs:* Emphasising health and the environment might necessitate infrastructural advancements, such as comprehensive healthcare facilities, emission-reducing transportation networks, and expansive recreational spaces.
- *Educational Initiatives:* The drive for informed communities could lead to amplified educational and awareness campaigns, addressing issues from climate change to mental health.
- *Policy Adjustments:* Aberdeenshire's local authorities may need to adjust or introduce new policies in response to evolving challenges and insights from such symposiums.
- *Collaboration and Partnerships:* Addressing multifaceted challenges will likely require collaborative efforts between diverse stakeholders, spanning local authorities, healthcare organisations, academia, and the private sector.

In essence, Aberdeenshire's future, informed by the insights from the symposium and larger global trends, encompasses both challenges and opportunities. Through informed planning and collaboration, the region is poised to address these challenges while capitalising on the opportunities, striving for a sustainable and healthy future for its inhabitants.

3

Environment:
Resilient Communities

Strategic Assessment

- **The government's focus on three pivotal missions for 2026: Equality, Opportunity, and Community**, demonstrates a holistic approach to establishing resilient communities. The mission of Equality, with its emphasis on reducing child poverty, highlights the importance of creating an equitable society where every individual, irrespective of their background, has the chance to thrive.

- **Collaboration emerges as a cornerstone of resilient communities**. The intertwining roles of the government, businesses, and local stakeholders, including Aberdeenshire Council, highlight the importance of collective efforts in addressing challenges such as poverty, housing, and public service delivery.

- The Scottish Government's **emphasis on 'person-centred public services'** in recent publications suggests a **potential shift in public service delivery**. This focus aims to ensure that services are tailored to individual needs, enhancing their effectiveness and overall community resilience. The comprehensive report, "Learning from Person-Centred Approaches", indicates an effort to understand and implement strategies that place individuals at the centre of public service design and delivery. Such approaches can lead to more responsive and adaptable services, vital for resilient communities.

- Aligning with the Scottish Government and COSLA, **Aberdeenshire prioritises the Place Principle, with its forthcoming Place Strategy** as a central pillar in the Council Plan 2022-27. This strategy, supported by Place Plans, will shape service delivery and foster collaboration among stakeholders. Emphasising resident feedback and 'person-centred public services', Aberdeenshire seeks to create communities that are resilient and attuned to local needs.

- Between 2015 and 2022, **Aberdeenshire witnessed an increase in relative child poverty** from 7.6% to 12.1%. While this uptick warrants attention, it's worth noting **that Aberdeenshire's rate is still appreciably below the Scottish average**, maintaining its position among the regions with the **lowest child poverty rates in the country**. It's important to contextualise this within broader **UK-wide trends**, where **increases in child poverty have been observed across many regions**. While Aberdeenshire's rate is concerning, it is not an isolated case, underscoring the need for both local and national strategies to address this pervasive issue.

- The **Scottish Child Payment is an encouraging step towards tackling child poverty**. However, external pressures, such as the **rising cost of living**, may mitigate its impact. Think tanks like IPPR Scotland advocate for increasing the payment to ensure it remains an effective measure against child poverty.

- **Fraserburgh and District, Peterhead North and Rattray, and Peterhead South and Cruden emerge as areas with significant child poverty numbers** in the context of the authority area. Understanding the root causes and implementing targeted interventions in these areas is vital for sustaining community resilience.

- In 2019, 1**5.9% of Aberdeenshire adults with children reported a disability or long-term physical or mental health issue**, closely mirroring the national average – and the proportion has been steadily rising since 2014. It remains uncertain if the trend persisted post the initial COVID outbreak. These households often face heightened living costs, employment challenges, and difficulty accessing suitable childcare. Given the persistent trend, Aberdeenshire's support strategies for these families should be continuously reviewed and refined.

- Aberdeenshire utilises a collaborative approach in child protection, with initiatives like the IRD processes and the SCIM. While the number of children on the Child Protection Register is below the national average, indicating positive early interventions, there is still **a need to address deeper issues like domestic abuse and parental mental health**. The forthcoming Children's Services plan is anticipated to further strengthen the region's approach and outcomes in this area.

- Aberdeenshire actively seeks feedback through tools like the Children's Services Inspection Surveys and the Bright Spots Surveys. This feedback, especially from children, is **vital for enhancing the region's child protection and care strategies**, ensuring they remain relevant and effective.

- The consistent decline in Scotland's recorded crime rate, accentuated by **Aberdeenshire's notably lower figures**, highlights the synergy between efficient policing, community cohesion, and proactive preventative strategies. The **Aberdeenshire Community Safety Partnership exemplifies this holistic approach**, integrating cross-sectoral collaboration to address pivotal local challenges. In line with wider Scottish objectives, this enhances overall resilience. The emphasis on antisocial behaviour, unintentional harm, and safeguarding further demonstrates the partnership's dedication to ensuring safety and well-being.

- Since its inception in 2020, the **Aberdeenshire Council Risk and Resilience Team has been instrumental in managing diverse risks**, from avian flu to severe weather events. Their proactive stance, evident in tools like the Persons At Risk Database (PARD) and the Risk Appetite Statement, coupled with a commitment to training, embodies Aberdeenshire's emphasis on preparedness. Upcoming plans, including risk management education and guidance on the Terrorism (Protection of Premises) Bill, further illustrate a **holistic approach to community safety and resilience.**

- Aberdeenshire Council's endorsement of the Tackling Poverty and Inequalities Annual Report in March 2023 offers a **clear strategic direction for supporting its at-risk residents**. Key initiatives, like the Child Poverty Data Dashboard and the Cash First Partnership, signal a **data-driven, broad-based approach**. Emphasising co-production of policies with those with lived experience and ensuring support even for off-grid households indicates **an inclusive, grassroots strategy**. With a focus on strengthening partnerships and enhancing access, especially in rural areas, Aberdeenshire is forging a path where every resident, regardless of socio-economic background, is poised to succeed.

Assessment of Issues

Strengthening Communities

Government Initiatives for Social Cohesion and Justice: The government seeks to promote social cohesion, community resilience, and social justice through various initiatives, including prioritising capital investment for net-zero goals, reforming public services, implementing progressive tax systems, and supporting local government collaboration.

Three Critical Missions for 2026: The government has set three critical missions for 2026: Equality, Opportunity, and Community.

1. The mission of Equality focuses on tackling poverty and protecting people from harm, with a particular emphasis on reducing child poverty.
2. The mission of Opportunity aims to support economic growth for a purpose, to help business and trade thrive and maximise the opportunity of the green economy, with fairness at its heart. This mission aims to drive improved living standards, reduce poverty, and sustain high-quality public services – all key to a wellbeing economy.
3. The mission of Community prioritises efficient and effective public services, including our emergency services, that deliver for the people who use and rely on them. The government will focus on the recovery and reform of the NHS and other vital public services by delivering sustainable, person-centred public services with a focus on tackling inequalities.

Community Empowerment and Collaboration: Furthermore, initiatives such as the Community Wealth Building Fund, community empowerment, and supporting local organisations and businesses aim to create more inclusive and economically sustainable communities. Collaboration between the government, businesses, and other local stakeholders, including Aberdeenshire Council, will be essential for achieving sustainable economic growth and addressing challenges such as poverty, housing, and public service delivery.

Person-Centred Public Services

Emphasis on Person-Centred Approaches: The Scottish Government has increasingly emphasised 'person-centred public services' in recent publications. The comprehensive report, "Learning from Person-Centred Approaches"[15], delves into the application and impact of person-centred strategies across various sectors in Scotland. It underscores the necessity of viewing individuals within the context of their informal networks and the resources they have access to within their households and communities. The report advocates for a holistic approach that addresses needs in a broad sense, which is significantly more effective than a remit-based approach that focuses on single needs.

Insights on Community Resilience: The primary insights related to Community Resilience are:

- **Holistic Approach**: Addressing individuals' needs within the context of their informal networks, such as family and friends, and the resources available within their community is more effective than focusing on single needs.
- **Local Partnership Resilience**: Partnership working at the local level during the Covid-19 pandemic demonstrated rapid adaptation to challenges. Institutional barriers were overcome, leading to more person-centred approaches.
- **Hyper-local Groups**: These groups were responsive to community needs during the pandemic. The crisis motivated public involvement, fostering a sense of purpose, and belonging. This led to significant community solidarity, adaptive capacities, and cross-sector collaboration, enhancing person-centred approaches.
- **Community Assets**: Communities benefit when their assets are utilised to support their members. Community-based and run services are flexible, accessible, and foster a sense of mutual aid, belonging, and community solidarity.
- **Building Relationships and Trust**: Improved communication is vital. Tailoring public health messaging in an accessible way, especially during crises like the Covid-19 pandemic, is essential for building trust within communities.
- **Tackling Cultural Barriers**: Addressing attitudes, anxieties, and concerns within the community is crucial. Public awareness and community engagement can change perceptions of stigmatised and marginalised individuals.

Assessment

While the report does not specifically mention Aberdeenshire, the principles it outlines could have implications for the area. These include the potential for Aberdeenshire to bolster community resilience by embracing a holistic approach that considers the broader context of individuals' lives. Strengthening local partnerships could enable a quicker response to challenges, while utilising community assets could foster mutual aid and solidarity. The importance of prioritising communication to build trust, particularly during crises, and the need to address cultural barriers to foster inclusivity, are also potential considerations for Aberdeenshire.

Developing Aberdeenshire's Place Strategy

Importance of Place and Wellbeing: The significance of 'place' extends beyond mere location, deeply influencing individual lives, wellbeing, and community cohesion. By focusing on the quality and opportunities inherent within places, it's possible to foster a more inclusive environment and actively work towards diminishing social inequalities. The interconnection of place with aspects of daily living underscores its vital role in shaping a fairer and more resilient society.

Development of a Place Strategy in Aberdeenshire: The development of a Pace Strategy is a key strategic priority for Aberdeenshire Council, as outlined in the Council Plan 2022-27. This strategy will articulate how the Council and its partners plan to realise Aberdeenshire's vision and objectives, with a strong focus on the current and

future needs of local communities. The Place Strategy will significantly influence service delivery, supported by a framework of Place Plans.

Emphasis on the Place Principle: The Place Principle, a core component of the strategy, emphasises the synergy of people, location, and resources in creating a sense of identity and purpose. It underscores the importance of collaborative planning and action among service providers, asset managers, and local communities to improve lives, support inclusive and sustainable economic growth, and foster successful places.

Gathering Resident Insights: To ensure a comprehensive strategy, the Council has initiated surveys to gather resident insights[16]. This aligns with the Scottish Government's emphasis on 'person-centred public services', ensuring the strategy reflects the broader context of individuals' lives and community resources.

Aberdeenshire: Potential Challenges to Community Resilience

Child Poverty

Challenges and Health Implications: Children and families residing in poverty or low-income households in the UK face a multitude of challenges. These disadvantages can result in detrimental health and social implications that persist from childhood into adulthood.

Factors Influencing Child's Development: Exposure to the following critical factors, especially when compounded over time, can negatively influence a child's development and health:

- Inadequate funds for essential resources, including quality housing.
- The daily stress associated with living in poverty.
- Unhealthy living habits.
- Restricted educational and job opportunities.

Furthermore, children's encounters with poverty can lead to bullying or feelings of isolation, as they might have fewer friends and limited access to their peers' social activities.

Potential Vulnerability: Child Poverty in Aberdeenshire and the Rest of Scotland

Poverty Metrics: Absolute Child Poverty measures a family's income against a fixed income threshold set in 2010/11 (the 'base year'). It essentially measures if families are falling behind a standard set in the past. Relative Child Poverty evaluates a family's income in comparison to the current median income. It's a measure of inequality, showing if families are falling behind the current standard of living.

Statistics and Trends: Figure 14 below charts the proportion of children living in relative poverty per council area and year, 2015 to 2022. The annual rate of change for both Aberdeenshire and Scotland is shown alongside.

Figure 14: Proportion of Children Living in Relative Poverty, Aberdeenshire in Comparison to All Other Scottish Council Areas, 2015 to 2022
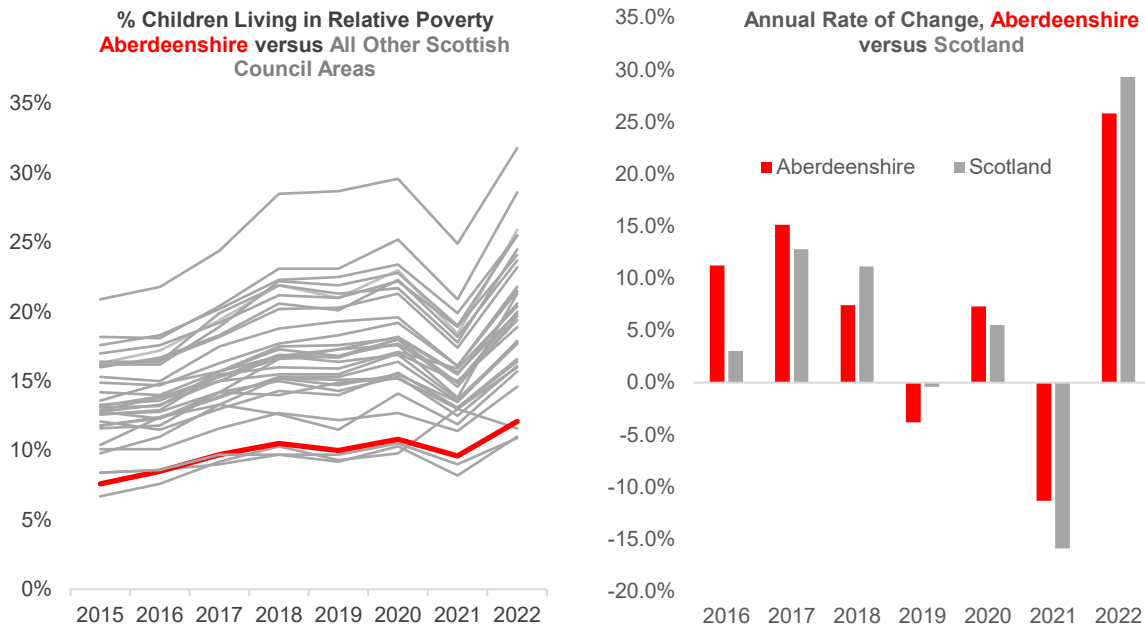
Source: Department for Work and Pensions

In 2022, Aberdeenshire recorded approximately 5,888 children living in relative poverty, representing 12.1% 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, and increase on the 14.1% rate. Despite the rise, Aberdeenshire's child poverty rate is notably lower than the national average and remains among the lowest in Scotland.

Policy Decisions and Effects: Recent statistics from the DWP suggests these trends are reflected across the UK. Factors contributing to this trend may include policy decisions, such as the UK Government's decision to reduce the £20 universal credit uplift in 2021.

Scottish Initiatives and Recommendations: In Scotland, data suggests a potential shift in the trend. The introduction and subsequent increases of the Scottish child payment are anticipated by the Child Poverty Action Group (CPAG) to positively influence child poverty rates.

While the Scottish Child Payment is a commendable initiative to combat child poverty, the rising cost of living threatens to counteract its benefits. It's worth noting analyses from think tanks like IPPR Scotland, which suggest that the payment should be increased to at least £40 by the end of the parliament to effectively combat child poverty.

Relative Child Poverty – Multi-Member Ward Data

Ward Rankings: Figure 15 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 2022 (right map).

Figure 15: Number of Children Living in Relative Poverty per MMW, 2022 (left map); Greatest Change in the Number of Children Living in Relative Poverty per MMW, 2015 to 2022

Relatively Low   Relatively High
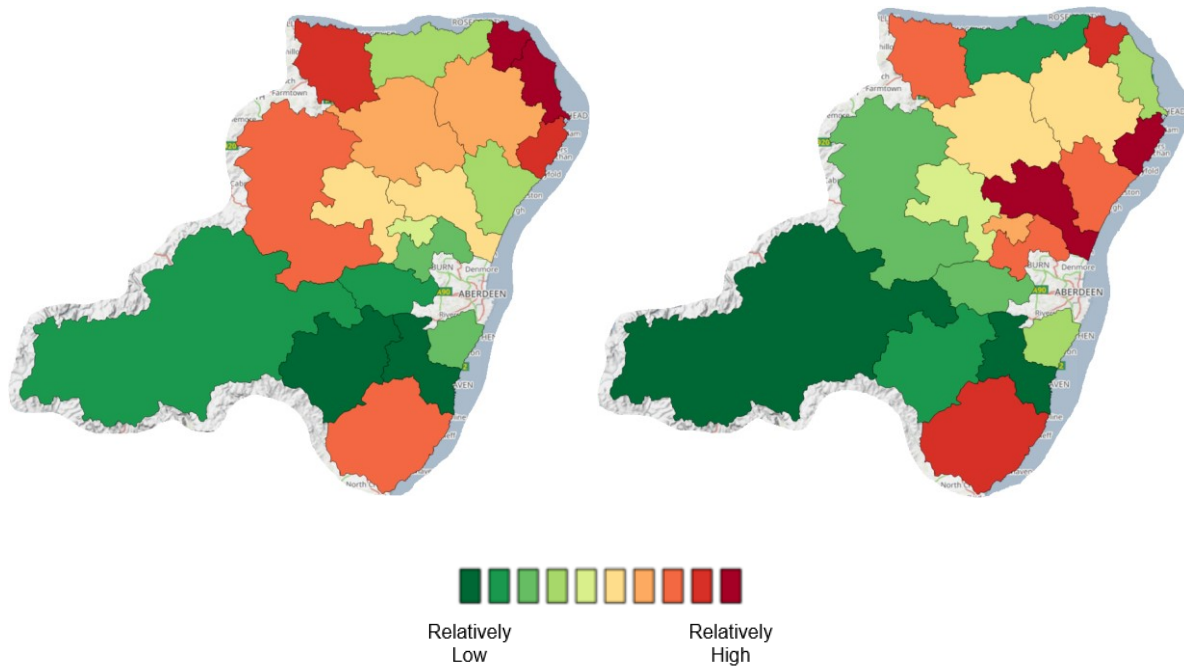
Source: Department for Work and Pensions

Concerning Trends: Fraserburgh and District reported the highest number of children in relative poverty in 2022, with 540 children. Peterhead North and Rattray followed closely with 532, and Peterhead South and Cruden had 418. Collectively, these areas account for a significant portion of Aberdeenshire's child poverty figures.

Meanwhile, Peterhead South and Cruden witnessed the largest absolute change in child poverty numbers from 2015 to 2022, with an increase of 190 children. Mid Formartine and Mearns followed with increases of 189 and 179 children, respectively.

Every ward in Aberdeenshire saw a concerning rise in the number of children living in relative poverty between 2015 and 2022. All but one ward reported year-over-year increases in 2022, with Banchory and Mid Deeside being the exception.

Assessment

The rising child poverty in Aberdeenshire and across the UK is a deeply complex issue requiring multifaceted solutions. There's no single cause or simple fix. Tackling this challenge requires a holistic understanding of the economic, social, political, and cultural factors involved, and coordinated efforts from various stakeholders, including government, local authorities, community groups, and policymakers.

Given these trends, targeted interventions might be necessary, especially in the most affected wards. Social welfare programs, educational interventions, and job creation schemes tailored to each ward's unique challenges can be beneficial. Moreover,

understanding the root causes, be they economic downturns, loss of local industries, or policy decisions like the UK's two-child limit, will be essential.

Key legislative measures like the Child Poverty (Scotland) Act 2017, which mandates a significant reduction in child poverty numbers, demonstrate governmental commitment at different levels. The Community Planning Partnership (CPP) Local Outcome Improvement Plan (LOIP), led by the Tackling Poverty and Inequalities Group, centralises eradicating poverty as a goal. The Aberdeenshire Child Poverty Action Plan is a pivotal tool in fighting child poverty in the region. Continuous refinement, adaptability, strategic efforts for funding, and improved data collection and resource allocation are crucial for its success, signifying a strategic move towards addressing these challenges.

A tailored approach that recognises the unique challenges of each area, coupled with broad strategies that address the systemic issues and leverages the strengths of legislative acts and planning tools like LOIP, will be essential in reversing this trend.

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

Adults with Long-Term Health Issues in Aberdeenshire: In Aberdeenshire (2019), about 15.9% of adults with children reported having a limiting long-term physical or mental health issue. This is closely aligned with the national average of 16.0% and ranks as the 14th highest in Scotland. Figure 16 indicates Aberdeenshire's consistent upward trend from 2014 onwards. It remains to be seen if this trend continued after the initial outbreak of Covid.

Figure 16: % of Adults reporting a limiting long-term physical or mental health problem - households with children, Council areas of Scotland, 2012 - 2019
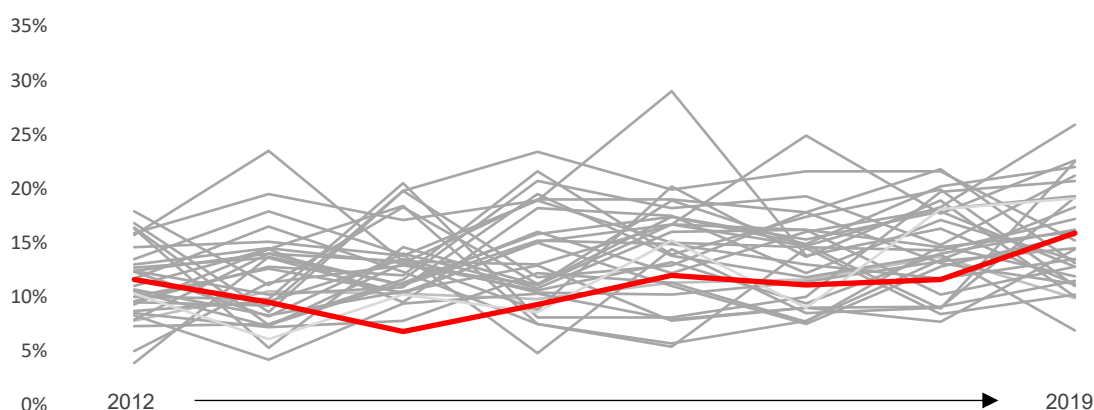
Source: Scottish Surveys Core Questions

Employment Challenges for Parents with Disabilities: Parents with disabilities are typically less likely to engage in paid employment. When they do work, they may often be underemployed. Factors such as transportation challenges, the employment application process, and potential discrimination can serve as additional hurdles. Moreover, they are more likely to possess fewer qualifications.

Financial Struggles for Families with Disabilities: On a broader financial scale, families where a member has a disability or long-term condition generally face a higher cost of living than those without such conditions. These families might encounter difficulties in affording childcare and often face challenges in finding appropriate childcare that caters to the unique needs of their children. Furthermore, there is a lower likelihood of having savings among families coping with long-term conditions.

Specific Challenges and Supportive Measures in Aberdeenshire: In Aberdeenshire, the data highlights that a proportion of families with children and disabled adults may encounter specific challenges, particularly in areas of employment and childcare. Given the steady trend of adults reporting long-term health issues, it underscores the ongoing relevance of the supportive measures in place and the potential benefits of reviewing and refining strategies to further accommodate this demographic's needs.

Connecting Health Challenges and Community Dynamics: The insights into long-term health challenges, employment, and financial struggles among families in Aberdeenshire don't exist in isolation. They paint a comprehensive picture of the vulnerability faced by a significant segment of the population. This understanding of potential vulnerability serves as a precursor to a broader evaluation of community dynamics in the region, including community resilience, cohesion, and safety. The interplay between health, financial stability, and community well-being leads naturally to a consideration of crime statistics. How a community supports its most vulnerable members can often be a bellwether for other community health indicators, such as crime rates. It's within this context that an analysis of Aberdeenshire's crime statistics becomes particularly relevant.

Crime Statistics

Understanding Crime Rates as Indicators of Community Health: Crime rates can often serve as complex indicators of community resilience and cohesion, reflecting more than just the prevalence of illegal activities. Communities with robust social bonds, active neighbourhood engagement, and collaborative strategies tend to exhibit lower crime rates. These factors point to a well-integrated society where residents feel a shared responsibility for each other's welfare and safety. Fostering strong community ties becomes not just a social good but a tangible preventative measure against criminal activity. This understanding links closely with the preceding discussion of health challenges and financial struggles, underscoring the importance of a comprehensive, supportive community framework. The connections between crime rates, socio-economic factors, health, and community engagement illustrate that an analysis of criminal activity in Aberdeenshire extends far beyond mere numbers; it provides insights into the region's overall stability, quality of life, and social fabric. It's a testament to a community's ability to respond to its unique challenges and the strength of its foundational social structures.

National Crime Statistics for 2022-23 in Scotland: The Scottish Government recently released National Statistics detailing crimes and offences recorded by the police in Scotland for 2022-23[17]. These statistics capture the extent of criminal activity police handle, but don't encompass all crimes since not every incident gets reported.

Trends in Crime Rate – Aberdeenshire Compared to Other Scottish Council Areas: Figure 17 below presents data on total recorded crime per 10,000 population for each council area in Scotland.

Figure 17: Recorded Crime per 10,000 Population, Aberdeenshire Compared to All Other Scottish Council Areas, 2013/14 to 2022/23
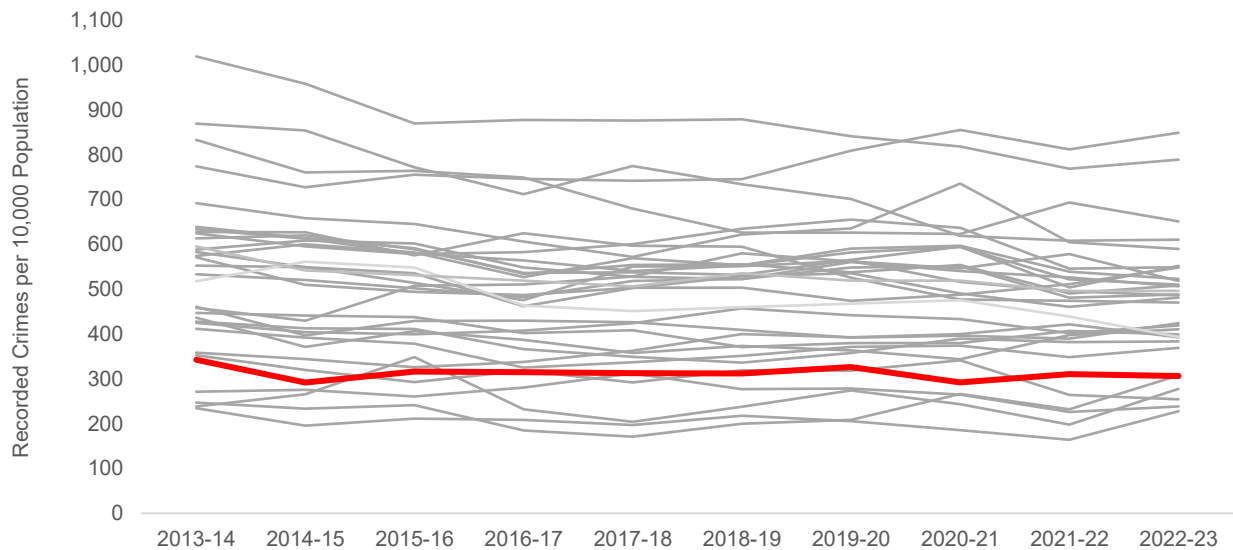
Over the past decade, Scotland's recorded crime rate, per 10,000 population, has observed a general decline. Starting from 622 crimes per 10,000 population in 2013-14, the rate went down to 528 by 2022-23. This indicates a broad trend of decreasing crime rate across the country, which suggests effective measures are likely in place or the social determinants influencing crime are showing positive shifts.

Aberdeenshire's Crime Rate and Community Cohesiveness: 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.

Community Safety Partnership: A Holistic Approach: The Aberdeenshire Community Safety Partnership exemplifies a recognition that community safety encompasses more than just crime, aiming for a broader, comprehensive framework for regional safety and well-being.

Aberdeenshire Community Safety Partnership

Overview of the Aberdeenshire Community Safety Partnership: The Aberdeenshire Community Safety Partnership aims to enhance the quality of life in Aberdeenshire by fostering communities that are inclusive, empowered, resilient, and safe. The partnership comprises statutory organisations, public sector bodies, voluntary groups, and private entities such as Aberdeenshire Council, Police Scotland, Scottish Fire and Rescue Service, and NHS Grampian, among others. The partnership places a strong emphasis on prevention and early intervention and seeks

local solutions to local issues. This endeavour aligns with the broader Scottish objectives of building safer, more participatory, and cohesive communities.

The partnership has prioritised the following issues[18]:

1. Antisocial Behaviour and Violence
2. Unintentional Harm
3. Safeguarding Communities

Antisocial Behaviour and Violence

- **Definition:** Based on the Antisocial Behaviour etc. (Scotland) Act 2004, it relates to conduct causing or likely to cause alarm or distress.
- **Categories:** Divided into open space (e.g., graffiti, rowdy behaviour) and private space (e.g., noise nuisance, drug misuse at premises).
- **Aim:** Reduce antisocial behaviour and violence, making communities feel safer. There's a particular focus on addressing underlying factors and early interventions. Alcohol-related antisocial behaviour is a significant concern.
- **Impact Measurement:** Observing reductions in various types of antisocial complaints, damages, assaults, and increasing public safety.
- **Reason for Priority:** Communities report numerous antisocial behaviour and violence incidents. Even with decreasing rates, focusing on these issues can prevent escalation and further harm.

Unintentional Harm

- **Definition:** Predictable and preventable unintentional physical or psychological harm.
- **Categories:** Harm often occurs at home, especially among children under five and those over 65. Main causes include slips, fires, outdoor recreational pursuits, and road accidents.
- **Aim:** Decrease unintentional harm through raising awareness of risks, developing intervention strategies, and promoting home fire safety.
- **Impact Measurement**: Evaluating small project benefits and observing an increase in high-risk household identification through safety visits.
- **Reason for Priority:** Unintentional harm causes significant deaths and injuries, especially in younger populations, leading to loss of life, disability, and increased emergency response burdens.

Safeguarding Communities

- **Definition:** Ensuring communities are resilient against harmful behaviours and activities.
- **Categories:** Includes areas like online safety, violence against women, exploitation (e.g., County Lines drug trafficking), and addressing criminality related to vulnerabilities.
- **Aim:** Identify vulnerabilities, raise awareness of scams, tackle high-risk offenders, support community policing, and promote online safety. There's also a focus on early identification of threats and intervention.

- **Reason for Priority:** Protecting individuals of all ages when they are vulnerable is crucial. Multiple agencies in Aberdeenshire collaborate to safeguard people, emphasising the importance of early issue identification and intervention.

Connecting Crime Rates and Community Initiatives: The consistent decline in Scotland's recorded crime rate, accentuated by Aberdeenshire's notably lower figures, highlights the synergy between efficient policing, community cohesion, and proactive preventative strategies.

A Holistic Approach to Safety and Well-Being: The Aberdeenshire Community Safety Partnership exemplifies this holistic approach, integrating cross-sectoral collaboration to address pivotal local challenges. In line with wider Scottish objectives, this enhances overall resilience. The emphasis on antisocial behaviour, unintentional harm, and safeguarding further demonstrates the partnership's dedication to ensuring safety and well-being.

Assessment

The declining crime rates in Scotland, particularly in Aberdeenshire, signify not merely a reduction in illegal activities but a testament to community resilience, social cohesion, and a well-integrated society. This trend underscores the effectiveness of multi-sector collaborations, such as the Aberdeenshire Community Safety Partnership, that prioritise prevention, early intervention, and localised solutions. Through a focus on antisocial behaviour, unintentional harm, and safeguarding communities, the partnership aligns with broader Scottish objectives, enhancing overall quality of life. The integration of policing efficiency with community-driven strategies provides a comprehensive and multifaceted strategy to safety and well-being, reflecting a more supportive framework that extends beyond crime statistics to encapsulate the region's overall stability, social fabric, and readiness to respond to unique challenges.

Overview of Aberdeenshire's Child Protection and Care Systems

Aberdeenshire's approach to child protection and care is a significant component of its broader aim to foster resilient communities. To understand its strategies and practices in this specific area, an objective exploration is provided below.

- **Child Protection System Efficiency:** Aberdeenshire engages in multi-agency collaboration in child protection, spearheaded by the Child Protection Committee. This collaboration aligns with National Guidance via integrated Interagency Referral Discussion (IRD) processes. While adhering to these national guidelines, there is a clear nod to regional specifics, highlighting a careful equilibrium between nationwide standards and regional prerogatives. Such a harmonised approach facilitates both consistency and efficacy in addressing child protection referrals.
- **Trauma-Informed Approaches:** The endorsement of the Scottish Child Interview Model (SCIM) is testament to Aberdeenshire's progressive and

compassionate stance on addressing child-centric incidents. Beyond mere protection, this method is pivotal in mitigating the escalation of trauma during inquiry phases.

- **Child Protection Register (CPR):** The rate of children in Aberdeenshire under 18 years of age on the CPR are notably below the national average. Partners believe that Aberdeenshire's now well-embedded GIRFEC Framework continues to have a positive impact in reducing the number of children's names on the CPR through early multi-agency intervention. While this is encouraging, it's essential to remain attentive to underlying issues. Predominantly, registrations arise from domestic abuse and parental mental health problems, signalling potential societal issues that might necessitate strategic attention.
- **Care for Experienced Young People (CEYP):** Most CEYP in Aberdeenshire are placed within community settings. This indicates a leaning towards integrated, nurturing spaces over more conventional institutional care. High school attendance rates further underscore the success of Aberdeenshire's methods. Yet, it remains imperative to assess not just attendance, but the calibre of care and education provided.
- **Feedback Mechanisms:** The deployment of Children's Services Inspection Surveys and the trial phase of the Bright Spots Surveys reiterate Aberdeenshire's dedication to ongoing feedback. Notably, inputs from CEYP accentuate the pressing need to fortify the bond between youth and their trusted adult counterparts.
- **Conclusion:** Aberdeenshire demonstrates a systematic and collaborative approach to child protection and the care of young people. The introduction of shared systems like the IRD and SCIM exhibits forward-thinking and an adherence to best practices, promoting standardisation across different regions. The children's services inspection further accentuates the commitment to iterative improvement, given the constructive feedback from multiple stakeholders.

Assessment

Aberdeenshire's child protection and care systems demonstrate a harmonised approach that aligns national standards with regional needs, reflecting both compassion and efficacy. The use of progressive methods like the Scottish Child Interview Model, a focus on community settings, and the attention to ongoing feedback underscores Aberdeenshire's commitment to the well-being of young people. These elements collectively signify a robust and responsive framework that places children's welfare at its heart.

Aberdeenshire Council's Risk and Resilience Initiatives

Introduction to the Risk and Resilience Team: The Aberdeenshire Council Risk and Resilience Team, established in 2020, has managed risk and enhanced resilience across the Council and beyond. Responses to various incidents, including avian flu outbreaks and severe weather events, demonstrate effectiveness, with crucial support and guidance provided to lead officers during emergencies.

Tools and Frameworks: Several tools and frameworks have been proactively developed by the team to enhance risk management. These include:

- The interim Persons At Risk Database (PARD).
- The Risk Appetite Statement.
- The digitisation of most Service Risk Registers.

Training and Skill Development: Training and exercises have been prioritised to equip Council officers with the necessary skills to respond to emergencies.

Future Focus Areas: Looking forward, focus areas include:

- Enhancing individual, household, family, and community resilience.
- Providing risk management education for Elected Members.
- Developing a Support Centre Framework.
- Providing guidance on legal obligations under the Terrorism (Protection of Premises) Bill.

Alignment with Strategic Goals: The Risk and Resilience Team's work aligns with Aberdeenshire's strategic focus on community resilience and safety. This proactive approach to risk management, coupled with commitment to training and development, positions Aberdeenshire well for future challenges. Future plans indicate continued commitment to enhancing individual, household, family and community resilience and preparedness, further strengthening Aberdeenshire's capacity to manage and respond to emergencies effectively.

Forward Look

Tackling Poverty and Inequality Annual Report

In March 2023, Aberdeenshire Council endorsed the Tackling Poverty and Inequalities Annual Report. This report sheds light on the strategic direction and developmental areas that are crucial for fostering positive outcomes for Aberdeenshire residents at risk of or currently living in poverty. The insights from this report offer a snapshot into the potential future landscape of Aberdeenshire and the steps being taken to make it more inclusive and supportive.

Key Development Areas:

- **Child Poverty Data Dashboard:** An integral initiative is the development of a Child Poverty data dashboard. This tool will play a pivotal role in informing the Child Poverty Action Plan, ensuring that both resources and priorities align with local and national data insights.
- **Cash First Partnership:** The Cash First Partnership remains an area of ongoing development. This initiative aims to provide support for individuals in crisis. With a broad-based approach to assistance, it addresses various challenges associated with poverty.

- **Strengthened Partnerships and Referral Pathways:** The importance of robust partnerships in this domain cannot be understated. By fortifying these relationships and enhancing referral pathways, the need for crisis intervention can be substantially reduced, creating a more preventative approach.
- **Co-production of Policies with Lived Experience:** There's a growing emphasis on the co-production of policies, services, and opportunities. Engaging with individuals who have firsthand experience of poverty ensures that policies are not just theoretically sound but practically effective and grounded in real-world challenges.
- **Support for Off-Grid Households:** A key focus is on ensuring households that are off the grid receive the financial aid they're entitled to. This is especially pertinent in the context of reducing fuel poverty, ensuring that no household is left in the cold due to financial constraints.
- **Enhanced Access in Rural and Remote Areas:** Aberdeenshire's diverse geography means that some residents live in rural and remote areas. Improving their access to services is critical to ensure that these services are not only reflective of local needs but are also inclusive, leaving no resident unsupported.

Assessment

The initiatives and strategies highlighted in the Tackling Poverty and Inequalities Group's Annual Report provide a comprehensive roadmap for Aberdeenshire's future. By addressing these key developmental areas, Aberdeenshire is positioning itself to be a region where every resident, irrespective of their economic status, can thrive.

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4 Environment:
Climate Change

Strategic Assessment

- **Climate change, largely due to human activities, is an immediate and current global concern**. We are already witnessing its impacts, from shrinking glaciers to shifting habitats. The rate at which these changes are occurring, in some instances faster than predicted, emphasises the immediacy of the issue.

- An approximate 1.1-degree Celsius temperature increase since pre-Industrial times underscores the significant human imprint on global climate shifts. **The trajectory of future climate outcomes is intrinsically tied to greenhouse gas emissions**, signifying the consequential nature of current decisions.

- The UK's "Build Back Greener" strategy outlines a comprehensive approach to achieving net-zero emissions by 2050. It spans various sectors, signalling the nation's multi-faceted and inclusive approach to tackle this challenge. The strategy's emphasis on a "**just transition**" highlights the nation's commitment to an equitable shift, balancing environmental objectives with societal wellbeing.

- Scotland's climate change policies articulate a clear vision and steadfast commitment towards a **net-zero emissions society by 2045**, five years ahead of the UK's target. This accelerated goal speaks to Scotland's ambition and determination to be at the forefront of climate action.

- Both the UK and Scotland's strategies consistently emphasise the **pivotal role of the public sector in spearheading societal transformation**. Simultaneously, they underscore the indispensable roles of businesses, the public, and international entities in transitioning to a low-carbon society. This holistic approach accentuates that addressing climate change is not only a collective duty but one that surpasses national boundaries, necessitating widespread collaboration and innovation.

- **The concept of a "just transition" is central to both the UK's and Scotland's strategies**, reflecting a recognition that while changes are essential, they must be executed in a manner that is equitable and ensures a brighter, inclusive future for all.

- Aberdeenshire Council's approach to climate change is **consistent with the Scottish Government's broader national climate change policies**. This synergy emphasises the council's commitment to not only locally driven goals but also to Scotland's – and the UK's – national ambitions.

- Aberdeenshire Council's Climate Change Declaration signifies a **strong dedication to addressing climate change**, evidenced by its ambitious target to reduce emissions by 75% by 2030. Introducing a carbon budget, the first of its kind for a Scottish local authority, further solidifies the council's integrated approach to financial and environmental sustainability.

- The numerous strategies and initiatives outlined in the Carbon Budget for 2023-2024, such as LED replacements, low emission vehicles, and the Sustainability Champions Programme, showcase **Aberdeenshire Council's holistic approach to carbon reduction**. The approach spans technological changes, infrastructure upgrades, educational efforts, and community engagement.

- Aberdeenshire Council, while showcasing commitment by integrating the Carbon Budget with the Medium-Term Financial Strategy, will doubtless grapple with **substantial financial and operational challenges**. Balancing significant investment needs with workforce capabilities will be crucial to the success of the organisation's carbon reduction aspirations.

- Climate Ready Aberdeenshire (CRA) champions a **structured, place-based approach to climate action**, fostering community-driven, cross-sector collaboration. By prioritising local contexts and leveraging an extensive network for knowledge and resources, CRA aims for holistic climate mitigation, adaptation, and community resilience, emphasising shared dialogue and commitment.

- 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. However, **challenges persist in sectors like Transport, Agriculture, and Domestic**, which, in part, relate to the region's unique infrastructural and sectoral composition. Despite commendable carbon sequestration via forestry, potential concerns arise from **high emissions in croplands and landfills.** (The introduction of the new Energy from Waste plant is expected to significantly mitigate landfill-related emissions.) The region's emissions trends, juxtaposed with other Scottish regions, underscore the need for a tailored, sector-specific approach to further reductions.

- Scotland has experienced marked climate shifts over recent decades, characterised by warmer temperatures, altered rainfall, and elevated sea levels, with 2014 being exceptionally warm. **Projections indicate warmer, wetter winters and hotter summers**, akin to those in 2018. Aberdeenshire mirrors these Scottish trends and is expected to encounter challenges across sectors like agriculture, infrastructure, and health due to these climatic shifts, underscoring the encompassing nature of Climate Change and the need for strategic climate adaptation.

- Considering the immediate global challenges posed by Climate Change and Aberdeenshire Council's alignment with the ambitious targets of both the UK and Scotland, the council's evident dedication and alignment with national goals emphasise the necessity of ongoing climate action focus. Given Aberdeenshire's distinct challenges and sector dynamics, it's **important for the council to persistently address climate change** with tailored strategies for mitigation, adaptation, and community resilience.

Assessment of Issues

Understanding Climate Change and the Nature Emergency: A Global Perspective

Current Reality of Climate Change: Climate change, driven by human-induced greenhouse gas emissions, is a present reality, not a future concern. Its impacts, such as shrinking glaciers, shifting animal habitats, and earlier plant blooming, are already evident. Predicted effects like sea ice loss, rising sea levels, and intensified heatwaves are unfolding.

IPCC's Warning and Assessment: The Intergovernmental Panel on Climate Change (IPCC) warns that the severity and pace of these changes hinge on our immediate mitigation and adaptation efforts. Some changes, like droughts and wildfires, are occurring faster than anticipated, with some being irreversible for centuries or millennia. The IPCC's Sixth Assessment report states that human activities have already warmed the climate by nearly 1.1 degrees Celsius since pre-Industrial times, with temperatures expected to rise further. The extent of future climate change effects will depend on our greenhouse gas emissions, underscoring the urgency of emission reduction.[19]

Understanding the nature emergency: The Global Climate Emergency and the Nature Emergency are twin reinforcing crises: the actions we take to address each are fundamental to our wellbeing and survival as a species. There is now an indisputable body of evidence that biodiversity, both globally and in Scotland, is in real trouble. 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.

Overview of the UK's Net Zero Strategy

"Build Back Greener" - A Path to Net Zero: The UK's Net Zero Strategy, titled "Build Back Greener", outlines the country's approach to achieving net-zero emissions by 2050. The strategy covers a wide range of sectors and highlights the need for a swift and significant transformation to a sustainable, low-carbon economy.

The document details the UK's commitment to reducing greenhouse gas emissions, adapting to climate change, supporting decarbonisation in the public sector, engaging with businesses and the public on decarbonisation and low carbon living, and leading international action on climate change.

The strategy also emphasises the importance of a just transition, ensuring fairness and creating a better future for everyone during the transition to a net-zero economy. It underscores the need for ongoing commitment, innovation, and collaboration to overcome the challenges associated with climate change and sustainability.

Scotland's Climate Change Policies: A Commitment to Net-Zero Emissions

Scotland's Ambition for a Net-Zero Future: Scotland's response[20] to this global crisis is encapsulated in its climate change policies[21], which are centred on transitioning to a net-zero emissions society for the benefit of the environment, people, and prosperity. The Scottish Government has set an ambitious target to achieve net-zero emissions of all greenhouse gases by 2045.

Key Components of Transformation: To realise this goal, a swift transformation across all sectors of the economy and society is imperative. The policies encompass:

- reducing greenhouse gas emissions
- adapting to climate change
- supporting decarbonisation in the public sector
- engaging with businesses and the public on decarbonisation and low carbon living
- leading international action on climate change.

The government is also committed to a just transition, ensuring fairness, and creating a better future for everyone during the transition to a net-zero economy.

Scotland's Biodiversity Strategy to 2045 - Tackling the Nature Emergency: The Scottish Biodiversity Strategy's vision sets out Scotland's response to the challenge of the nature emergency as follows: "By 2045, Scotland will have restored and regenerated biodiversity across our land, freshwater and seas. Our natural environment, our habitats, ecosystems and species, will be diverse, thriving, resilient and adapting to climate change. Regenerated biodiversity will drive a sustainable economy and support thriving communities and people will play their part in the stewardship of nature for future generations." National Planning Framework 4 puts the twin global climate and nature crises at the heart of the vision for a future Scotland.

Aberdeenshire's Response to Climate Change and the Nature Emergency: Local Action within a National Framework

Aligning with National Climate Change Policies: In the broader context of global climate change, Aberdeenshire Council's actions align with the Scottish Government's national climate change policies, demonstrating a commitment to reducing emissions, promoting sustainable practices, and supporting a socially fair transition. As part of the nationwide effort, Aberdeenshire contributes to the goal of achieving net-zero emissions by 2045.

Aberdeenshire Council's Climate Change Commitment: Aberdeenshire Council's Climate Change Declaration demonstrates a robust commitment to sustainability and climate change mitigation.
- **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.

- **Carbon Budget Implementation:** As part of this commitment, the council has implemented a carbon budget, the first local authority in Scotland to do so, ensuring that equal focus is placed on reducing the carbon footprint as on financial budgets.
- **Route Map to 2030 and Beyond:** The council also has a Route Map to 2030 and Beyond, highlighting actions and timelines to support the progress towards its climate change goals.
- **Resources and Circular Economy Commitment:** Furthermore, the council has developed a Resources and Circular Economy Commitment, moving towards greater sustainability in the management of physical resources and supporting a more circular economy.

Alignment with National Nature Emergency Policies: Aberdeenshire Council is a signatory to the [Edinburgh Declaration on the post-2020 global biodiversity framework](#) and reports to Scottish Government every 3-years on action taken to meet our statutory [Biodiversity Duty](#).

Comprehensive Approach: These initiatives, along with strategies on transportation, biodiversity, and procurement, reflect the council's comprehensive approach to environmental sustainability and climate change mitigation.

This alignment of local and national efforts, underpinned by global directives, is crucial in addressing the multifaceted challenges of climate change.

Specific Strategies and Initiatives for Carbon Reduction in Aberdeenshire Council

Strategies and Initiatives for Carbon Reduction: The latest Carbon Budget (2023/24) outlines several strategies and initiatives that Aberdeenshire Council is implementing to reduce its carbon emissions. Here are some of them:

1. **LED Replacements and Building Upgrades**: The council is planning to replace existing lighting with LED alternatives and upgrade buildings to improve energy efficiency.
2. **Low Emission Vehicles**: The council is planning to add more low emission vehicles to its fleet.
3. **Feasibility Studies**: The council is conducting feasibility studies on its operational buildings to identify opportunities for future carbon budgets. These studies include exploring the use of air source heat pumps, photovoltaic installations, oil to electric heat source at a rural primary school, LED installations, wind generation, solar farms, battery storage, extending the non-domestic energy efficiency program, and collating the carbon benefit from other programs of activity.
4. **Sustainability Champions Programme**: This program consists of 36 staff from across Council Services, who meet monthly to network and develop project ideas. The latest project is focusing on how staff can improve energy efficiency at home and in the workplace.
5. **Local Heat and Energy Efficiency Strategy (LHEES)**: The council is developing the LHEES to support area-based planning and delivery of the heat

transition by decarbonising heating in buildings and improving energy efficiency across an entire local authority area.

6. **Education and Children's Services Directorate's Sustainability and Climate Change Strategy**: This strategy highlights many outcomes related to behavioural change which should impact the Council's emissions in a positive way.

7. **Housing Service's Energy Efficiency Measures**: The Housing Service is working on energy efficiency measures, solar PV generation, battery storage, and heat decarbonisation which will reduce the wider emissions within the area.

8. **Climate Ready Aberdeenshire (CRA)**: This initiative aims to capture the wider influence of action on climate change across the region of Aberdeenshire by the public, private and third sectors including action in our communities.

9. **Carbon Budget Toolkit**: This toolkit was developed to provide estimates and allow better management, prioritisation, and monitoring of projects. It sets some assurances of the annual costs and carbon reduction potential to deliver decarbonisation projects.

10. **Developing our Youth Workforce Programme**: This programme is already building in courses and programmes that will support climate change and sustainability.

Aberdeenshire Council's Carbon Budget for 2023-2024: The budget presents a comprehensive and ambitious plan to reduce carbon emissions, aligning with the Council's commitment to a 75% reduction by 2030. The strategies and initiatives outlined are promising steps towards achieving this target.

Challenges and Considerations: However, the success of these initiatives is contingent on several factors. The financial implications are significant, with an estimated total investment of £128,143,000 required to reach the 75% reduction target. This will necessitate substantial external funding, as the Council cannot fund this work alone from its Revenue and Capital Budgets[e].

Furthermore, the Council may need to augment its workforce with project-specific leads and develop the skills of its existing staff to manage and deliver the extensive programme of work required. The Council may also need to leverage external knowledge and expertise as it develops in industries across the area focusing on energy transition and biodiversity.

Integration with Medium-Term Financial Strategy and Budgeting Process: Positively, Aberdeenshire Council agreed that the Carbon Budget be integrated with the Medium-Term Financial Strategy and financial budget setting process for 2024/25[22].

Conclusion: While the Council's Carbon Budget for 2023-2024 is a robust plan that demonstrates a strong commitment to reducing carbon emissions, it also presents

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[e] It's important to highlight that these figures are still projections, derived from the assumptions made within the Carbon Budget Toolkit, which was created in conjunction with the Route Map 2030 and Beyond. The accuracy of these estimates may significantly evolve over time due to annual project feasibility studies and other variables such as fluctuations in energy costs and material supply and demand.

significant financial and operational challenges. The Council's ability to secure necessary funding, develop its workforce, and effectively implement and manage its proposed initiatives will be critical to the plan's success.

Specific Strategies and Initiatives to tackle the Nature Emergency in Aberdeenshire

Strategies and Initiatives to tackle the Nature Emergency: There are several initiatives that Aberdeenshire Council is leading or is key partner in that are focussed on implementing <u>nature based solutions</u> to tackling the nature emergency. Here are some of them:

1. **Aberdeenshire Council Pollinator Action Plan:** The Pollinator action plan (2022-27) is a cross Service document that identifies key areas of Council work up to March 2027 in alignment with The Pollinator Strategy for Scotland.
2. **Securing positive effects for biodiversity in Development Management**: Implementing NPF4s requirement for biodiversity enhancement through current planning advice through <u>securing positive effects for biodiversity in new development</u>.
3. **Aberdeenshire Greenspace Project:** The project takes into account a number of different approaches to protect and enhance the environment working with local communities.
4. **Working with external partners focusing on nature and biodiversity:** Partnership projects and initiatives include North East Scotland Invasive Non-Native Species Forum, North East Scotland Biodiversity Partnership, Dee Catchment Partnership, Ugie Peatland Project.
5. **Management of Aberdeenshire's woodland resources:** Council owned and managed woodland are managed and secured for the future to provide carbon stores and places for nature.
6. **Local Nature Conservation Sites:** Network of Local Nature Conservation sites secured through the Local Development plan.
7. **Aberdeenshire Council Nature Recovery Strategy - towards net zero:** Ongoing work to develop a cross service nature positive strategy to draw together and focus action on nature-based solutions for Aberdeenshire Council.
8. **North East Scotland Biological Record Centre (NESBReC**): NESBReC manages a database of biodiversity information on protected sites, habitats and species and acts as a hub for biological information exchange pertaining to the biodiversity of North East Scotland.
9. **Aberdeenshire Council Ranger Service:** Increasing awareness, understanding, care and responsible use of the natural environment.

Climate Ready Aberdeenshire: A Collaborative Approach to Climate Change Adaptation and Mitigation

Introduction to Climate Ready Aberdeenshire (CRA): Climate Ready Aberdeenshire is a cross-sector initiative aimed at creating a climate change adaptation and mitigation strategy for the Aberdeenshire region. The initiative brings together a diverse range of stakeholders from communities, public, private, and third

sector organisations to collaboratively address the challenges of climate change within Aberdeenshire.

CRA is a voluntary cross-sector network to create and coordinate a strategy for Aberdeenshire to mitigate climate change, adapt and build resilience to its impacts, to protect and enhance biodiversity, and contribute to a sustainable economy and communities across the region.

CRA's Structure, Leadership and Priority Areas: CRA is led by a small Steering Group which supports a Member Group and a broader network of representatives from organisations throughout the North East of Scotland. Working groups were established initially for a limited period to support the development of the CRA Strategy. Their aim was to bring together experts from across the network to initiate the process of highlighting the opportunities, challenges, and gaps in work under four Climate Priority Areas – Adaptation and Resilience, Mitigation and Net Zero, Protecting and Enhancing Biodiversity, and Sustainable Economy and Communities. Utilising the members network, CRA will update and maintain an Activity Log to capture current and planned projects under each of these Climate Priority Areas, including strategic intents to 2030.

CRA's Shared Vision:

"All sectors, including public, private and the community, are increasingly engaged in shared dialogue, shared goals and shared action relating to climate, biodiversity, and sustainability in support of a flourishing Aberdeenshire."

Through its network, CRA's objectives are to:

- Increase the understanding and awareness of climate change risks, challenges, and opportunities within Aberdeenshire.
- Encourage the use of a place-based approach when engaging with communities on how to mitigate and adapt to climate change.
- Support decision-makers to contribute to the delivery of local and national commitments to climate change that mutually benefit Aberdeenshire's environment, economy, and people.
- Ensure that network members are best placed, within their remit, to provide knowledge, advice, and support on climate change mitigation and adaptation action, including helping to signpost businesses, community groups, and individuals to resources, projects, and funding opportunities to deliver change.

Assessment

Scotland's commitment to transitioning to a net-zero emissions society by 2045 is a driving force in combating climate change and promoting environmental sustainability on both national and local levels. The alignment of government policies, the initiatives by Aberdeenshire Council, and the collaborative efforts of Climate Ready Aberdeenshire (CRA) all reflect a proactive and multi-dimensional approach. While the ambitious goals and comprehensive strategies are laudable, the path towards net-zero presents significant financial, operational, and workforce challenges. The success of these plans requires robust collaboration, continuous monitoring, and investment

across all sectors, including the public, private, and third sectors. The integration of sustainability in budgeting, clear emission reduction targets, and a dedication to education and community engagement all form a vital roadmap. However, the attainment of these goals will depend on a well-coordinated, adequately funded, and widely supported implementation process that adapts to emerging challenges and opportunities. The amalgamation of local and national efforts, coupled with a just and fair transition, is pivotal in shaping a resilient, sustainable future for Aberdeenshire and Scotland.

Aberdeenshire Data

Greenhouse Gas Emissions Overview: Greenhouse Gas Emissions[23] are an important aspect of understanding the environmental impact of regions and nations. In Aberdeenshire the data from 2005 to 2021 provides insight into emissions from various sectors. From domestic use and transport to waste management and land-use changes, this dataset offers a perspective on Aberdeenshire's contribution over the years

Greenhouse Gas Emissions per capita represent the average emissions attributed to each individual in a specific geographical area. This metric provides an objective perspective on the total emissions stemming from sectors such as Industry, Commercial, Public Sector, Domestic, Transport, LULUCF Net Emissions, Agriculture, and Waste Management. The following chart showcases the Greenhouse Gas Emissions per capita for Aberdeenshire alongside other council areas in Scotland from 2005 to 2021. Such a representation highlights trends and variations in regional carbon footprints over the years.

Figure 18: Total Greenhouse Gas Emissions per Capita (tCO2e), Aberdeenshire Compared to All Other Scottish Council Areas, 2005 to 2021
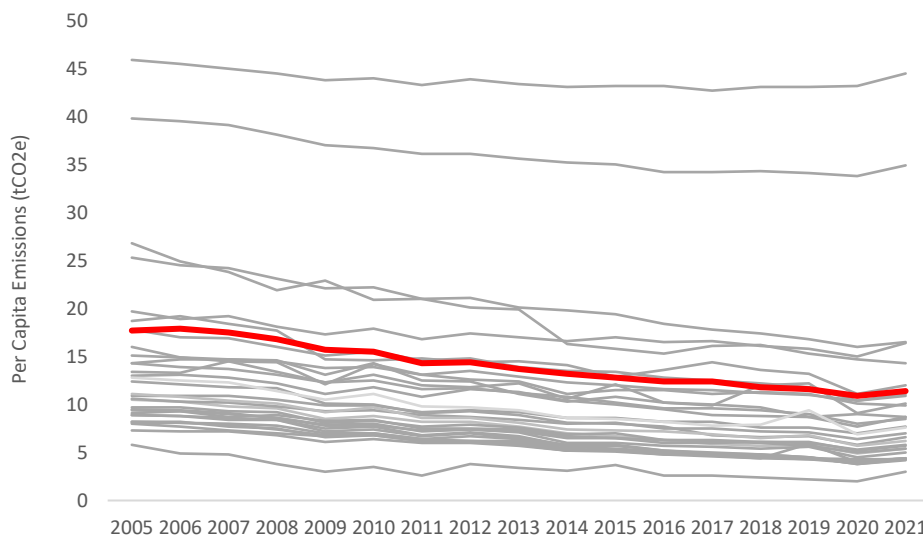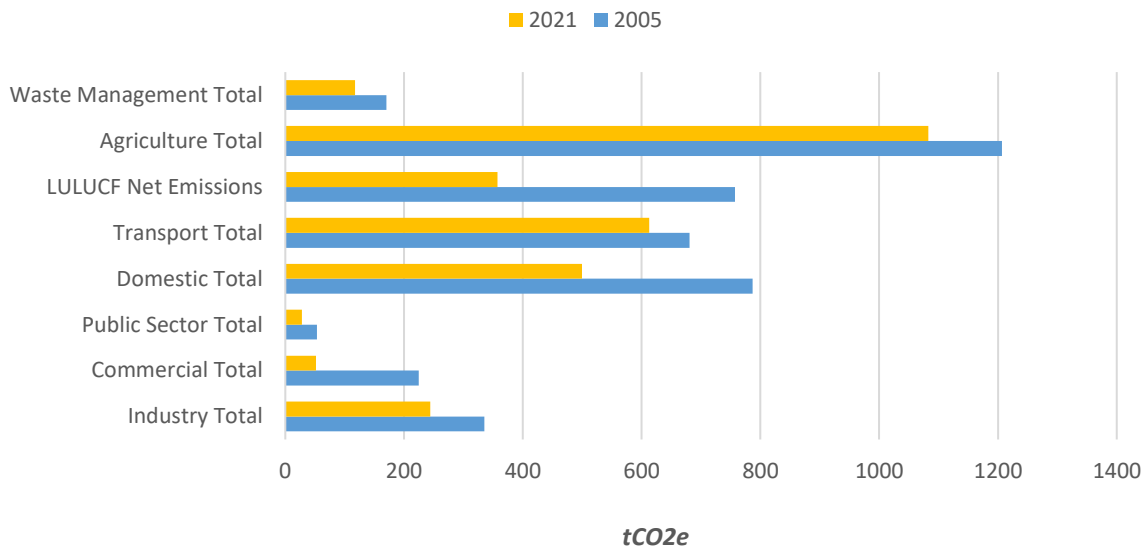

Source: UK Government

Aberdeenshire's Progress in Reducing Emissions: While Aberdeenshire has made significant strides in reducing its CO2 emissions per capita over the years, it

remains comparatively higher than some other Scottish regions. The reasons for this might be attributed to the sectors dominant in the area, such as industry, agriculture, or transport, which might have a larger carbon footprint.

Comparing greenhouse gas emissions by sector provides valuable insights into the evolving environmental landscape of a region. The following chart illustrates the differences in sectoral emissions within Aberdeenshire between 2015 and 2022, highlighting areas of progress and persistent challenges.

Figure 19: Total Greenhouse Gas Emissions per Sector (tCO2e), Aberdeenshire, 2015 Compared to 2021

tCO2e

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%

While the Transport sector registered a decline, it was comparatively minor at 10%. Additionally, despite the substantial dip in LULUCF Net Emissions, the Agriculture sector only recorded a modest 10% decrease, highlighting the ongoing challenges faced in mitigating emissions in this sector.

Specific Sector Analysis: It's 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.

- **Domestic Sector:** In the Domestic Sector, only the Highland Council area surpasses Aberdeenshire in 'Domestic – Other' emissions. This indicates that

Aberdeenshire might heavily rely on domestic oil and solid fuels or frequently use products that emit nitrous oxide, among other potential factors. The notable number of homes in the region not connected to the gas network could be a significant contributor to this high emission level.

Recognising these challenges, data reveals a consistent upward trend in the installation of energy efficiency measures in Aberdeenshire's private and social housing sectors, exceeding set targets over the past four years. In 2022/23, a total of 4,599 measures were installed, significantly surpassing the target of 2,765. This includes a variety of improvements, such as solar PVs, external door upgrades, window upgrades, and battery storage systems in social housing, and external wall insulation, solar PVs, and underfloor insulation in private housing. The full utilisation of the £3,364,062 funding for these installations in 2022/23 further underscores Aberdeenshire Council's commitment to enhancing energy efficiency as part of the climate agenda.

- **Transport Sector:** Aberdeenshire's primary emissions in this sector stem from its A-road network. In 2021, only the Highland area reported higher emissions, indicating a strong correlation between an area's geographical size and emissions in this sub-sector. Additionally, Aberdeenshire consistently ranks among the top regions for vehicle kilometres travelled annually, which could be a significant contributor to this high emission level.

- **LULUCF Net Emissions: In** 2021, Aberdeenshire demonstrated a proactive approach to environmental management. The region's forests effectively sequestered CO2, reflecting mature forestry practices. However, emissions from croplands indicate areas for potential refinement, possibly due to intensive agriculture. Grasslands in Aberdeenshire are also commendably acting as carbon sinks.

  While minor emissions from wetlands and settlements point to human impact, the net LULUCF emissions of 357.4 kt CO2 highlight a balance between production and conservation. Aberdeenshire's challenge remains in optimising this balance for both economic growth and environmental stewardship.

- **Waste Management:** Aberdeenshire ranks relatively highly in terms of landfill emissions and other, related emissions. Aberdeenshire's distinct landfill emissions can be attributed to several intertwined factors. Primarily, methane emissions from landfills arise due to the decomposition of biodegradable waste. The methodology for allocating these emissions traces them back to the origin of the waste, either from households or industries, instead of just the location of the landfill. When specific landfill data isn't available for an area, waste is allocated based on population statistics, potentially influencing Aberdeenshire's attributed emissions. Additionally, other waste management procedures in the region, such as wastewater treatment and composting, further contribute to the greenhouse gas emissions. These collective factors may contribute to the region's pronounced emissions stemming from landfills and related activities.

Assessment

Aberdeenshire's environmental profile from 2005 to 2021 reflects a blend of commendable achievements and ongoing challenges. While the region has made significant strides in several areas, the data underscores the importance of holistic strategies and continuous efforts in addressing specific sectoral challenges to achieve overarching sustainability goals.

Governance of Climate Change Priorities in Aberdeenshire: The Role of the Sustainability Committee

The governance of Aberdeenshire Council regarding the climate change priority is structured through its Sustainability Committee. The committee's remit includes approving, reviewing, and monitoring the Council's work in respect of sustainable development and climate change to ensure compliance with relevant statutory duties, particularly in reference to the Climate Change Action Plan.

Monitoring and Managing Greenhouse Gas Emissions: The Sustainability Committee is actively engaged in monitoring and discussing various aspects of Aberdeenshire Council's climate change and sustainability initiatives. The committee's focus on the Carbon Budget suggests a strong emphasis on tracking and managing the council's greenhouse gas emissions. This active monitoring role is a crucial part of the committee's responsibilities and contributes to the effective implementation of Aberdeenshire's climate change and sustainability strategies.

Strategic Planning - Draft Energy Strategy & Just Transition Plan: The committee also plays a role in broader strategic planning for energy and climate change, as evidenced by its consideration of the Draft Energy Strategy & Just Transition Plan Consultation. This involvement in strategic planning indicates that the committee is not only focused on current initiatives but is also looking ahead to the future of energy and climate change in Aberdeenshire.

Assessment

Based on this structure, it can be inferred that Aberdeenshire Council has a robust governance system in place for addressing its climate change priority. The existence of a dedicated Sustainability Committee indicates a clear commitment to tackling climate change and promoting sustainable development. The committee's responsibilities cover key aspects of climate change governance. This suggests that Aberdeenshire Council is well-positioned to implement its climate change and sustainability strategies effectively.

Potential Challenges

While Aberdeenshire's strategy on climate change and sustainability is comprehensive, implementing such a strategy is not without its challenges:

- **Resource Constraints**: Implementing sustainability initiatives often requires significant financial and human resources. Budget constraints, particularly in the context of other pressing needs, can pose a challenge to the implementation of sustainability initiatives.
- **Technological Challenges**: The transition to a low-carbon, sustainable economy often requires the adoption of new technologies, such as renewable energy systems or energy-efficient infrastructure. The availability, cost, and technical feasibility of these technologies can pose challenges.
- **Behavioural Change**: Promoting sustainable behaviours among residents and businesses can be challenging. This requires not only raising awareness and providing information but also addressing barriers to change, such as convenience, cost, or cultural preferences.
- **Coordination and Collaboration**: Climate change and sustainability are cross-cutting issues that require coordination across different sectors and levels of government. Achieving this coordination, and fostering collaboration with businesses, community groups, and other stakeholders, can be challenging.
- **Measuring and Monitoring Progress**: Tracking progress towards sustainability goals requires robust data and monitoring systems. Collecting, managing, and analysing this data can be complex and resource intensive.
- **Climate Change Impacts**: Despite mitigation efforts, Aberdeenshire will still need to deal with the impacts of climate change, such as increased flood risk or changes in agricultural conditions. Adapting to these changes can be challenging and requires proactive planning and investment.
- **Equity and Fairness**: Ensuring that the transition to a sustainable, low-carbon economy is fair and equitable is a significant challenge. This includes addressing potential job losses in certain sectors, ensuring access to affordable and sustainable energy, and considering the needs of vulnerable groups.
- **Partnership Working**: Collaborative efforts in climate change present several challenges. Aligning diverse stakeholder interests and objectives can be complex, and resource allocation may be difficult due to varying needs. Communication and coordination among multiple parties require clear strategies and digital tools. Measuring the impact of collective efforts necessitates defined success metrics, and maintaining stakeholder engagement can be challenging, particularly if progress is perceived to be slow. Despite these hurdles, careful planning, open communication, and shared commitment can overcome these obstacles, leading to comprehensive solutions to climate change.

Assessment

Addressing these challenges will require ongoing commitment, innovation, and collaboration. However, by adopting a holistic approach that addresses these

challenges[f], Aberdeenshire can not only overcome these obstacles but also turn them into opportunities for innovation and improvement. This will enable the council to continue making progress towards its sustainability goals and contribute to the broader fight against climate change.

Forward Look

Over the last few decades, Scotland has experienced a warming trend, shifting rainfall patterns, and rising sea levels. Scotland's 10 warmest years on record have all occurred since 1997. The average temperature in the last decade (2010-2019) was 0.69°C warmer than the 1961-1990 average, and the warmest year on record was 2014. There has been an increase in rainfall over Scotland in the past few decades, with an increasing proportion of rainfall coming from heavy rainfall events. The annual average rainfall in the last decade (2010-2019) was 9% wetter than the 1961-1990 average, with winters 19% wetter.

Future Climate Change[24]

The changes in climate that we are already experiencing are projected to continue and intensify. Average temperatures will increase across all seasons, typical summers will be warmer and drier, typical winters will be milder and wetter, intense heavy rainfall events will increase in both winter and summer, sea levels will rise, reduced frost and snowfall, and weather may become more variable.

Winter Projections: Winter temperatures are projected to increase. Winters are projected to become wetter, in terms of both the total amount of rainfall and the number of wet days. The increase is expected to be larger in western Scotland compared to the east. The intensity of rainfall on the wettest days is also expected to increase.

Summer Projections: Temperatures are projected to increase in both summer and winter, with warming expected to be greatest in summer. Climate change has already increased the chance of seeing a summer as hot as the summer of 2018 to between 12 and 25%. With future warming, hot summers by mid-century could become even more common, near to 50%.

Aberdeenshire will likely experience similar climate changes. This includes warmer temperatures, increased rainfall, particularly in winter, and potentially more extreme weather events. These changes could have significant impacts on various sectors in Aberdeenshire, including agriculture, infrastructure, and public health, among others. It underscores the importance of climate adaptation strategies to mitigate these potential impacts.

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[f] For instance, by leveraging funding opportunities, fostering technological collaboration, promoting sustainable behaviours, coordinating efforts, investing in data management, integrating climate adaptation into planning, and adhering to just transition principles.

Aberdeenshire, in line with the broader climatic trends in Scotland, is already experiencing notable shifts such as warmer temperatures, altered rainfall patterns, and more extreme weather events. The projections for both winter and summer indicate that these changes are expected to continue and intensify.

Recognising these challenges, Aberdeenshire has been actively engaged in climate adaptation strategies, aimed at mitigating potential impacts. The ongoing efforts in adaptation not only underscore the region's commitment to resilience and sustainable development but also highlight the necessity of continuing to evolve these strategies in response to the changing climate landscape. The convergence of efforts across various sectors, aligning with Scotland's wider climate goals, will be crucial in shaping a future for Aberdeenshire that safeguards both its economic vitality and environmental integrity in the face of a changing climate.

Economy:
Economic Growth

Strategic Assessment

- **The global economy, while showing signs of recovery, remains volatile**. The relatively stable growth forecasts by the OECD indicate a cautious optimism, but **inflation and rising interest rates**, especially in real estate and financial sectors, **pose significant concerns**. Additionally, persistent global issues like the conflict in Ukraine could destabilise markets.

- Scotland's economic trajectory, as delineated by the Scottish Fiscal Commission, indicates modest growth. The **primary challenges revolve around inflation, stagnant wage growth, and demographic changes, like an ageing population**. Nonetheless, investment influxes, particularly in the North East, signal positive economic shifts, emphasising renewable energy and infrastructure development. For Aberdeenshire, pledges towards the North Sea oil and gas industry promise economic invigoration but come with environmental concerns and reputational risks.

- From 1998 to 2014, Aberdeenshire enjoyed strong economic growth in terms of Gross Value Added (GVA). However, **economic growth stagnated after 2014**, shaped by global oil price changes and the impact of the COVID-19 pandemic. This highlights a potential vulnerability given the significance of the oil industry in the region.

- **A substantial portion of Aberdeenshire's economic output is concentrated in its top-performing Data Zones**. While this concentration is indicative of these zones' criticality, it also signals potential economic vulnerabilities if these zones face downturns. Targeted investments and policies in these key areas might bolster regional stability and growth. However, for long-term sustainability, a broader regional development approach should be considered to spread the economic benefits and reduce dependency.

- The different sectors driving the region's GVA growth in the mid-term versus the long-term provide insights into where future investments or policies might be directed. For example, with sectors like Information and Communication consistently driving growth**, policies promoting digital literacy, tech startups, or infrastructural enhancements in this domain may prove beneficial.**

- Aberdeenshire's median household income, significantly higher than the Scottish average in 2022, demonstrates a **generally prosperous region**. Yet, certain settlements in the northern portion of the council area indicate **pockets of economic disparity**. This combination of wealth and pockets of low income suggests a need for targeted policy interventions to ensure a more equitable economic distribution.

- The region's employment strength in specialised industries like Mining Support Service Activities highlights a reliance on specific sectors. However, with forecasts indicating contraction in areas such as the Energy sector, there's an evident **need to**

pivot towards growing sectors like Health and Social Care, Tourism, and Professional and Scientific fields. Strategic investments and policy decisions will be imperative to ensure sustainable employment growth and diversification.

- Despite historically boasting one of the lowest unemployment rates across Scottish Council areas, **Aberdeenshire does not appear to have fully rebounded from the impacts of the 2014 global oil price downturn**. The enduring elevated unemployment rates, relative to the pre-pandemic era, suggest deep-seated, sector-specific challenges. The region's historical reliance on the oil and gas sector might necessitate broadened diversification efforts for sustainable economic resilience.

- The North East's Regional Economic Strategy illustrates **a proactive and forward-thinking vision towards embracing the future**, with a particular emphasis on economic diversification and sustainable growth. This multifaceted approach **extends beyond traditional sectors such as oil and gas, encompassing areas like digital, tourism, and life sciences**. It is underscored by a commitment to green energy, natural capital preservation, community asset ownership, and the development of digital skills. By aligning with overarching national and UK-wide environmental strategies and weaving these ambitions into its core, **the region demonstrates a nuanced commitment to not only economic and environmental sustainability but also capitalising on new global sustainable economic opportunities**. This broader perspective can serve as a **buffer against future sector-specific shocks**, akin to the 2014 oil price downturn, enriching the regional experience and creating a more resilient economic landscape.

- The Aberdeen City Region Deal (ACRD) symbolises **a comprehensive and forward-leaning effort to catalyse Aberdeenshire's economic growth**, with a pronounced emphasis on technology, digital infrastructure, and sustainability. The expansion in funding, chiefly driven by increased private sector investment, not only highlights the corporate sector's trust in Aberdeenshire's strategic direction but also foreshadows potential amplified investments and employment opportunities in the region's emerging and vital sectors.

- Global trends from the World Economic Forum's Future of Jobs Survey **highlight the centrality of technology in shaping the workforce**. With digital transformation and technological roles in focus, there's an impending need for extensive retraining. The North East region, with its advancements in digital infrastructure, could potentially prioritise adaptive skill development, training in emerging tech fields, and fostering local talent to align with global changes. The emphasis on green energy and renewable sources also presents Aberdeenshire with an opportunity to bolster its renewable energy initiatives, particularly with investments like the Kintore Hydrogen project.

Assessment of Issues

State of the Global Economy[25]

Global Economic Slowdown: The global economy is projected to slow down due to the lingering effects of the pandemic, the Russian Federation's invasion of Ukraine, and the tightening of monetary policy to control high inflation. Despite stronger-than-expected growth in major economies like the United States, global activity is expected to decelerate in 2023, particularly in advanced economies. This slowdown is expected

to be more severe for Emerging Market and Developing Economies (EMDEs) with elevated fiscal vulnerabilities and external financing needs.

Inflation Pressures and Growth Predictions: Inflation pressures persist, with core inflation remaining elevated in many countries. Energy prices have eased due to weaker global growth prospects and a warmer-than-expected Northern winter, while metal prices have fluctuated due to changes in China's recovery pace. Global growth is forecast to slow from 3.1% in 2022 to 2.1% in 2023, before edging up to 2.4% in 2024.

Downside Risks to the Outlook: Risks to the outlook remain tilted to the downside, with potential triggers including mounting concerns about balance sheet quality, continued losses in the heavily leveraged commercial real estate sector, or the ongoing decline in house prices in many countries. In the longer term, the decades-long slowdown of the fundamental drivers of potential growth may be exacerbated by trade fragmentation and climate-related natural disasters.

State of the Scottish Economy

Scotland's economy experienced varied performance in different sectors over recent months. This section provides an overview of key economic indicators including GDP, business activity, labour market statistics, international trade, investment, and workplace trends. It highlights the challenges faced by businesses such as rising costs, recruitment difficulties, and concerns over international trade, while also detailing responses to these challenges. The information is current as of August 2023 and aims to offer an insight into the Scottish economy's present state.

Economic Performance

- **GDP and Sectoral Output:** Scotland's onshore GDP fell by 0.4% in the recent quarter, with declines in both manufacturing and service sectors.
- **Business Activity and Optimism:** Growth in business activity has slowed, with weakened optimism due to various economic pressures, including rising interest rates and cost of living.

Business Landscape

- **Turnover and Challenges:** Reporting of increased turnover has declined, with businesses highlighting labour and material costs as key challenges.
- **Export Dynamics:** Consistent export rates are marred by reduced exporting for some businesses, with increased costs and paperwork cited as main hindrances.

Labour Market

- **Employment Statistics:** Unemployment remains low but has risen slightly, with a decrease in the employment rate.
- **Payroll and Wages:** An increase in payrolled employees is accompanied by a rise in median weekly wages.

- **Skills and Talent:** Access to skills is a challenge, with 39% of businesses reporting worker shortages and various strategies being employed to cope.

Inflation and Economic Concerns

- **Inflation and Energy Prices**: Alongside recruitment challenges, businesses are increasingly concerned about inflation, energy prices, falling demand, and rising interest rates.

Current Business Sentiment (Feedback from Scottish Enterprise Customers: August 2023)

- **General Sentiment:** Despite challenges, businesses remain cautiously optimistic, with growth as a key focus.
- **Labour and Skills Shortages and Jobs:** Staff and skills shortages continue to challenge businesses across sectors, with various strategies being employed to address these issues.
- **Business Costs and Supply Chains:** High costs of raw materials and energy persist, with businesses investing in efficiency and alternative supply strategies.
- **International Trade:** Ongoing challenges in trade with Europe are leading to changes in supply strategies, sometimes increasing costs and carbon footprints.
- **Investment:** Economic uncertainty and rising interest rates have led to a cautious approach towards capital investment.
- **Workplace:** Expansion challenges include a shortage of suitable premises for businesses that have outgrown their current locations.

Assessment

The prevailing global economic conditions, marked by an anticipated slowdown, inflation pressures, and associated risks, pose potential challenges to Aberdeenshire's economic environment. Coupled with the specific challenges within the Scottish economy, such as the recent decline in GDP, increased costs, and labour shortages, Aberdeenshire faces a complex economic landscape that may require targeted strategies and adaptability to navigate effectively. Strategies to bolster resilience might include enhancing efficiency, diversifying supply chains, and investing in skills development to mitigate the broader economic pressures. The region's alignment with the broader strategic goals of Scotland and its ability to adapt to the changing global and national economic landscape will be instrumental in shaping its economic prospects in the coming years.

As the global economic landscape presents its challenges and opportunities, Scotland's own economic trajectory provides a more immediate context for the North East's forward-looking Regional Economic Strategy.

Aberdeenshire Economic Profile

Gross Value Added (GVA): This metric quantifies the economic contribution of each producer, industry, or sector within Scotland. Essentially, it represents the value of produced goods and services minus the cost of the raw materials and other consumed inputs during production. As a critical metric used to calculate GDP, GVA provides policymakers with invaluable data. This information assists in evaluating the impact of policy interventions, identifying sectors and regions that may benefit from incentives, and in shaping tailored policy strategies.

Figure 20 below presents time series GVA per head data for each local authority area in Scotland, 1998 to 2021.

Figure 20: Gross Value Added (GVA) per Head of the Population, Aberdeenshire and Aberdeen City in the Context of all other Scottish Council Areas, 1998-2021
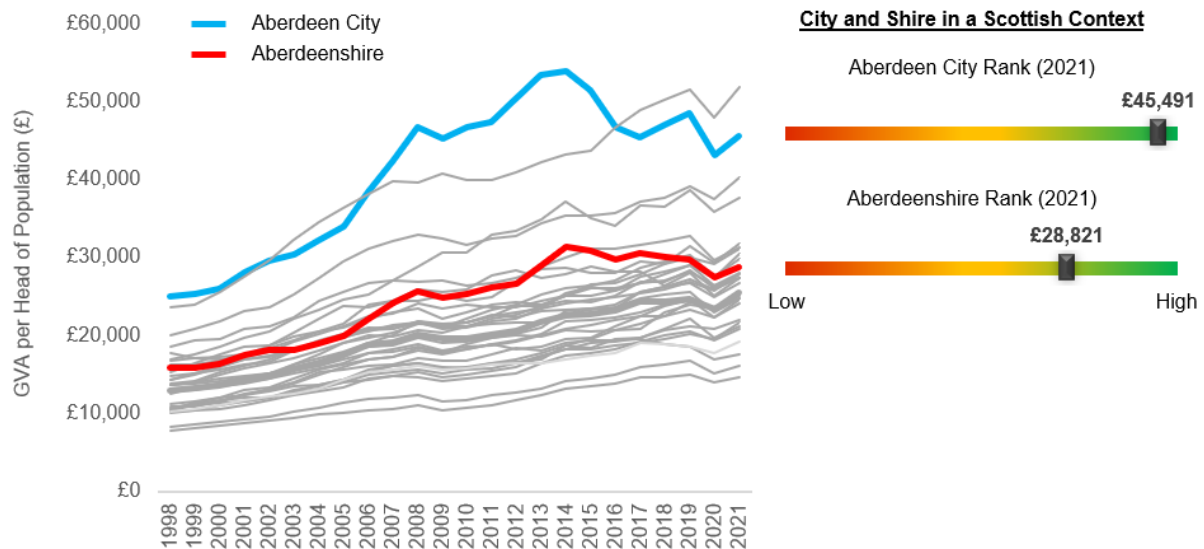
Source: Office for National Statistics

Aberdeenshire GVA[26]

- **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. Aberdeen City experienced a similar decline post-2014. The decline in GVA post-2014 for areas like Aberdeenshire and Aberdeen City might be linked to global oil price fluctuations, given the significance of the oil and gas industry in this region. And the 2020 decrease is likely due to the economic impact of the COVID-19 pandemic, affecting businesses, employment, and overall economic activity.
- **Recovery:** In 2021, there's a slight increase in GVA to £28,821, indicating some recovery or growth. Aberdeenshire's GVA per head equated to the 10th highest in Scotland that year, positioning it in the mid to upper range. Aberdeen City

generally has a higher GVA per head of population throughout the years. In 2021, the city's GVA equated to £45,491 – considerably higher than Aberdeenshire's rate and the Scottish average (27,447).   Indeed, Aberdeenshire's GVA rate was the 2nd highest in Scotland, after Edinburgh. The City lost the top spot in 2017, which coincided with the tail-end of the global oil price slump.

GVA per Data Zone

Gross Value Added (GVA) per Data Zone, sourced from the ONS, provides insight into the economic performance of individual regions. The colour-coded map (Figure 21) presents a visual representation, highlighting variations in productivity across Aberdeenshire's Data Zones.

To ensure a robust representation of Aberdeenshire's economic performance, especially considering the unprecedented circumstances surrounding COVID-19, the mapped data represents a three-year average up to 2020. This approach mitigates any anomalies or distortions caused by the pandemic's effects on the 2020 figures.

Figure 21: Gross Value Added per Aberdeenshire Data Zone, 2018-2020 average[27]
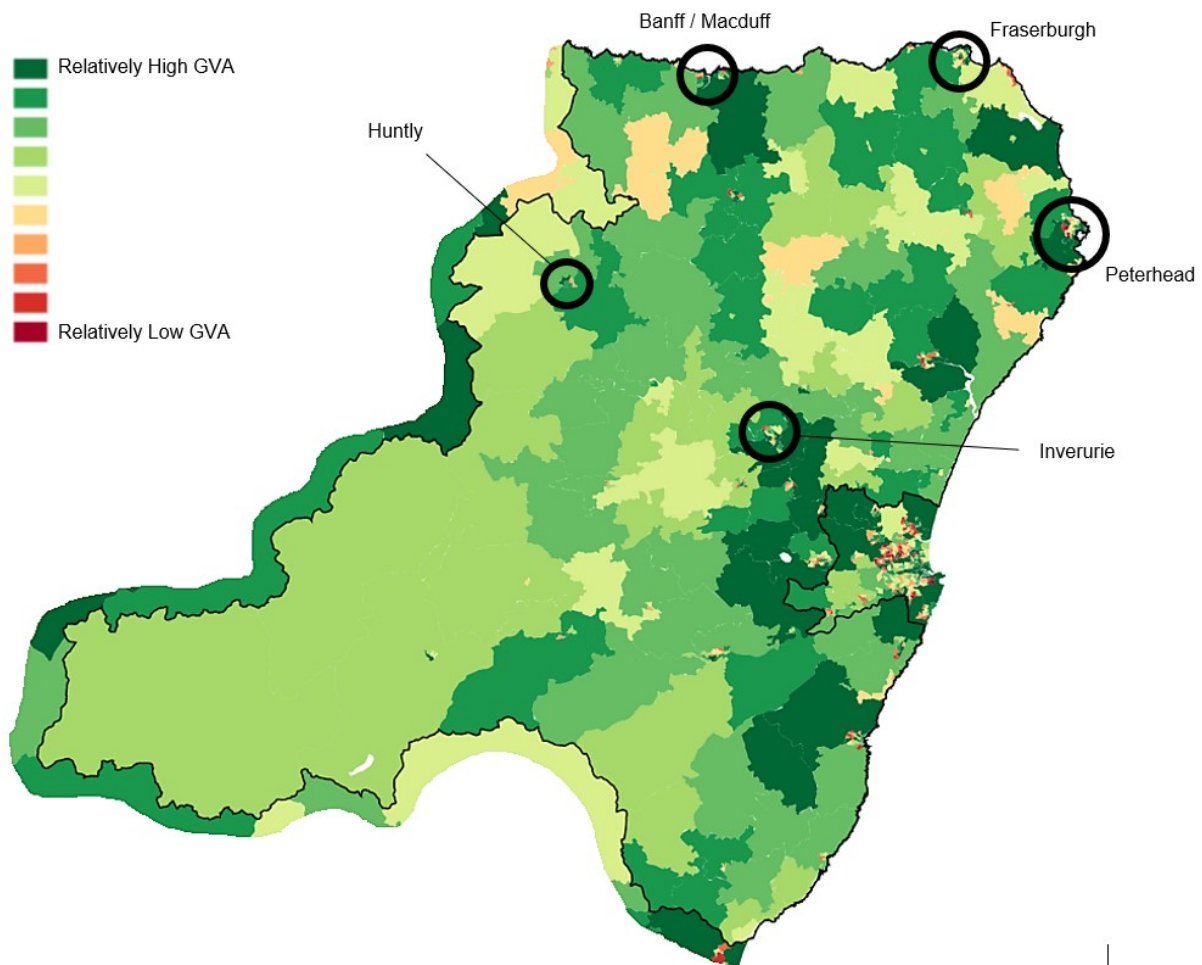
Source: Office for National Statistics

In Aberdeenshire, out of its 340 Data Zones, the top two alone contribute approximately 23% of the region's Gross Value Added (GVA).

Furthermore, the top 20 Data Zones in Aberdeenshire generate over half (52%) of the region's economic output. Such a marked concentration underscores the significant impact of these zones on Aberdeenshire's economic landscape. It also suggests that targeted investments or policies in these areas could substantially shape the region's economic trajectory. This distribution points to the importance of a balanced regional development strategy, ensuring a more equitable economic contribution and preventing any overshadowing of other zones.

The table below presents a ranked list of the top 20 Data Zones in Aberdeenshire based on their average Gross Value Added (GVA) for the years 2018 to 2020. In addition to the rankings, the table includes each Data Zone's respective trends from 1998 to 2020 and the proportion of each area's contribution to the total GVA of the region.

Table 1: Top 20 Data Zones by Average GVA

Data Zone Name	Trend (1998-2020)	3-yr Average GVA (£m)	Avg GVA as % of Total
Garlogie and Elrick - 01		£1,038.82	15.3%
Banchory-Devenick and Findon - 01		£427.65	7.4%
Peterhead Links - 02		£121.32	2.3%
Peterhead Harbour - 06		£116.32	2.2%
Durno-Chapel of Garioch - 04		£113.48	2.2%
Inverurie South - 06		£108.67	2.2%
Fraserburgh Harbour and Broadsea - 03		£105.61	2.2%
Longside and Rattray - 03		£88.15	1.8%
Blackburn - 04		£83.29	1.8%
Ellon East - 01		£80.38	1.7%
Longside and Rattray - 08		£77.62	1.7%
Banchory-Devenick and Findon - 04		£70.70	1.6%
Peterhead Harbour - 07		£69.05	1.6%
Barrahill - 01		£68.38	1.6%
Peterhead Links - 01		£67.03	1.6%
Ythanside - 06		£64.25	1.5%
Kintore - 09		£63.54	1.6%
Fraserburgh Smiddyhill - 01		£61.53	1.5%

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 nearly 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 2020. This indicates that Aberdeenshire's economic output is relatively strong within the context of Scotland's overall economy.

Future Gross Value Added and Productivity – Aberdeen City and Shire Region

The economic trajectory of Aberdeen City and Shire is influenced by several factors, with its sectoral composition and local features being particularly significant. The Regional Skills Assessment (2022) provides forecasts on the region's economic

performance and productivity for the medium to long-term, benchmarking them against wider Scottish standards:

Mid-Term Economic Performance (2022-2025):

- Projected GVA growth stands at an average of 0.6% annually, falling short of Scotland's 1.2%.
- Key sectors driving GVA growth encompass Other Service Activities (2.2%), Information and Communication (2.0%), and Electricity, Gas, Steam, and Air Conditioning Supply (1.8%).

Long-Term Economic Performance (2025-2032):

- The region's GVA is anticipated to see an average yearly increase of 0.9%, which is lower than the Scottish average of 1.3%.
- Forefront sectors in this regard include Information and Communication (2.3%), Electricity, Gas, Steam and Air Conditioning Supply (2.0%), and Administrative and Support Service (1.7%).

Productivity Insights:

- Productivity is a barometer of the value of goods and services produced for every labour unit. In 2022, the region's productivity (£57,800) exceeded the Scottish norm (£54,100) and equated to the 3rd highest regional value in Scotland.
- Projections for 2022-2025 suggest an annual productivity growth of 0.8%, mirroring Scotland's rate.
- For 2025-2032, the region is set to experience a 1.2% annual growth, marginally outpacing the Scottish rate of 1.1%.

It's essential to note that regional productivity variations are majorly influenced by the sectoral composition and local dynamics.

Assessment

Aberdeenshire's economic landscape is characterised by a history of strong growth, followed by a decline influenced by global oil price fluctuations and COVID-19, with a cautious recovery visible in recent figures. The region displays a marked concentration of economic output, with the top 20 Data Zones generating over half of the Gross Value Added (GVA), and the prominence of specific sectors like Information and Communication in driving growth. The medium to long-term economic projections show modest growth, falling below the Scottish average, but productivity levels remain competitive. The alignment of policy interventions with the underlying sectoral composition, and a balanced approach towards regional development, can be instrumental in shaping a resilient and inclusive economic trajectory for Aberdeenshire. This underscores the necessity for targeted strategies that capitalise

on existing strengths, address vulnerabilities, and promote diversified and equitable growth across the region.

Household Income

Household income is a critical economic and social metric, often seen as a barometer of well-being and quality of life within a region. The relationship between income and various life prospects and outcomes has been established in several studies, reinforcing its importance in policy and planning.

Significance of Household Income

- **Child Development:** Higher household income has been associated with better outcomes for children, including cognitive development, educational attainment, social behaviour, and physical health. The financial stability provided by a higher income enables access to essential resources such as quality education, healthcare, and nutritional needs, thereby shaping a child's prospects.
- **Economic Inequality and Social Mobility:** The distribution of household income highlights economic disparities within a community. Regions with a broader income disparity may experience challenges related to social cohesion and mobility. Conversely, a more equitable income distribution could promote social integration and opportunities for upward mobility.
- **Consumer Spending and Economic Growth:** Household income affects consumer spending patterns, which in turn influence local businesses and the broader economy. Higher incomes generally lead to increased spending on goods and services, stimulating economic growth.

Household Income in Aberdeenshire: An Overview

In Aberdeenshire, the median household income stood at over £40,000 in 2022, ranking as the 5th highest in Scotland and surpassing the national average by 21%.

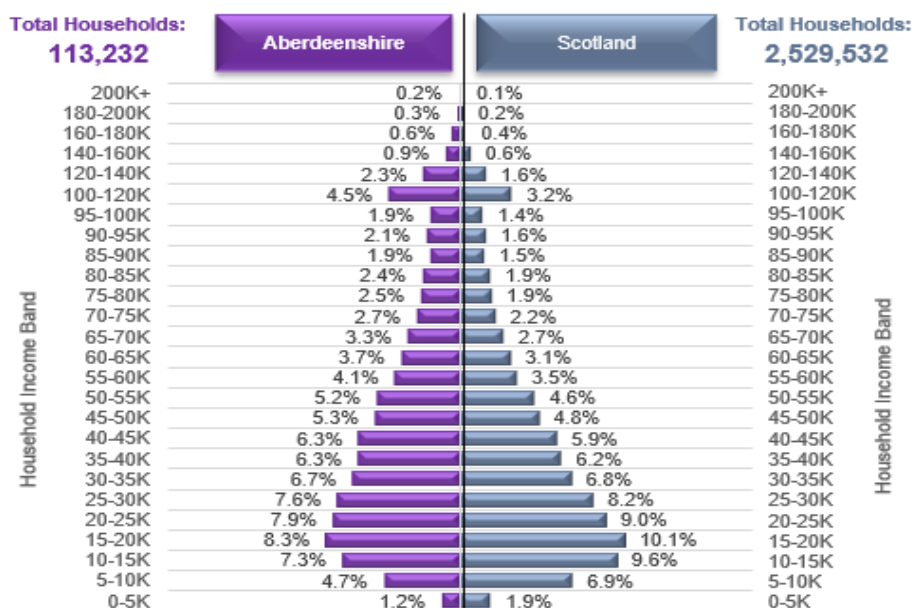*Figure 22: Household Income Data, Aberdeenshire & Scotland, 2022*
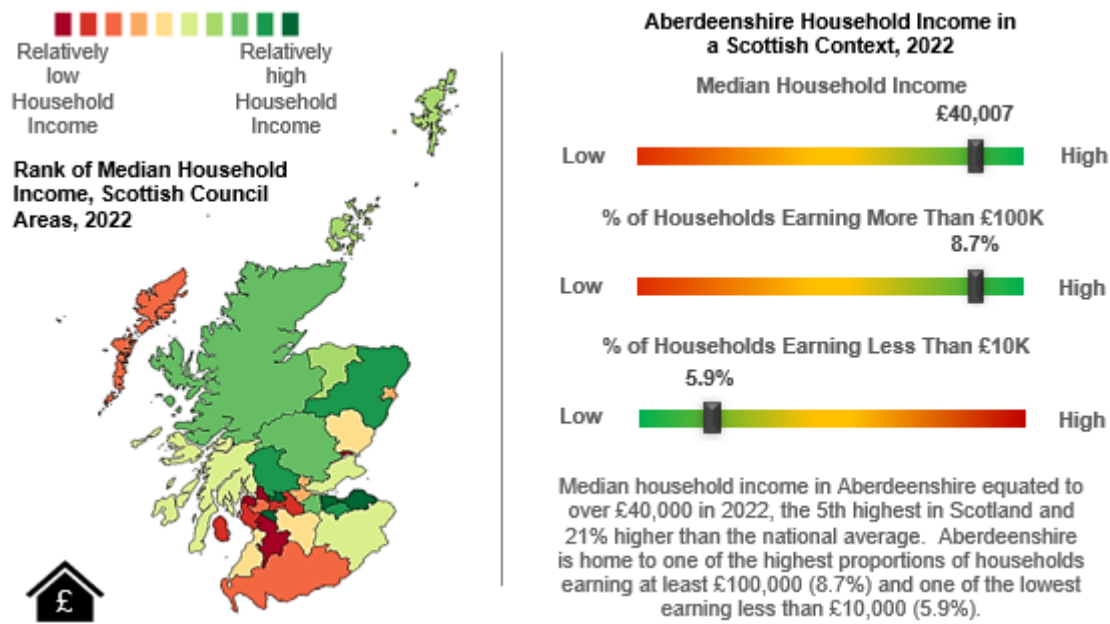
Source: CACI

High-income Households: Aberdeenshire is notable for having one of the highest proportions of households earning at least £100,000 (8.7%), reflecting a strong presence of affluent families.

Low-income Households: Conversely, the region has one of the lowest proportions of households earning less than £10,000 (5.9%). However, this figure is not uniform across Aberdeenshire.

Figure 23: Household Income per Income Band (% of Households), Aberdeenshire & Scotland, 2022

Household Income Band	Aberdeenshire (Total Households: 113,232)	Scotland (Total Households: 2,529,532)
200K+	0.2%	0.1%
180-200K	0.3%	0.2%
160-180K	0.6%	0.4%
140-160K	0.9%	0.6%
120-140K	2.3%	1.6%
100-120K	4.5%	3.2%
95-100K	1.9%	1.4%
90-95K	2.1%	1.6%
85-90K	1.9%	1.5%
80-85K	2.4%	1.9%
75-80K	2.5%	1.9%
70-75K	2.7%	2.2%
65-70K	3.3%	2.7%
60-65K	3.7%	3.1%
55-60K	4.1%	3.5%
50-55K	5.2%	4.6%
45-50K	5.3%	4.8%
40-45K	6.3%	5.9%
35-40K	6.3%	6.2%
30-35K	6.7%	6.8%
25-30K	7.6%	8.2%
20-25K	7.9%	9.0%
15-20K	8.3%	10.1%
10-15K	7.3%	9.6%
5-10K	4.7%	6.9%
0-5K	1.2%	1.9%

Source: CACI

Income Distribution in Larger Settlements: Some settlements, including Huntly, Fraserburgh, Macduff, Banff, Peterhead, and Turriff, are home to a relatively higher proportion of low-income households, ranging from 9.5% to 12%. These figures indicate areas where targeted social interventions and support may be required.

Assessment

Aberdeenshire's household income landscape presents a multifaceted picture, with implications that stretch across child development, social mobility, and economic growth. The area's relatively high median household income, ranking 5th in Scotland, indicates a general prosperity that resonates with the higher proportion of affluent families. This prosperity translates into potentially better child development outcomes and stimulates local consumer spending. However, the non-uniform distribution of income, as evidenced by the higher proportion of low-income households in specific settlements, highlights underlying economic disparities. These disparities may challenge social cohesion and call for targeted policy interventions to ensure that the benefits of the region's overall affluence are shared more equitably. Therefore, while Aberdeenshire's household income profile is largely positive, there exists a nuanced complexity that necessitates a comprehensive and targeted approach to fully address the needs and opportunities within the community.

Aberdeen City and Shire Employment Overview (2022-2032)

Workforce Transformation: Navigating Shifts in Aberdeen City and Shire

The 2022 Regional Skills Assessment offers a detailed examination of the employment situation in Aberdeen City and Shire. Historically a notable contributor to Scotland's overall employment, faces a pivotal moment of transformation. The forecasted decline in traditional sectors like Energy, contrasted with expected growth in areas such as Health and Social Care, Tourism, and Construction, reveals a need for strategic adaptation. The challenge lies in navigating these complex shifts and aligning the workforce with the emerging opportunities. This will be crucial for maintaining economic vitality and ensuring that Aberdeen City and Shire continue to play a significant role in Scotland's employment landscape.

A further summary is provided below.

- In 2022, Aberdeen City and Shire had a total employment of 279,100, which is 10.7% of Scotland's employment. This placed it in the top third of RSA regions.

- In the regional employment distribution, Aberdeen City accounted for 174,600 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 (27.2%) compared to Scotland (25.4%). Overall, there were 75,900 people in part-time employment in Aberdeen City and Shire.

- Employment in the region is forecasted to decline by 1,100 from 2022-2025. By 2032, there will be 4,000 fewer employees than in 2025. This contrasts with a forecasted increase in Scottish employment.

- 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.

- Key industries in the region in 2022 included Human Health and Social Work and Professional, Scientific and Technical fields. Specialised industries for the region were Mining Support Service Activities, with the percentage of employment in this sector 5.8 times greater than the Scottish average in 2022. The second largest specialism in the region was Extraction of Crude Petroleum (5.7 times more concentrated).

- In terms of future growth, sectors such as Professional, Scientific and Technical, and Accommodation and Food Service are expected to expand. However, industries like Mining and Quarrying and Manufacturing are forecasted to contract. This reflects the general trend of more capital intensive and higher value-added activity in the sector, which requires less labour-intensive methods.

- In the mid-term, Tourism is projected to be the fastest-growing sector, followed by Construction. Over the long term, the Health and Social Care sector is set to see the most significant expansion, requiring 2,100 more professionals from 2025 to 2032. Conversely, the Energy sector, despite its prominence as the second largest key sector in 2022, is forecasted to experience the steepest decline. The sector anticipates a reduction of 1,500 personnel from 2022-2025 and an additional decline of 4,100 from 2025-2032.

Unemployment

Unemployment rates serve as key indicators of economic health within a region. While individual percentages reflect local job market conditions, a comparative view can highlight broader trends and regional performance.

Visual Analysis - Aberdeenshire's Unemployment from 1986 to 2023: Figure 24 presents a visual representation of Aberdeenshire's unemployment rate over the period 1986 to 2023, set against the backdrop of other Scottish Council areas. The comparative analysis aims to provide insights into Aberdeenshire's economic trajectory and its position within the wider Scottish landscape.

Figure 24: Claimant Count (Unemployment Rate) per month, 16-64 age group, Jan 1986 to June 2023, Aberdeenshire in the Context of All Other Scottish Council Areas.
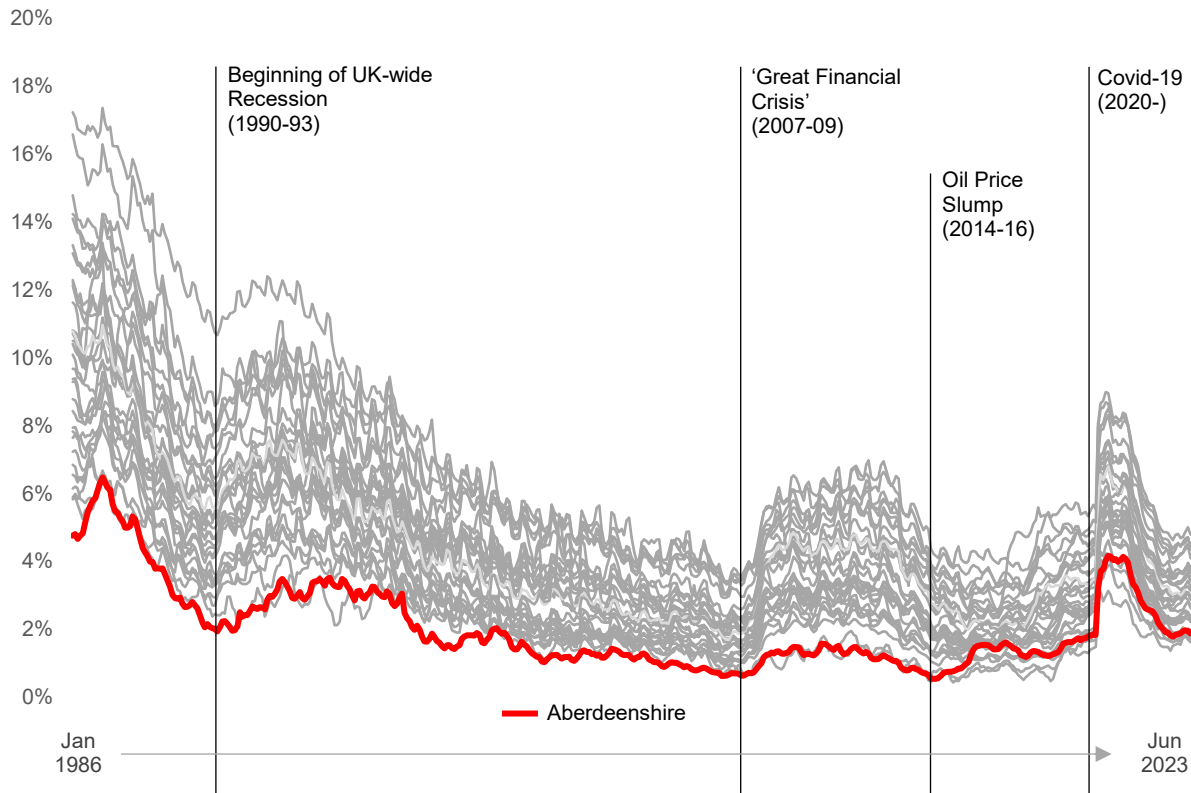
Note: For the period January 2021 to June 2023, Claimant Count data utilised 2021 population figures, as these were the most recent available. For all other years, the data aligned with the population figures of each respective year.

Source: NOMIS

Assessment

The analysis of Aberdeenshire's unemployment rates from 1986 to 2023 reveals a resilient economic landscape with historically low unemployment figures. However, the sustained elevation in unemployment rates post-2014, potentially linked to sector-specific challenges within the oil and gas industry, indicates underlying structural issues. The newly proposed North East Regional Economic Strategy could potentially address these challenges, aligning the region with emerging opportunities and fostering complete economic revitalisation, in line with Aberdeenshire's vital role in Scotland's broader economic context.

North East Regional Economic Strategy

The newly proposed Regional Economic Strategy[28] presents a vision for the North East economy by 2035. This vision encompasses leading in the production of green energy solutions and new renewable energy, diversifying through growth in digital, food and drink, tourism, life sciences and creative sectors, and valuing place, natural environment, wellbeing, and entrepreneurship.

The Strategy proposes five overarching objectives to:

1. Establish the North East as a pioneer of the energy transition, by delivering an 80% reduction in carbon emissions per head
2. Maintain regional Gross Value Added (GVA) as a share of Scotland's overall GVA while increasing the share of regional GVA from region's growth sectors.
3. Maintain a healthy, sustainable, working age population through increasing economic participation rates.
4. Become a Real Living Wage region with 95% of overall employment offering a real living wage or higher; and
5. Protect and enhance the natural capital of the region.

Four work programmes are proposed to support the delivery of the overall vision and high-level objectives. These include:

1. A thriving, innovation-driven economy with a focus on maintaining and growing the region's reputation as a global innovation hub.
2. An outstanding natural environment that aims to be recognised as Scotland's leading visitor destination by 2035.
3. A healthy and skilled population with a world-class digital skills programme within schools, and
4. A strong community and cultural identity that aims to increase the number of assets held by communities.

Links to the Climate Change Priority

The Regional Economic Strategy's vision for 2035 aligns closely with the goals of the UK's Net Zero Strategy, Scotland's Climate Change Policies, the Scottish Government's National Strategy for Economic Transformation (NSET), and the UK Government's Levelling Up Bill. The focus on green energy solutions and renewable energy production echoes the UK's emphasis on economic opportunities in the green transition.

Moreover, the strategy's work programmes, particularly the focus on an outstanding natural environment and a strong community and cultural identity, resonate with Scotland's emphasis on community-led action and public engagement in driving decarbonisation. The strategy's commitment to protecting and enhancing the natural capital of the region is a crucial aspect of adaptation to climate change impacts, a key element in both the UK and Scotland's climate strategies.

Aberdeen City Region Deal

The Aberdeen City Region Deal (ACRD) is a transformative initiative designed to stimulate economic growth across the region. Highlights of the most recent update[29] are provided below:

Governance: The ACRD is set to submit an Annual Report and an Annual Benefits Realisation Report for 2022/23 to the UK and Scottish Governments in July 2023. An

internal audit is expected in 2023/24, and the Net Zero Technology Centre (NZTC) provided an organisational update in May 2023.

Milestones: The NZTC's 2023 start-up cohort for the TechX Clean Energy Accelerator programme underscores its commitment to clean energy and diversity. The Full Fibre project, now complete, has significantly improved digital connectivity across Aberdeenshire, Aberdeen City, and NHS sites. A digital infrastructure gap analysis has prompted the launch of three new projects to deliver 5G networks in the region, with further enhancements expected from the upcoming rollout of Project Gigabit in Scotland. The completion of the SeedPod construction programme opens the door for innovation and advanced manufacturing processes. The arrival of the first cruise ship at Aberdeen South Harbour signals a promising boost to local tourism and the regional economy.

Benefits and Finances: The ACRD's funding mechanisms are centrally managed by Aberdeenshire Council Finance Service, with support from the PMO and oversight by the Programme Board. The Deal has grown from £826.200m to £1.008bn, primarily due to additional private sector investment in the NZTC, Digital, Aberdeen South Harbour, and BioHub project. Projects will continue to report on the plan through the Annual Report and the annual Benefits update, with the Communications group working to highlight major milestones and benefits through media coverage.

The Aberdeen City Region Deal presents significant opportunities for Aberdeenshire, with progress in various projects indicating a strategic focus on technology and digital infrastructure, crucial for future economic growth and sustainability. The Deal's growth, primarily due to additional private sector investment, demonstrates the private sector's confidence in the region's strategic initiatives, potentially leading to further investment and job creation in Aberdeenshire.

Assessment

The North East Regional Economic Strategy, in conjunction with the Aberdeen City Region Deal (ACRD), presents a coherent and ambitious plan that synergises the future growth of the North East economy. Both strategies emphasise the region's potential to become a leader in green energy solutions, technological innovation, and community-driven growth.

The Regional Economic Strategy's alignment with the UK's Net Zero Strategy and Scotland's Climate Change Policies showcases the region's commitment to sustainable development, with clear objectives in reducing carbon emissions and increasing the share of regional GVA from growth sectors. The focus on Real Living Wage and natural capital enhancement further reflects an integrated approach, balancing economic growth with social equity and environmental protection.

The ACRD complements the Regional Economic Strategy by putting tangible actions into place, particularly in the areas of clean energy, digital connectivity, and tourism. The growth in funding, driven by private sector investment, indicates strong confidence in the region's direction, reflecting the potential for further collaboration, investment, and innovation. Notably, the ACRD's emphasis on technology through initiatives like

the TechX Clean Energy Accelerator programme and the Full Fibre project underscores a commitment to build the region's reputation as a global innovation hub.

Collectively, these strategic plans offer a promising blueprint for the North East economy by 2035. They align with broader national and regional goals, resonate with the shift towards a greener economy, and leverage opportunities in digital technology, tourism, and other growth sectors. The success of these strategies will hinge on the effective alignment of various stakeholders, robust governance, and a continued focus on innovation and community engagement. The potential of the Regional Economic Strategy and the ACRD to address underlying economic challenges, including unemployment, through a multi-faceted approach could pave the way for a resilient and prosperous North East region.

Forward Look

Global Economic Predictions

Overview: In their July 2023 Outlook[30], the IMF paints a cautious picture of the global economic landscape. The recovery from recent economic challenges appears to be slowing, with global growth expected to plateau at 3% in both 2023 and 2024. This stagnation is chiefly attributed to persistent inflation and elevated borrowing costs that are suppressing economic momentum. Particularly noteworthy is the divergence in growth rates between emerging/developing economies and advanced economies. While the former group is expected to exhibit more robust growth, advanced economies, including the UK, are lagging. The UK's growth forecast of just 0.4% this year and 1% in 2024 marks it as one of the weakest performing performers.

Risks and Challenges: Several downside risks underscore the fragility of the global economy. Persistent high inflation, unresolved real estate issues in China leading to negative cross-border impacts, the possibility of sovereign debt distress spreading, and external shocks such as intensified conflict in Ukraine or extreme weather events all pose significant threats to the economic outlook.

UK and Scottish Economic Forecasts

Overview of UK Economic Prospects: Consistent with the IMF's projections, the EY Item Club's forecast for the UK in 2023 stands at a mere 0.4% growth. While this represents an upward revision from Spring projections, driven by a stronger start to the year and lower inflation and energy costs, the outlook remains subdued. The forecasted growth through 2024 and 2025 appears constrained by the impacts of higher interest rates on living standards and household disposable income.

Scotland's Economic Outlook: Scotland's economic outlook mirrors this trend of weak growth. As projected by the Fraser of Allander Institute, Scotland's growth is expected to remain fragile over 2023, 2024, and 2025, with inflation and interest rates continuing to remain high.

Key factors influencing these forecasts include:

- **Interest Rates:** An increase beyond expectations to tackle inflation may significantly squeeze household incomes, affecting consumption and overall economic activity.
- **Labour Market:** A tight labour market continues to present challenges, particularly for businesses unable to match the specific skills required with suitable candidates.

Assessment

For Aberdeenshire, these forecasts and economic factors signal a need for strategic planning and adaptability. The relative weakness in the UK's economic growth might exert additional pressures on local economies, including Aberdeenshire.

The emphasis on skill mismatches in the labour market resonates with the region's focus on technology and innovation. A concerted effort to align education and training with emerging industry needs could position Aberdeenshire as a leader in addressing this nationwide challenge.

Furthermore, the global emphasis on green energy solutions and the ongoing transition towards a more sustainable economy align with Aberdeenshire's strategic initiatives. This offers opportunities to leverage local strengths in renewable energy and digital innovation to drive growth, even in a broader context of economic sluggishness.

While the global and national economic outlook presents challenges, Aberdeenshire's unique focus on technology, innovation, and sustainability may offer paths to resilience and growth. Navigating the coming years will require careful monitoring of global and national trends, strategic investment in key sectors, and a commitment to building a skilled and adaptable workforce.

Investment Boost for the North East Economy

Overview of Capital Infusion: The Aberdeen city region and the broader North-east are poised to benefit from an unparalleled investment of £16 billion over the forthcoming decade, as reported in the 6th edition of the Investment Tracker[31]. This capital infusion is earmarked for an array of initiatives encompassing innovation and infrastructure, urban regeneration, transportation, commercial and residential developments, health and education, sport, leisure, culture, and energy projects. This substantial financial commitment, in conjunction with the region's aspiration to emerge as a global renewable energy hub, positions Aberdeenshire for robust economic expansion and diversification.

Strategic Alignment and Diversification: This significant capital investment represents a pivotal opportunity for Aberdeenshire to consolidate its standing as a key contributor to the UK's energy transition, while simultaneously diversifying its economic base. The region's pronounced emphasis on renewable energy, exemplified

by the £1 billion+ Kintore Hydrogen project, aligns with the national and international trajectory towards sustainable energy solutions.

Infrastructure, Urban Regeneration, and Transportation: Concurrently, the investment in infrastructure, urban regeneration, and transportation will bolster the region's appeal for both commercial entities and residents. The commitment to health and education further highlights the region's dedication to its populace, ensuring a future workforce that is both skilled and healthy. In summary, this investment is set to significantly enhance Aberdeenshire's economic resilience and growth prospects.

North Sea Pledge: Potential Economic Boost for Aberdeenshire

Prime Minister's Pledge: UK Prime Minister Rishi Sunak has pledged support for the North Sea oil and gas industry, promising hundreds of new licences, and significant investment in carbon capture technology[32]. This move is aimed at enhancing Britain's energy independence and reducing its carbon footprint.

Critics argue this strategy undermines the UK's climate commitments and delays the transition away from fossil fuels.

Economic Boost and Job Creation: For Aberdeenshire, this could mean a boost in local economy and job creation, particularly in carbon capture and storage, projected to support 50,000 UK jobs by 2030.

Environmental and Reputational Risks: A raft of new licenses also raises environmental concerns and potential reputational risks given the increasing global emphasis on renewable energy. The region may need to balance economic benefits with environmental stewardship and consider strategies for a sustainable transition to a low-carbon future.

Assessment

The £16 billion investment in Aberdeenshire and the broader North-east region, targeting various sectors including renewable energy, infrastructure, urban regeneration, and education, signifies a transformative opportunity for robust economic growth and diversification. The alignment with national and international sustainable energy goals, particularly highlighted by significant projects like the Kintore Hydrogen initiative, accentuates the region's strategic role in the UK's energy transition.

However, the UK Prime Minister's pledge to support the North Sea oil and gas industry, while promising potential economic boost and job creation in Aberdeenshire, poses a complex challenge. Balancing the immediate economic benefits with the long-term environmental stewardship and adherence to climate commitments will be crucial. The region's ability to navigate these multifaceted dynamics will be pivotal in defining its sustainable growth trajectory, economic resilience, and global reputation in the renewable energy landscape.

Regional Skills Assessment[33]

Future Skills Requirements - Medium Term (2022 – 2025)

The labour market landscape for Aberdeen City and Shire from 2022 to 2025 is anticipated to experience a job contraction, whilst Scotland is projected to see growth. However, in Aberdeen City and Shire, this contraction is counterbalanced by significant opportunities arising from the need to replace workers retiring or leaving for other reasons.

Several critical points emerge from this analysis:

- **Evolving Industry Structures:** Although some sectors, like the Wholesale and Retail Trade, are forecasted to have significant job openings, it's essential to consider the changing dynamics within these sectors. The shift from traditional high street shopping to online platforms exemplifies these transformations. Such shifts highlight the need for adaptive skillsets and forward-thinking industry strategies.
- **Occupational Demand Variance**: The forecasted growth in specific occupational roles, particularly Corporate Managers and Science and Technology Professionals, indicates a potentially changing business environment in Aberdeen City and Shire. These roles could signal a trend towards more managerial and technologically oriented job functions, emphasising the importance of skills development in these areas.
- **Replacement vs. Expansion[g]:** The data underscores a significant discrepancy between replacement and expansion demands. While there's a projected job decrease due to economic reasons, there's a robust requirement for new workers resulting from workforce departures. This signifies the vital importance of succession planning and training programs to ensure that roles vacated by senior or long-standing employees can be readily filled.
- **Economic Uncertainties:** The backdrop of economic instability and the existing labour shortages amplify the challenges ahead. These overarching concerns necessitate a proactive approach in labour market strategies. Collaborative efforts across sectors, focusing on talent attraction, reskilling, and reducing economic inactivity, will be imperative.

Future Skills Requirements - Longer Term (2025 – 2032)

Long-term job forecasts for the period 2025-2032 indicate that Aberdeen City and Shire will experience a decline in employment growth. Yet, the demand for skilled labour persists, largely driven by the replacement requirement. This evolving labour market is a product of the demographic shift and various strategic drivers.

Key considerations emerging from the data include:

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[g] Expansion Demand Expansion demand is the measure of an increase/decrease in jobs, because of economic growth or contraction. Replacement Demand Replacement demand is the number of job openings generated by people leaving the labour market (i.e., those who retire, move away, or change jobs).

- **Replacement vs. Expansion[h]:** Drawing from the medium-term observations, the intricate relationship between replacement and expansion demands persists into the long-term. Aberdeen City and Shire are set to see a job contraction of 4,000 positions, contrasting with Scotland's anticipated growth by 40,700 roles. Yet, akin to the medium-term trends, the focal point remains on replacement demand. Specifically, the demand figures at 65,500 for Aberdeen City and Shire and a staggering 696,900 for Scotland. These projections reiterate the sustained imperative for cultivating a skilled workforce, ready to step into roles made vacant due to retirements and other departures. As highlighted in our medium-term judgment, the significance of effective succession planning and dedicated training programmes remains paramount in the long-term outlook.

- **Sectoral Distribution:** A concentrated demand is evident in specific industries in Aberdeen City and Shire. For instance, four industries – Wholesale and Retail Trade, Human Health and Social Work, Administrative and Support Service, and Accommodation and Food Service – account for approximately 58.8% of the job requirement. This suggests the necessity to develop expertise and training tailored to these domains.

- **Occupational Trends:** Despite a general decline in job growth for Aberdeen City and Shire, certain occupations are set to expand. Notably, Caring Personal Service Occupations are anticipated to see a rise. Moreover, the need for roles such as Elementary Occupations, Science and Technology Professionals, and Corporate Managers also shines through. These trends offer insights into future job types and requisite skills.

- **The Skills Landscape:** The breakdown by qualification level – from SCQF 1-4 to SCQF 11-12 – showcases the diverse skill requirements for the upcoming labour market demands. This spread reinforces the need for inclusive education and training strategies that cater to all qualification levels.

- **Evolution of Operating Practices:** The changing nature of some sectors cannot be overlooked. The pandemic, for example, hastened the adoption of automation. The rise of Industry 4.0 will significantly modify operations in areas such as Wholesale and Retail Trade. This poses challenges as well as opportunities for reskilling and workforce adaptation.

- **Localised Insights:** The data, while comprehensive, lacks specificity on regional and national activities, investments, and business dynamics.

Assessment

Considering both medium and longer-term perspectives, Aberdeen City and Shire, along with the broader Scottish region, are poised to experience notable shifts in the labour market. As industries undergo transformations and the emphasis on addressing workforce departures increases, there emerges a clear need for informed, strategic

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approaches in the forthcoming years. Prioritising education and staying attuned to evolving trends will be crucial.

While the 'Regional Skills Assessment' underscores the region-specific nuances of Aberdeen City and Shire's labour market, the 'Future of Jobs' section broadens the lens to global developments, offering a more holistic view of how technological advances and global trends might intersect with local dynamics.

Future of Jobs

The fourth edition of the World Economic Forum Future of Jobs Survey[34] offers insights from 803 firms, collectively employing over 11.3 million individuals across 27 sectors and 45 worldwide economies. The projections for 2023-2027 concentrate on overarching trends, tech-oriented changes, and anticipated shifts in the global workforce.

- **Business Transformation & Technology:** Central to organisational change is technology. Over 85% of businesses spotlight the adoption of new-age technologies and wider digital penetration as pivotal change agents. Simultaneously, Environmental, Social and Governance (ESG) standards along with macroeconomic issues, notably the mounting cost of living, have emerged as significant influences. Contrarily, factors like COVID-19 aftermath and geopolitical strains appear to be lesser concerns.
- **Job Market Dynamics:** Forecasts indicate notable shifts in the job landscape influenced by environmental, technological, and economic triggers. Green transition investments, the embrace of ESG guidelines, and a shift towards localised supply chains are foreseen as major job creation vectors. However, tech advancements, while promising job creation, also hint at potential job losses. Sluggish economic growth, supply hitches, and escalating living expenses are pinpointed as key job reduction factors.
- **Job Impact of Technologies:** The predominant expectation is a net positive job influence from most tech innovations. Big data analytics, eco-friendly technologies, and cybersecurity are envisaged as primary job accelerators. On the flip side, a few tech entities, specifically both types of robots (humanoid and non-humanoid), are predicted to be net job curtailers.
- **Rising Job Roles:** Roles buoyed by technology, digital transformation, and sustainability are seeing the most rapid growth. Technological roles dominate, with AI and Machine Learning Specialists leading. They are followed by Sustainability Specialists, Business Intelligence Analysts, and Information Security Analysts. As nations gravitate towards green energy, Renewable Energy Engineers and Solar Energy System Engineers also register significant growth.
- **Declining Job Roles:** Technological advancement and digitalisation primarily influence the fastest shrinking roles. Clerical positions, including roles like Bank Tellers, Postal Service Clerks, Cashiers, Ticket Clerks, and Data Entry Clerks are witnessing the most rapid decline.
- **Areas of Job Growth:** Notable job increases are forecasted in the sectors of education, agriculture, and digital commerce. The education sector is projected

to see considerable growth, adding roles for Vocational and Higher Education Teachers. The agriculture sector, with a focus on roles like Agricultural Equipment Operators, is anticipated to experience a significant upswing. Furthermore, digital roles, such as E-Commerce and Digital Transformation Specialists, are expected to see substantial expansion.

- **Anticipated Skill Disruption:** Companies anticipate a 44% upheaval in worker skills within the next five years. Cognitive skills are gaining rapid traction, with creative thinking slightly edging out analytical thinking. Technological literacy ranks third in the rapidly growing core skills. Curiosity, resilience, and motivation are among the top socio-emotional skills seeing an upswing in importance.

- **Training Needs & ROI:** The global survey anticipates 60% of the workforce will require retraining by 2027. Yet, only half currently have access to sufficient training opportunities. Analytical thinking is at the forefront of training priorities, followed by creative thinking and utilising AI and big data. Notably, two-thirds of enterprises expect a return on their training investments within a year, anticipating improvements in areas such as mobility, satisfaction, and productivity.

- **Talent Outlook & Barriers:** Whilst organisations are confident in nurturing their current workforce, pessimism emerges regarding talent availability over the next half-decade. Skills gaps and attracting talent stand out as significant barriers. To counter this, 48% of firms aim to improve talent progression, whilst 36% contemplate offering higher wages.

- **Workforce Strategies:** Investment in learning, on-the-job training, and automation are the principal strategies businesses plan to adopt to achieve their objectives. Most believe the responsibility for workforce development lies with workers and managers. Notably, there's a preference for company-led initiatives over external training solutions to bridge skills gaps.

Assessment

The World Economic Forum's Future of Jobs Survey offers insights into changing workforce trends that might be relevant for Aberdeenshire. Aberdeenshire Council has made notable progress in enhancing its digital infrastructure, especially during the challenging times around COVID. There's potential to use AI and automation to build on this foundation. The expected changes in worker skills highlight the importance of ongoing training, especially in new skill areas. Given concerns from global businesses about finding the right talent, it might be beneficial for the Council to further develop local talent and back innovative training programmes tailored to local needs. Considering these points, Aberdeenshire seems well-positioned to respond to global changes.

Economy:
Infrastructure and Public Assets

Strategic Assessment

- The Scottish Government's Infrastructure Investment Plan (IIP) for 2021-26 illustrates a **strong commitment to bolstering public infrastructure and services**, with an emphasis on achieving net-zero emissions. Notwithstanding this commitment, **several economic challenges** such as supply chain disruptions, elevated inflation, and labour shortages, compounded by the projected decline in capital grant allocation from the UK Government, may **impede the pace at which the National Infrastructure Mission's objectives are met**.

- For Aberdeenshire**, the expansion of ChargePlace Scotland and the R100 digital programme offer promising opportunities to enhance sustainable transport and digital connectivity**, especially in more remote areas. However, the anticipated reduction in capital grant funding necessitates proactive engagement by Aberdeenshire's stakeholders in the Scottish Government's prioritisation process. This is paramount to safeguarding that the region's infrastructural requirements are sufficiently recognised and addressed amidst evolving fiscal and logistical challenges.

- **Aberdeenshire's Environment & Infrastructure Services (E&IS) provides a comprehensive framework that supports the region's infrastructural and environmental needs.** The E&IS, with its wide-ranging remit from natural asset conservation to housing, economic development, building standards, and roads embodies the Council's strategic vision for the area. Future-oriented planning is evident with key strategies set for updates between 2023-2025. The E&IS's engagement with benchmarking initiatives, such as the APSE Benchmarking Club and SCOTS, further indicates its commitment to maintaining standards in line with wider best practices. Given its extensive responsibilities, regular stakeholder engagement and oversight mechanisms are essential to ensure E&IS's effective operation in serving Aberdeenshire's interests.

- The E&IS budget for 2023-24, standing at £59.668 million, reflects the council's commitment to maintaining and enhancing the region's infrastructure. The Capital Plan, managed by the Head of Property in Business Services, plays a vital role in this commitment. It encompasses a comprehensive spectrum of investments **across all Directorates**. While the incorporation of a detailed Capital Plan for 2023/24 underscores forward planning, the associated borrowing required raises concerns about the council's financial sustainability. This borrowing has the potential to strain future revenue budgets, especially given the long-term commitment associated with capital expenditure. This situation underscores the pressing need for meticulous financial management to harmonise future financial obligations with essential service delivery.

- The Annual Status and Options Report (ASOR) in Aberdeenshire reflects a comprehensive approach to road asset management, highlighting both the present condition and future investment needs. This strategy showcases thoughtful planning, poised to respond to emerging challenges and opportunities in alignment with the region's broader objectives. This focus on adaptability and long-term alignment represents a promising direction for the future of transport planning in the region.

- The Strategic Housing Investment Plan (SHIP) for Aberdeenshire demonstrates a committed approach to addressing various housing challenges in the region. This plan, however, faces multifaceted challenges including high interest rates, labour shortages, dependency on private contributions, and alignment with broader economic trends. Efforts to address energy efficiency and living costs are underway, but complexities like fulfilling the Net Zero 2045 target, rising homelessness, and integration of refugees add layers of challenges. The plan's success hinges on adaptability and collaboration, reflecting the multifaceted nature of modern housing issues.

- Aberdeenshire Council's commissioning of MKA Economics demonstrates a proactive approach towards optimising the region's harbour assets and fostering holistic community development. The depth of the initiative's engagement process, which actively involves a diverse array of stakeholders, ensures that the resultant developmental roadmap is both inclusive and well-informed. This cohesive strategy holds the potential to considerably enhance the economic potential of these harbours, paving the way for new local business ventures, stimulating community participation, and elevating both commercial and recreational harbour activities.

- The Strategic Transport Update for Aberdeenshire portrays a commendable vision that integrates modern transportation solutions with wider environmental, economic, and societal objectives. While initiatives such as the promotion of e-mobility and active travel exhibit forward-thinking and alignment with climate goals, the ambitious target of a 20% reduction in car kilometres by 2030 underscores potential challenges. Achieving such an aspirational target will likely necessitate a more encompassing strategy, integrating both local and national efforts, and possibly requiring enhanced support mechanisms that go beyond the current capabilities of regional bodies.

- The "Developing Excellence in our North Coast Communities" regeneration initiative in Banff, Macduff, Fraserburgh, and Peterhead demonstrates a comprehensive approach to regional development, combining robust stakeholder collaboration, economic investments, and community engagement. While there's marked progress and alignment with sustainability and infrastructure goals, the region faces challenges like financial uncertainties from external funding and balancing modernisation with cultural preservation. Nevertheless, given the demonstrated resilience, adaptability, and effective stakeholder collaboration, the overall trajectory for these North Coast Communities is positive.

- The Aberdeenshire Local Development Plan 2023 presents a holistic and strategically formulated framework, adeptly balancing economic advancement with environmental, cultural, and community considerations. Derived from extensive consultations, the Plan underscores a commitment to sustainable and inclusive growth, with notable emphasis on robust environmental safeguards, innovative housing strategies, and alignment with broader regional objectives. This balanced approach positions Aberdeenshire to navigate contemporary challenges while preserving its distinctive character and heritage.

Assessment of Issues

Scottish Government Infrastructure Investment Plan 2021-22 to 2025-26

The 2022-2023 Progress Report for the Infrastructure Investment Plan (IIP) 2021-22 to 2025-26[35] showcases the Scottish Government's commitment to infrastructure investment. This investment is a key driver of inclusive economic growth. The government's National Infrastructure Mission is set to increase annual investment. The focus is on achieving net zero emissions and maintaining high-quality public infrastructure and services across Scotland.

The report also highlights several economic challenges. These include issues in the construction supply chain, high inflation levels, and labour shortages. These challenges have led to an increase in borrowing costs and made revenue-financed investments more expensive than initially forecasted. Additionally, a projected 7% fall in the capital grant allocation from the UK Government between 2023-24 and 2027-28 may cause delays in achieving the National Infrastructure Mission target.

To fund capital investment in infrastructure, the Scottish Government has several financing options. These include capital borrowing powers and innovative financial and revenue finance models. To avoid placing an undue financial burden on future policy choices, the government has set a self-imposed limit for revenue finance investment. This limit is 5% of its resource budget, excluding social security.

The Infrastructure Commission for Scotland (ICfS) offers long-term strategic advice on national infrastructure priorities. The government is also addressing global supply chain and inflation issues, which have caused delays and cost increases for various projects.

For Aberdeenshire, the expansion of the ChargePlace Scotland network and the R100 digital programme could be beneficial. These initiatives support the transition to greener transport and enhance digital connectivity, especially in rural areas.

However, the anticipated reduction in capital grant funding may impact future infrastructure projects in Aberdeenshire. It's crucial for local stakeholders to engage with the Scottish Government's prioritisation exercise. This will help ensure that the region's needs are adequately addressed.

Given the broader context of the Scottish Government's Infrastructure Investment Plan and potential implications for Aberdeenshire, it's important to consider how the local Environment & Infrastructure Services (E&IS) are positioned to respond to these challenges and opportunities.

Strategic Overview and Assessment of Aberdeenshire's Environment & Infrastructure Services

Environment & Infrastructure Services (E&IS) plays a pivotal role in maintaining the quality of life for Aberdeenshire residents. E&IS is committed to providing top-tier services and supports Aberdeenshire Council's vision to be the best in the region[36]. The service's focus areas include:

- Managing the natural and historic environment
- Overseeing transport infrastructure
- Controlling development
- Promoting economic growth
- Providing affordable housing

E&IS is divided into several sub-services:

1. **Environment & Sustainability (E&S)**: This service oversees the region's natural and built environment. It includes teams focusing on landscape and burial services, natural environment, outdoor access, countryside rangers, passenger transport, sustainability and climate change, transport strategy, and waste services.

   These teams manage a wide range of responsibilities, from maintaining open spaces, cemeteries, and parks to overseeing local bus services, home to school transport (which is one of the largest functional areas), and waste collection. They also lead on sustainability and climate change initiatives, and strategic transport planning.

   The E&SS operates under various strategic documents, with priority areas for updates between 2023-2025 including Waste Strategy, Local Transport Strategy, Parks and Open Spaces Strategy, Burial Strategy, and Outdoor Access Strategy.

2. **Housing & Building Standards (H&BS)**: This service is responsible for the management, maintenance, and allocation of approximately 13,000 council homes. It also delivers a broad array of related services, such as community safety, services for the homeless, registration of private landlords, addressing fuel poverty, and the construction of new affordable housing across various tenures. In its efforts to provide affordable housing and related services, H&BS collaborates with private developers, partners, and third-sector organisations.

   Building Standards performs two separate functions - verification and enforcement. Verification is primarily carried out through the Building Standards (Scotland) Regulations 2004, which are considered during the processing of Building Warrant applications and Completion Certificate submissions.

   Additionally, the Building Standards Service is charged with the enforcement responsibilities outlined in the Building (Scotland) Act 2003. This enforcement role ensures that buildings adhere to Building Regulations and that public safety is upheld in relation to defective and hazardous buildings.

3. **Planning & Economy (P&E)**: This service is dedicated to creating safe, sustainable, and economically prosperous places that meet community needs and protect the region's unique environments.

   The service is divided into several areas including Planning Administration, Development Management, Policy, Information and Delivery, Historic Environment, Roads Development, Economic Development, and Protective Services.

   Key priorities include the approval of the Aberdeenshire Local Development Plan 2028, supporting renewable energy developments, attracting inward investment, and enhancing digital connectivity. The service also focuses on public health, environmental protection, workplace safety, licensing, consumer protection, and animal welfare.

4. **Roads & Infrastructure (R&I)**: This service is divided into several teams. These include Roads, Structures (Bridges), Projects, Quality and Resources, Roads Policy and Asset Management, and Fleet. These teams handle a wide range of responsibilities from road safety inspections, bridge maintenance, major capital projects, health and safety procedures, asset management, to fleet management.

   Key priorities for the coming years include road and bridge maintenance works, harbour maintenance, flooding works, fleet replacement, and policy review. The service uses several benchmarking indicators to compare performance with other councils and is an active member of the APSE Benchmarking Club and SCOTS.

E&IS's work undergoes scrutiny through various committees, member-officer working groups, ward meetings, and workshops.

Strategic Implications of the 2023-24 Environment and Infrastructure Services Budget

Budget Overview: The Environment and Infrastructure Services' total revenue budget for 2023-24 stands at £59.668 million, distributed across the various services outlined above.

Capital Plan: As part of the Medium-Term Financial Strategy, the Capital Plan, managed by the Head of Property in Business Services, outlines the council's capital priorities across all Council assets. This encompasses a comprehensive spectrum of investments across all Directorates. The capital projects for the 2023/24 budget were agreed upon in March 2023. A broader context is also underway, with a comprehensive review of the entire Capital Plan to develop an affordable and deliverable strategy for 2024 to 2028, reflecting the council's wide-ranging commitments.

The borrowing required to support these capital investments, including those outside the E&IS Directorate, presents a challenge to the council's financial sustainability. The

repayment of this borrowing, used for current capital expenditure, creates a future revenue budget commitment spanning the new asset's anticipated lifespan. This necessitates careful financial management across all sectors of the council to balance future commitments and service obligations.

Road Infrastructure

The Annual Status and Options Report (ASOR)[37] is a pivotal element of the Council's Road Asset Management Plan (RAMP), focusing on the present condition and future investment needs of the road infrastructure. This comprehensive report considers different asset groups such as Bridges and Structures, Carriageways, Footways, Street Lighting, and Traffic Signals, providing an analysis of their status and a projection of investment scenarios over a 20-year period.

The Deprecated Replacement Cost (DRC) for the main asset groups is as follows:

- Bridges and Structures: £579,000,000
- Carriageways: £3,771,554,000
- Footways: £195,490,000
- Street Lighting: £64,660,000
- Traffic Signals: £639,000

This amounts to a total of £4.6 billion, which surpasses the total value of all other physical assets listed in the Council's unaudited accounts for 2021/22 (£1,986,208,000).

Strategic Transport

The Annual Status and Options Report (ASOR) includes a section specifically focusing on strategic transport, highlighting key projects and initiatives in the region.

The recent developments in national and regional transport policy in the Aberdeen City and Aberdeenshire areas reflect a notable shift towards strategizing and conceptualising projects without firm commitments. The second Strategic Transport Projects Review (STPR2) by the Scottish Government illustrates this trend by indicating support for specific initiatives without concrete project commitments. This approach contrasts with earlier practices, as seen in STPR1, and signifies a potentially more cautious or flexible stance towards transport development in the region.

The approval of Nestrans' Regional Transport Strategy 2040 and the commencement of Aberdeenshire's Local Transport Strategy review in 2022 are essential steps in laying the groundwork for future transport initiatives. Ongoing assessments and planning in areas such as the A90/A952 corridor and Hydrogen refuelling further demonstrate a focus on thorough evaluation and alignment with broader objectives.

Another key initiative focuses on implementing Aberdeen Rapid Transit (ART), a bus-based rapid transit system, as part of the regional transport strategy. Preliminary feasibility studies for the required bus corridors are underway, following a successful grant application to the Scottish Government's Bus Partnership Fund (BPF). The same fund has also financed essential works to prioritise bus routes in Aberdeen city centre,

as well as related communications and marketing activities. Realising this vision will necessitate securing substantial additional funding from the BPF[38].

Meanwhile, specific projects such as the A96 Dualling and the Aberdeen to Central Belt Rail are moving forward, though some are awaiting further conclusions or resolution of specific issues. This combination of factors highlights a period filled with intensive planning, evaluation, and adaptation, possibly reflecting shifts in the economic, environmental, and social landscapes. Notably, there appears to be a lack of concrete, committed projects at the national level.

Assessment

The Annual Status and Options Report (ASOR) reflects a comprehensive and strategic approach to road asset management in Aberdeenshire, highlighting the substantial value and intricate planning required for both present condition and future investment needs.

The lack of firm, concrete commitments to certain projects at the national level (as opposed to regional advancements) may signal a more cautious approach. This could reflect an understanding that the landscape is complex and changing, and that flexibility and adaptability may be more valuable than immediate action on large, fixed projects.

This suggests that the approach to transport planning is showing signs of becoming more nuanced, cautious, and aligned with larger, perhaps longer-term goals, rather than rushing into large-scale commitments. This could be a reaction to various factors, such as the urgency of climate change (requiring more environmentally sound planning), economic uncertainties, or a desire to be more strategic and thoughtful in the allocation of resources.

Overall, Aberdeenshire's approach showcases a thoughtful and considered strategy, one that seems poised to respond to emerging challenges and opportunities in a way that aligns with the region's broader objectives. This positive focus on adaptability and long-term alignment represents a promising direction for the future of transport planning in the region.

Strategic Transport

The Strategic Transport Update[39] for Aberdeenshire provides a clear overview of the region's current transportation initiatives, focusing on sustainable and modern solutions. The report highlights the council's efforts in promoting electric mobility, supporting active travel, engaging in relevant research, and collaborating with essential stakeholders. While aligning with national priorities is a clear objective, some ambitious targets, like the significant reduction in car kilometres, point to the need for broader strategies and collaboration beyond just the regional level.

Strategic Themes and Directions:

- **E-Mobility:** The expansion of the E-Bike hire scheme and the Electric Vehicle Charging Network Pathfinder Project show a concerted move towards promoting electric mobility solutions, reducing carbon footprint.
- **Active Travel and Traffic Management:** Initiatives like peak time traffic restrictions at Fraserburgh South Park School and the commissioning of a region-wide Active Travel Network Study signify efforts to reduce vehicular traffic in school zones and promote healthier, active means of travel.
- **Research and Response:** The proactive response of Nestrans to national policies, such as the Scottish Government's target to reduce car kilometres and the A90/A952 Transport Corridor Evidence Review, indicates a commitment to continuously align with and anticipate broader strategic objectives.

Engagement and Collaboration: The report underscores a high level of collaboration among local councils, Nestrans, and other stakeholders, such as with the Electric Vehicle Charging Network Pathfinder Project and Active Travel Network Study. Such coordinated efforts are vital in ensuring efficient project delivery, leveraging collective expertise and resources, and promoting a unified vision for sustainable transportation in the region. This collective action approach is pivotal in addressing complex transportation challenges and adapting to future needs.

Challenges and Roadblocks: Meeting the Scottish Government's target of a 20% reduction in car kilometres by 2030 appears challenging, and there's an acknowledgment that local measures alone might not suffice.

Council Priorities Alignment: The initiatives are aligned with several strategic priorities such as economic growth, health and wellbeing, and more notably, climate change and resilient communities, indicating a holistic approach to development that marries economic goals with environmental and societal well-being.

Assessment

The Strategic Transport Update reflects Aberdeenshire's proactive approach towards transportation solutions that cater to modern needs while aligning with broader environmental, economic, and societal goals. The emphasis on e-mobility, active travel, and collaboration suggests a future-facing strategy. However, the challenges posed by ambitious targets like the 20% car kilometre reduction indicate a need for a broader national strategy, potentially necessitating additional support and measures beyond local and regional capabilities.

Council Estate

Aberdeenshire Council's Property and Facilities Management, operating under the Directorate of Business Services, plays a crucial role in advancing the council's strategic objectives. This department ensures the effective provision of property management services, pivotal for stakeholder satisfaction. Key facets of the service

include the Construction Programme Delivery Team, which aids in establishing vital building assets, and the asset management function, which both bolsters the local economy and generates council revenue. Additionally, the Facilities Management Team ensures that public facilities meet current standards, presenting a clean and modern front for the public.

Asset Management

The Asset Management team oversees the Council's operational and non-operational assets. For non-operational assets, the team supplies commercial and industrial properties, bolstering the local economy and generating revenue for the Council, which is channelled into service provision. Concerning operational assets, the team ensures alignment between the Council's built estate and its strategic needs. Through asset reviews, the team discerns investment needs, highlights underperforming assets, and earmarks surplus properties for disposal or demolition. Recent work includes acquisitions for educational and care institutions, industrial property development, strategy formulation for offices and depots, maintaining a robust commercial occupancy rate, and overseeing leases generating around £5m yearly for the Council.

Construction Programme Delivery

The Construction Programme Delivery is responsible for designing and executing the building assets needed by Council Services, which encompass schools, care homes, sports centres, housing, depots, and more. These projects align with Aberdeenshire's revised capital plan for 2023/24[40], reflecting significant investment in infrastructure, including improvements to bridges and Live Life Aberdeenshire facilities as part of the IF2 programme. The commencement of works on the new Peterhead Community Campus and the completion of the joint Energy From Waste Facility will further contribute to environmental sustainability by eliminating the need to landfill waste. Additionally, an investment of £7m in school infrastructure is planned to support the expansion of free school meal provision.

The Construction Programme adopts a structured and integrated approach to the design and implementation of building assets for the Council Services. With specialised teams in architecture, quantity surveying, engineering, and energy, the Programme ensures that projects are executed efficiently and effectively. The architectural team manages a wide scope of projects, while the quantity surveyors focus on cost management and deriving maximum value. Concurrently, the engineering team provides technical solutions across multiple facility types, and the energy team emphasises sustainability and cost management. Collectively, their coordinated efforts signify a commitment to operational efficiency, fiscal responsibility, and environmental consideration in the construction process.

Facilities Management

The Facilities Management Team oversees the Council's built environment, ensuring its safety, functionality, and sustainability. The team divides its responsibilities into hard and soft facilities management (FM). Hard FM, managed by professionals such as surveyors and inspectors, focuses on tangible infrastructure tasks like routine maintenance and business disruption minimisation. Soft FM, on the other hand,

addresses daily operational services like building operations, security, and office support tasks. A dedicated building cleaning team maintains cleanliness across the Council's establishments, adhering to British Cleaning Institute Standards and deploying necessary infection control measures.

Estate Modernisation

The Council's estate portfolio is substantial, consisting of 611 operational properties with a total floor area of 677,000m2, 438 investment assets, and a housing collection of 13,200 council houses, inclusive of sheltered housing.[41].

The impetus behind the Estate Modernisation initiative is a comprehensive approach to estate management, focusing on both operational efficiency and the broader socio-economic and environmental impact. This project seeks to align properties with Service requirements, Communities, and Place, with a keen emphasis on safety and facility suitability. Primary objectives encompass meeting Climate Change Targets, fortifying the Aberdeenshire economy via the Commercial Portfolio, and enhancing financial oversight by streamlining property costs and asset disposal. To realise these aims, defined workstreams have been set in place, covering areas like Service Strategy development, energy management, and Facilities Management. The end goal is an estate in harmony with service needs, stakeholders, and the environment, ensuring high standards, fiscal responsibility, and impactful climate actions.

This initiative underscores the council's forward-thinking approach, ensuring that properties fulfil their immediate purposes and resonate with larger community and environmental aspirations.

Facilities Monitor

Initiated in 1981, Aberdeenshire Council's "Rural Facilities Monitor" has historically tracked changes in the provision of services within the rural areas of Aberdeenshire, capturing data on various facilities such as shops, fire and police stations, and post offices. Recognising the need for a more comprehensive view, the project's scope has expanded and been renamed the "Facilities Monitor", now encompassing both urban and rural areas of Aberdeenshire. Undertaken by the Planning Information and Delivery Team, with the assistance of Survey Assistants, the project aims to categorise data from approximately 170 locations. Data collection is modernised, employing ArcGIS Fieldmaps, and results from this extensive endeavour are anticipated to be presented in an update in early 2024.

Assessment

Aberdeenshire Council's Property and Facilities Management, within the Directorate of Business Services, demonstrates a comprehensive and strategic approach to estate management, addressing both operational efficiency and wider socio-economic and environmental considerations. While the council exhibits strengths in asset management, construction programme delivery, and facilities management, a potential challenge lies in maintaining the delicate balance between meeting the vast and evolving service requirements and ensuring environmental sustainability,

especially given the scale of the council's substantial estate portfolio. The continuous alignment of such a large number of properties with changing strategic needs, community expectations, and environmental targets will require meticulous planning and efficient execution.

Housing

Affordable Housing Supply

The Strategic Housing Investment Plan (SHIP) covers a five-year period and identifies possible sites for the delivery of affordable housing across Aberdeenshire subject to the availability of funding from Scottish Government and the financial capacity and viability of Aberdeenshire Council's Housing Revenue Account plan as well as Registered Social Landlords' business plans.

The SHIP 2024 - 2029 could potentially deliver 1972 new affordable homes, with around 590 suitable for Particular Needs (30%) of which 239 will be fully wheelchair accessible (12%) Around 1533 units will be for social rent (78%) with the remainder as either mid-market rent or some form of affordable home ownership.

There continues to be significant challenges within the construction sector with a dramatic increase in interest rates from 0.1% in November 2021 to 5.25% in July 2023, having a significant impact on borrowing and subsequently the affordability of construction projects and within the mortgage sector.

There are still some issues with material availability, although this has improved recently. Meantime there remains an ongoing skills and labour shortage within the construction industry. This experience seems to be consistent with previous years and has a direct impact on quality and delivery on sites.

Generally, there are a reasonable number of tender returns for projects and contractors' appetite for submitting prices for projects is increasing, which is positive. In Aberdeenshire there are a limited number of contractors in comparison to Central Belt Scotland, therefore this may be susceptible to change if sizeable, more attractive projects are released into the market.

Around 74% of current and future affordable housing development is or will be because of contributions from the private development industry to affordable housing through the Local Development Plan's Affordable Housing Policy. The policy states that "all new housing development of four or more homes must include 25% of the serviced plots for affordable housing". Consequently, the SHIP 2024-2029 will be heavily influenced by the development industry's build-out rate, intrinsically linked to the performance of the economy and the local housing market. This current market trend will be monitored in terms of the potential impact on the deliverability and viability of affordable housing developments, across all tenures, particularly in terms of alignment with Scottish Government funding.

Energy Efficiency & Asset Management of Housing Stock

The Stock Improvement team are leading a programme of capital upgrades (£80m annual) to Aberdeenshire Council's housing stock to include achieving Energy Efficiency Standard for Social Housing (EESSH2) and Net Zero 2045.

The team works in close partnership with several partners including Property Services and manages the Housing Improvement Programme. By June 2023, 25,000 upgrades in 11,000 homes will be completed, investing £180,000,000 in maintaining the quality of our 13,147 properties. Last year, external funding in the region of £2,500,000 has been successfully obtained and the team will continue to explore future external funding options.

An in-depth analysis of the stock's construction archetypes is currently being undertaken with Changeworks to determine what investment and strategy is needed to meet the Net Zero 2045 challenge.

Homelessness

The service deal with around 1,000 homeless applications per year and allocate a similar number of properties. The housing waiting list which has around 5,000 applicants, is used to prioritise need and allocate properties.

The team have been focused on meeting the targets identified within the Rapid Rehousing Transition Plan (RRTP). The RRTP sets out the vision and key priorities for the service which are focused on homeless prevention and rapid access to permanent housing solutions. Due to the positive achievements with the RRTP it is currently being reviewed with a view to extending the plan locally for a further 5 years even if this is not a national position. The Homeless Prevention Duty will be implemented in 2024 and the focus of the RRTP will be around the prevention of homelessness to align with this duty.

The Homeless service have been performing very well nationally and this has a positive impact on the wider general fund. By reducing homelessness can therefore help costs to other services like Housing Benefit, Social Work, Education and Health Services. The service also supports the councils' strategic priorities around resilient communities & health and wellbeing.

Asylum and Refugee Accommodation

The housing service have been assisting or advising on many different resettlement schemes all of which have different access to council housing.

Ukrainian Resettlement Scheme – Ukrainians have the same access to housing as UK Nationals and therefore should be treated equally in line with housing policies. Around 40 Ukrainians have been in contact with the housing service however there are more than 500 Ukrainian people in hosted placements within Aberdeenshire and more living with families, all of whom could ask for housing assistance at any point. Aberdeenshire has been very welcoming and has offered a high proportion of placements per head of population.

United Kingdom Resettlement Scheme (UKRS) Afghan Relocation Assistance Programme (ARAP) & Afghan Citizens Resettlement Scheme (ACRS) – These schemes have access to council housing and public funds. In general families would be matched to available housing vacancies and would only arrive in the area when a property is available. It has been suggested the authority supports 30 families per year via this scheme.

Unaccompanied Asylum-Seeking Children (UASC) – The authority has a mandatory duty to assist with this scheme. There may be requirement to find 26 new properties per annum for this group. In addition, if or when these young people get leave to remain, the service needs to find accommodation for those who want to remain in the area. At that point they need to be treated the same as any other care experienced young person and will have priority access to housing.

Asylum Seekers – Asylum seekers are unable to hold a tenancy or access council housing. Asylum accommodation is now being distributed around Scotland with Mears Group running this scheme. Mears Group will look to procure properties in the area to place people until an asylum decision is reached. They intend finding 100 properties in the area. In addition, Aberdeenshire will have some hotels in the area. Once a successful asylum application is made asylum seekers have 28 days to find accommodation which will likely mean they will need to approach the service as homeless.

Taking account of trends to date, the homeless service would see an increase of 20% in the number of homeless presentations in the area.

Sheltered Housing

The Housing Service is responsible for a wide spread of Sheltered Housing Schemes and linked accommodation throughout Aberdeenshire. A comprehensive Review of Sheltered Housing commenced in 2018 and although significantly curtailed by the Covid 19 pandemic, work is now progressing. The Sheltered Housing portfolio is heavily subsidised by the Housing Revenue Account and the central aim of the Review is to ensure the delivery of a rationalised and sustainable group of schemes that meet the needs of the residents of Aberdeenshire.

Cost of Living

As an affordable housing provider, the Service consider the sustainment of tenancies a priority by the Service, particularly given the impact of the pandemic and cost of living pressures. Housing adopts an early intervention approach to both the management of tenancies and rent arrears, with processes currently under review to deliver enhancements deemed necessary to provide meaningful support and assistance to increased levels of vulnerability now experienced. Use of data and new software systems will ensure a proactive and targeted response to trends evident within the portfolio. Teams will continue to work with both internal and external partners, including the Police and Health & Social Care, to ensure the best outcomes for tenants.

In addition to the measures above, fuel poverty support is provided through management of the Home Energy Efficiency Programme and the provision of support, information and advice through SCARF providing assistance across all tenures in dealing with the challenges of the cost-of-living crisis.

Assessment

The Strategic Housing Investment Plan (SHIP) for Aberdeenshire demonstrates a committed approach to addressing various housing challenges in the region.

This plan, however, faces multifaceted challenges. The significant increase in interest rates, ongoing skills and labour shortages in the construction industry, and the dependency on private development contributions (74% of current and future affordable housing) intrinsically link the success of the SHIP to broader economic conditions and market trends.

Furthermore, while efforts are being made to address energy efficiency and the cost of living, significant work remains to be done to fulfil the Net Zero 2045 challenge and tackle emerging issues such as rising homelessness and the complex needs of various resettlement schemes. The situation is further complicated by the welcoming but complex integration of refugees and asylum seekers.

Therefore, while the ambition is clear and some positive trends are noted, the execution and success of the plans are intricately tied to factors both within and beyond the control of local authorities, reflecting the complexity of housing in the contemporary social and economic landscape. Continued vigilance, adaptability, and collaboration across sectors will be vital to achieve the goals laid out in the plan.

Economic development plans for Aberdeenshire Council harbours

Aberdeenshire Council, in collaboration with the consultancy firm MKA Economics, has embarked on a strategic initiative to craft comprehensive economic development plans for its seven designated harbours: Johnshaven, Gourdon, Stonehaven, Rosehearty, Macduff, Banff, and Portsoy.

This initiative aims to provide a forward-looking blueprint for the future development and operation of these harbours. Its dual purpose is to ascertain the current operational efficiency of the harbours and to explore potential alternative management models, fostering a harmonised growth approach.

The engagement process, pivotal to the project's success, is set to run until August 2023. It encompasses a thorough consultation with a diverse range of stakeholders, including harbour users, adjacent businesses, service providers, and the broader community.

Outcome and Implications

The culmination of this study will be the formulation of five-year developmental plans for each of the seven harbours. These plans are designed to build upon existing studies and insights, ensuring that past learnings inform future strategies. The expected outcome is a robust assessment of investment opportunities, enhanced business potential, and a roadmap that augments the economic impact of these harbours on Aberdeenshire's local economy.

By elevating the operational efficiency and examining alternative management paradigms, this initiative harbours the potential to not only bolster Aberdeenshire's economic fabric but also to galvanise community development, fortify local enterprises, and amplify both commercial and recreational harbour activities.

Regeneration

The regeneration of Banff, Macduff, Fraserburgh, and Peterhead, as part of "Developing Excellence in our North Coast Communities"[42], showcases the multifaceted approach to regional development. Through a blend of economic initiatives, stakeholder collaborations, and community engagement, the points below offer an overview of the region's progress and potential direction.

- **Regeneration Progress:** Since June 2022, there has been notable success in the implementation and coordinated action, underscoring the effectiveness of the region's proactive approach to development.
- **Stakeholder Collaboration:** Consistent engagement with local councils, such as the Buchan and Banff and Buchan Area Committees, reflects robust stakeholder collaboration, vital for holistic regeneration.
- **Economic Opportunities:** The attraction of 160 business representatives at Peterhead Port Authority's event, alongside industrial investments in Peterhead, indicates the region's emerging position as a hub for energy transition and business interest. Such endeavours have the potential to offer significant socio-economic benefits.
- **Cultural and Infrastructure Development:** The allocation of £15.97 Million for the Peterhead Cultural Quarter Levelling Up Fund and the development plans for Macduff Marine Aquarium and Tarlair Pavilion, Macduff, signify strides in cultural and infrastructural development.
- **Investment in Education and Community Growth:** The allocation of £120 million for the construction of the new Community Campus in Peterhead illustrates a significant commitment to educational and community advancement. This investment is a part of a broader strategy to enhance infrastructure and provide modern facilities, thereby contributing to overall regional development and growth.
- **Climate Action and Community Engagement:** The inclusion of Northeast Climate
  Action Network (NESCAN) to engage communities in shared energy schemes and climate action initiatives demonstrates a forward-thinking approach. This partnership aligns with the larger global emphasis on sustainability and has the potential for socio-economic benefits, including potential reductions in energy costs.

- **Economic Development and Local Business Engagement:** The work on progressive procurement and the emphasis on supporting businesses in tendering for public sector opportunities reflects a focus on local economic stimulation and wealth retention.
- **Community Involvement in Planning:** The strong community involvement in the Fraserburgh Beach Vision & Masterplan showcases active resident participation, which will likely lead to more aligned and accepted future developments.
- **Infrastructure Investments:** The joint funding application for Macduff Harbour's upgrade signals a strategic move to adapt to technological shifts in the maritime industry, ensuring continued relevance and economic stimulation for the region.
- **Performance Metrics and Achievements:** Despite global disruptions such as the Covid-19 pandemic, the fact that most outcomes across the plans have been achieved or even exceeded signifies strong resilience and adaptability in execution.
- **Transition to a Place Approach:** The anticipated transition of the regeneration programme into a wider "Place approach" suggests a shift towards a more integrated and holistic development strategy that encompasses various aspects of community and infrastructural growth.
- **Focused Implementation:** Specific towns, like Fraserburgh, narrowing their focus on projects like the Beach Vision and Masterplan, highlights an adaptive strategy catering to specific community needs and potential.

Assessment

The approach to foster regional growth in the four coastal towns combines robust collaboration, economic investments, and an emphasis on community engagement, thereby aligning with the goals of sustainability and infrastructure development. Such efforts suggest that the region is positioned for sustained growth and development.

However, there are identifiable challenges. The reliance on external funding, as seen in projects like Macduff Harbour, introduces elements of financial uncertainty. As business opportunities increase, particularly in areas such as Peterhead, it is critical to ensure these lead to concrete socio-economic benefits for the local population. Additionally, there's a challenge in striking a balance between modern infrastructural developments and preserving cultural heritage. Given the region's strategic focus on energy transition, potential shifts in the global energy market can't be overlooked. As the "Place approach" gains momentum, resource realignment and consistent stakeholder engagement become essential. Furthermore, factors such as the ongoing implications of the Covid-19 pandemic and the need for continuous community feedback warrant careful consideration.

Despite these challenges, the region's track record of resilience and adaptability, combined with robust stakeholder collaboration, indicates a capacity to navigate complexities. The trajectory for the North Coast Communities, based on current strategies and achievements, remains positive.

Aberdeenshire Local Development Plan 2023

The 2023 Plan, born out of extensive consultations with communities, stakeholders, and the development industry, establishes a strategic blueprint for land-use and development throughout Aberdeenshire. With an emphasis on supporting a sustainable economy and preserving the region's environmental integrity, the Plan builds on a modern legacy of development planning. It carefully aligns new developments with essential infrastructure and transportation requirements and remains in compliance with the guidelines outlined by the Aberdeen City and Shire Strategic Development Plan.

Assessment

The 2023 Plan is a meticulously formulated and forward-looking framework, tailored to address Aberdeenshire's unique attributes and challenges. Key aspects of note include:

- **Holistic Integration:** A standout feature of the Plan is its ability to intertwine diverse policy realms - from business and housing to the environment and heritage. This integrated approach ensures that economic growth does not come at the expense of environmental or cultural degradation. Instead, it showcases a future where economic ambitions can be harmonised with conservation efforts, resulting in a sustainable path forward.
- **Community-Centric Approach:** The Plan's foundation on extensive consultations indicates a strong democratic ethos. By involving communities, stakeholders, and industry experts, it captures a broad spectrum of views and aspirations. Such an inclusive method ensures that the policies resonate with the people they affect, fostering greater community ownership and successful implementation.
- **Sustainable Economic Vision:** The emphasis on sustainable business development, particularly the 'town centre first' principle, reflects a nuanced understanding of modern urban planning challenges. This strategy not only boosts local economies but also mitigates potential urban sprawl, focusing on revitalising existing urban centres rather than unchecked expansion.
- **Innovative Housing Strategies:** Housing, often a contentious issue in development plans, is addressed comprehensively. The Plan's provision for a diverse range of housing needs, from mainstream to alternative models, signifies an awareness of evolving societal needs. The introduction of mandates, such as the H2 policy, highlights a proactive approach to tackling housing challenges, prioritising inclusivity, and affordability.
- **Robust Environmental Commitment:** In an era defined by environmental challenges, the Plan's rigorous environmental policies, based on foundational legal instruments, set a commendable benchmark. The application of the precautionary principle in decision-making ensures that even in the face of uncertainties, environmental conservation remains paramount.
- **Preservation of Cultural and Historic Assets:** The Plan's focus on conserving Aberdeenshire's rich history and cultural assets goes beyond mere tokenism. Recognising the intrinsic and economic value of the region's historic environment, it melds conservation with development, ensuring that the past is not only preserved but also leveraged for future growth.

- **Alignment with Broader Visions:** The Plan's synchronisation with national and regional strategies ensures consistency and reduces potential policy conflicts. This alignment demonstrates a collaborative spirit, understanding that regional development is not isolated but interwoven with broader national objectives.

In facing the challenges of the 21st century, the 2023 Plan's balanced approach will be crucial. By weaving together economic growth with cultural and environmental safeguards, it charts a course for Aberdeenshire that respects both its past and future, ensuring the region thrives while maintaining its unique character and values.

Aberdeenshire's Tourism Infrastructure Development Plan

The Aberdeenshire Strategic Tourism Infrastructure Development Plan (STIDP)[43] is a strategic response to an increase in tourism in rural areas. Developed by Aberdeenshire Council, stakeholders, and SLR Consulting, it's linked to the Rural Tourism Infrastructure Fund (RTIF).

The STIDP identifies and categorises 19 tourism 'hotspots' into three tiers based on their issues, including parking, access, and facilities for electric vehicles and motorhomes. Tier 1 focuses on strategic destination development, Tier 2 on coastal access points, and Tier 3 on improving visitor management at existing attractions.

A significant proposal within the plan is the creation of an 'aire network' to service motorhomes across Aberdeenshire, addressing the growing trend in motorhome use. This network will complement fully serviced sites and cater to a different user group.

The STIDP is crucial for managing visitor pressures and enhancing the visitor experience. However, its implementation will require careful financial planning. The RTIF can fund up to 75% of each eligible project, with the remaining funding needing to come from other sources.

In summary, the STIDP represents a forward-thinking approach to managing tourism in Aberdeenshire, aligning with broader strategic priorities. Its successful implementation will require effective financial management, collaboration with partners, and ongoing community engagement. Regular monitoring and review of the STIDP will ensure it continues to meet current visitor demands and pressures.

Forward Look

Infrastructure Development and Community Engagement

SSEN Transmission has unveiled a pioneering community benefit scheme, targeting local projects in the north of Scotland. These initiatives will play an instrumental role in supporting the infrastructure essential for the UK's 2050 net zero goals. Collaborating with Ofgem, SSEN Transmission aims to establish a Community Benefit Legacy Fund, set to channel over £10 million into areas like Aberdeenshire, the Highlands, and Orkney. This fund will back major projects like the East Coast 400kV upgrade. Emphasising community involvement, local insights will be pivotal in determining fund allocation. Looking ahead, SSEN Transmission and governmental

bodies are exploring an expansive community benefit framework that spans the lifespan of network assets.

The introduction of SSEN Transmission's community benefit scheme marks a seminal moment for infrastructural and community development in the north of Scotland, especially Aberdeenshire. The holistic approach, which harmoniously fuses infrastructural progress with community prosperity, sets a precedent. By intertwining the goals of carbon reduction, energy transmission, and community benefit, Aberdeenshire is poised to serve as a model for sustainable regional development. However, its success hinges on effective execution and robust collaboration between governmental entities, SSEN Transmission, and most importantly, the local communities. This strategy, if replicated, could redefine the way regions across the UK, and potentially beyond, approach infrastructural growth in tandem with community enrichment.

Strategic Outlook: Aberdeenshire's Path Towards Resilient and Inclusive Growth

As Aberdeenshire advances towards a sustainable future, our strategic assessment reveals a proactive and integrated approach to regional development. The coming years are poised to see a harmonious blend of economic growth, infrastructural advancements, and community involvement.

The central tenets of our forward-looking strategy include:

- **Holistic Development:** The region aims to create synergies across various sectors – from harbours management and land-use planning to regional regeneration. This entails further investment in sustainable transportation, the proliferation of diverse housing solutions, and the judicious use of the region's cultural and historical assets.
- **Community-Centric Approach:** The essence of Aberdeenshire's future initiatives lies in its deep commitment to its communities. Active stakeholder engagement, bolstered by collaboration with local councils and organisations like NESCAN, ensures that policies and projects resonate with those they impact directly.
- **Environmental & Cultural Stewardship:** A profound respect for Aberdeenshire's unique environmental and cultural legacy underpins all future strategies. This will manifest in stringent conservation initiatives and the exploration of shared energy schemes, reinforcing Aberdeenshire's commitment to a greener, sustainable future.
- **Economic Vigour & Resilience:** As Aberdeenshire positions itself as a hub for business and innovation, support mechanisms for local enterprises and regular dialogue with the business community will be crucial. Additionally, adaptability strategies to deal with global disruptions, such as health crises or economic shifts, will ensure the region's continued resilience.

Assessment

- **Sustainable Growth & Community Engagement:** Aberdeenshire's commitment to intertwining economic growth with environmental and cultural

safeguards showcases a model for future regional development. The emphasis on community participation, evident in both regeneration and local development planning, signifies that the region's growth will likely be aligned with the aspirations and needs of its residents, ensuring both progress and social cohesion.

- **Adaptability & Resilience:** The region's demonstrated ability to achieve positive outcomes amidst global disruptions like the Covid-19 pandemic suggests a robust adaptive capability. However, as Aberdeenshire further establishes itself as an epicentre for business and innovation, it will be essential to proactively address potential financial uncertainties, global energy market shifts, and the balance between modern development and cultural heritage preservation. This dynamic equilibrium will be the linchpin for translating long-term strategies into concrete, sustainable achievements.

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