Regional Skills Assessments

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Regional Skills Assessments (RSAs)
First launched in 2014, the RSA’s purpose is to provide a robust evidence base to support partners in strategic skills investment planning. They have evolved over time based on an independent review carried out in 2015 and feedback from partners.

To ensure an inclusive approach to their development, dissemination and utilisation, RSAs are produced by Skills Development Scotland (SDS) in partnership with Highlands and Islands Enterprise, Scottish Enterprise, Scottish Government, the Scottish Funding Council (SFC), the Scottish Local Authorities Economic Development Group and the South of Scotland Economic Partnership.

RSAs include the use of published data sets. Inevitably, when using published data there is a time lag but the data contained is the most up to date available at the time of writing. The section on the Supply of People in the region is an exception to this rule. Whilst 2018 estimates exist, we have used data for 2016 for consistency with the 2016 based population projections which are the latest available.

RSAs also include forecast data that has been commissioned through Oxford Economics. A number of caveats need to be applied when using forecast data. The Technical Note¹ provides full detail on this but broadly it should be noted that forecasts are based on what we know now and include past and present trends projected into the future. Their value is in identifying likely directions of travel rather than predicting exact figures. The more disaggregated they become, especially at smaller geographical units, the less reliable they are likely to be. Standard occupational classifications (SOC) and standard industrial classifications (SIC) are used to define occupations and industries. ONS has useful SIC² and SOC³ hierarchy tools that can be used to understand the classifications in more detail.

In addition, we provide analysis by Key Sector. Key Sectors are central to our Skills Investment Planning approach. Each Key Sector has a tailored Skills Investment Plan (SIP) which gives a picture of the economic and labour market situation, trends in skills and qualification supply and employers’ perspectives on the big skills issues affecting sector growth. Regional SIPs have also been developed. SIPs and RSIPs are available on the SDS website⁴.

This year’s RSA is in three parts:
1. This report outlining Demand for Skills, Supply of People; and Skills Mismatches;
2. An infographic detailing key data for the area; and
3. A new interactive RSA Data Matrix⁵ that was launched in August 2019 that provides more detailed data.

Finally, in the sections which follow, the numbers and figures in the body of the text are rounded for ease of reference and readability and therefore may differ slightly from:
• The Oxford Economics data in the RSA Data Matrix; and
• The accompanying charts in the report which are also based on the Oxford Economics data.

This RSA report is for Aberdeen City and Shire, which covers the Aberdeen City and Aberdeenshire local authorities.

¹ https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
⁴ SDS, Skills Investment Plans. http://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills-investment-plans/
⁵ https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/regional-skills-assessments/
1 Introduction
Introduction
We live in a world that is complex and is constantly evolving. Scotland’s businesses and people need the skills, knowledge and capabilities, not just to cope with this change but to thrive in it and influence it.

Scotland’s Economy
The latest ‘State of the Economy’ reported that Scotland’s economy continued its recent pattern of strong performance at the start of 2019 with the unemployment rate falling to record lows and strong growth in exports and output. Output growth increased in the first quarter to 0.5 per cent but this was driven partly due to temporary factors such as stockpiling and firms completing orders in anticipation of the original end March Brexit deadline. Short term outlooks for the economy will be dominated by Brexit uncertainty with the likelihood of subdued growth and the potential for more exposure to downturns in international demand and growth.

Labour productivity grew by 0.5 per cent in Q4 2018 and by 3.8 per cent in 2018 as a whole – its fastest pace of growth since 2010. Whilst positive, Scotland’s ranking among Organisation for Economic Co-operation and Development (OECD) countries is 16th of 37 countries, placing it in the second quartile. This ranking of 16th place has been unchanged since 2007. Scottish Government has the aspiration of improving Scotland’s productivity to match the performance of the top quartile of OECD countries.

Boosting productivity is vital for our long-term prosperity

Scotland’s People
Scotland’s population has grown and is projected to grow in future. National Records of Scotland (NRS) confirms that Scotland’s population in 2018 was 5,438,100 and is expected to grow to 5.58 million in 2026 and to 5.69 million by 2041. This estimate for growth is based on a continuation of EU migration at pre-Brexit levels which is not guaranteed.

Despite this past and projected growth, Scotland is facing an ageing demographic structure. Based on the population in 2016, just under one in five people (18 per cent) were aged 65 and over but by 2041, one in four people (25 per cent) are projected to be in this age group.

If we examine dependency ratios for Scotland’s population this shows a growing dependency ratio at Scotland level and indeed some areas – particularly some of Scotland’s rural areas – having much higher rates of dependency than the national average. At Scotland level, the dependency ratio will increase from 55 per cent in 2016 to almost 70 per cent in 2041. Put simply, for every 100 people of working age there will be 70 people dependent by 2041.

This suggests that the supply of labour might contract over the longer term if projections are realised. This points to a tighter labour market and greater competition for skilled labour in the future. Uncertainty regarding the implications of Brexit also remain, and any decisions taken on the free movement of people could exacerbate this further.

A tight labour market will result in more competition for skilled labour – Brexit could exacerbate this
Although we are seeing record levels in relation to high employment and low unemployment and relative economic prosperity since the recession, not everyone is benefitting equally in this prosperity:

- The gender pay gap for women working full-time in Scotland was 5.7 per cent in 2018\(^{12}\).
- The unemployment rate was 4.2 per cent for working age people in Scotland, but this increases to 9.9 per cent for 16-24 year olds and to 10.8 per cent for males aged 16-24\(^{13}\).
- The employment rate for people aged 16-64 was 74.5 per cent, but 57.4 per cent for people from an ethnic minority and 45.9 per cent for disabled people\(^{14}\).

There are disparities in regional performance across Scotland. Based on an assessment of employment growth, productivity, earnings and unemployment, recovery since the recession has been stronger in Scotland’s urban areas and weaker in rural areas.

Since the recession we have seen a rise in ‘nonstandard’ jobs (such as part time and temporary employment), low wage growth and continued ‘in work’ poverty:

- Self-employment has risen by 22 per cent, compared to one per cent for full-time employment since the recession\(^{15}\).
- Median weekly earnings (gross) grew by 19 per cent in the five years leading up to the financial crash in 2008. A slower rate of 11 per cent has occurred over the past five years\(^{16}\).
- More than half a million (550,000) people in Scotland were living in relative poverty (after housing costs) in a household where at least one adult was in paid employment\(^{17}\).

Both people and place are considerations when working towards a more inclusive labour market.

**Our growth needs to be inclusive**

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**Scotland’s Response to the Climate Emergency**

In April 2019, Scotland’s First Minister declared a climate change emergency with targets being set to reduce greenhouse gas emissions to net-zero by 2045. In May 2019, Scotland’s Climate Change Secretary set out Scotland’s response to the climate change emergency including action such as:

- A change in approach to airport departure tax;
- Funding to strengthen the rail freight industry and reduce the amount of freight that travels by road; and
- A new farmer-led initiative to drive low-carbon, environmentally sustainable farming practices.

The Cabinet Secretary for Environment, Climate Change and Land Reform confirmed that Scottish Government will be “placing climate change at the heart of everything we do”\(^\text{18}\) and this is at the core of the recently published Programme for Government.

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13 Annual Population Survey (April 2018-March 2019)
14 Annual Population Survey (April 2018-March 2019). EA core disabled has been used for the employment rate of disabled people.
All parts of Government will be expected to play a role in achieving these ambitious targets and SDS is to develop a Climate Emergency Skills Action Plan, as outlined in the Programme for Government. The development of appropriate skills will have a significant part to play in enabling this transition to a low carbon economy.

Our growth needs to be sustainable

**Scotland’s Resilience**
The world of work is constantly changing and the rate of change is rapid. Technological and societal disruptions are occurring at an increasing pace. Whilst we cannot predict the future, we can prepare for a future that is increasingly unpredictable. SDS has developed a Skills 4.0 model that focuses on developing ‘meta-skills’ to equip people with skills in resilience to thrive in a complex and ever-changing world (see Figure 1).

We need skills for resilience to thrive in a complex and ever-changing world

Figure 1:
**Skills 4.0**

https://www.skillsdevelopmentscotland.co.uk/what-we-do/skills-planning/skills4-0/
Issues and Challenges
A fit for purpose, skilled workforce will be essential to address the challenges facing Scotland (see Figure 2).

The development of skills that are fit for Scotland now and in the future is essential to achieving a high performing, inclusive and sustainable labour market. To meet these challenges, a step change in how we align skills provision to meet labour market demand is planned.

### Figure 2: Drivers for change

<table>
<thead>
<tr>
<th>Scotland’s Economy</th>
<th>Scotland’s People</th>
<th>Scotland’s Climate Change Emergency</th>
<th>Scotland’s Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boosting productivity is vital for our long-term prosperity</td>
<td>A tight labour market</td>
<td>Our growth needs to be sustainable</td>
<td>We need skills for resilience to thrive in a complex and ever-changing world</td>
</tr>
</tbody>
</table>

### Scotland’s Skills Issues

| | | | |
| We need innovative workplaces and skills to boost productivity with employers and employees as active participants in the skills system | We need to maximise Scotland’s indigenous talent and attract new talent to fill jobs in future. We need to enable all of Scotland’s people to share in the nation’s prosperity | We need to develop fit for purpose skills to enable Scotland to achieve its ambitious target for greenhouse gas emissions | We need to develop sector specific skills for the economy and skills for resilience – ‘meta skills’ |

### To support this we will need:

Greater flexibility and responsiveness in skills provision to better align with the needs of employers and the Scottish economy. Investment in upskilling and reskilling throughout individual’s careers to respond to a rapidly changing environment. More personalised, relevant and flexible work-based pathways.

Source: Skills Development Scotland
Scotland’s Skills Alignment Ambition

Skills Alignment (one of the workstreams in the Scottish Government’s Future Skills Action Plan) is focused on improving the skills system in Scotland. Its purpose is “to ensure that Scotland’s people and businesses are equipped with the right skills to succeed in the economy, not just now but in the future.” To achieve this end, a new joint planning process is in development to align the relevant functions of SDS and the SFC (see Figure 3).

To lead this process a Director of Skills Alignment has recently been appointed and three pilot projects have been established to test approaches in:
- Regions – Glasgow College region; and
- Sectors – Early Years and Child Care and Financial and Professional Services.

Having a robust evidence base is crucial if we are to ensure a fit for purpose skills system. SDS and partners are working to develop evidence on the key strategic issues and challenges for Scotland. This and the evidence contained in the RSAs will help inform Step 1 of this model – the Demand Assessment.

Figure 3: Five-step Skills Alignment model

1. Demand Assessment
2. Provision Planning
3. Outcome Agreements/Commissioning
4. Performance Management/Monitoring
5. Review and Evaluation

Source: Skills Development Scotland
The Aberdeen City and Shire Economy
The Aberdeen City and Shire Economy

Current Economic Performance
Gross Value Added (GVA) is a measure of the value of goods and services produced in an area and is an indicator of the economy’s health.

GVA in Aberdeen City and Shire in 2019 was £18.4bn, 13 per cent of Scotland’s output (£138.8bn).

This share of GVA ranks Aberdeen City and Shire as the third largest contributing RSA region to the Scottish economy.

In 2019, the highest value sectors in Aberdeen City and Shire were:
- Mining and Quarrying, £2.2bn;
- Professional, Scientific and Technical activities, £2.1bn;
- Real Estate Activities, £2.0bn;
- Manufacturing, £2.0bn; and
- Wholesale and Retail, £1.9bn.

Past Economic Performance
From 2009 to 2019 the Aberdeen City and Shire economy, measured by GVA, grew by 1.4 per cent on average each year. Scotland experienced the same rate of growth.

Future Economic Performance
GVA in Aberdeen City and Shire is forecast to grow by 1.4 per cent on average each year from 2019 to 2029. This rate of growth would be below that of Scotland (1.7 per cent) and the UK (2.0 per cent), and the same as the average annual growth rate that the Aberdeen City and Shire economy experienced from 2009 to 2019.

Economic growth across Scotland is expected to be relatively modest in the short term, as businesses show their reluctance to invest while operating under Brexit-related uncertainties. Slower GVA growth in Scotland is largely explained by its industrial mix, and specifically, the most dynamic sectors such as high value business services and digital sectors being underrepresented in Scotland compared to the UK.

GVA growth in Aberdeen City and Shire is expected to be driven by the Professional, Scientific and Technical Activities sector from 2019 to 2029, the GVA produced by the sector is expected to increase by £581.33m.

Subsectors of Professional, Scientific and Technical Activities include Architectural and Engineering Activities and Related Technical Consultancy, Technical Testing and Analysis, and Scientific Research and Development. These sub-sectors are closely linked to the Oil and Gas industry in the region and globally which has a large requirement for the services offered.

In addition to Professional, Scientific and Technical activities, sectors forecast to have the greatest increases in GVA output are:
- Real Estate Activities, £396.2m;
- Manufacturing, £239.7m;
- Wholesale and Retail Trade, £217.0m; and
- Administrative and Support Service Activities, £214.3m.

When compared to GVA output in 2019, it can be seen that most of the sectors that had the greatest GVA output in 2019 are expected to have the greatest actual growth from 2019 to 2029.

Mining and Quarrying which was the largest sector in 2019, is forecast to have a reduction in the GVA it produces in the region and across Scotland. The decline in Aberdeen City and Shire is forecast to be -£154.7m. Despite the decline the sector is expected to remain a large and prominent feature in the region’s economy.

Percentage change provides an alternative viewpoint for considering the future GVA contribution from sectors. This approach captures sectors that might make smaller GVA contributions but are forecast to grow at a faster rate. However, in the region the large Professional, Scientific and Technical Activities sector is expected to have a greatest rate of GVA growth from 2019, averaging 2.5 per cent each year up to 2029. Information and Communication is also expected to have a fast rate of
growth from 2019 to 2029. This was one of the smallest sectors in 2019 (in economic terms) and has a forecast average annual growth rate of 2.4 per cent.

Fiscal policy is likely to remain tight over the forecast period and, as a result, will weigh on the economic growth prospects for the Public Sector. Public Administration and Defence Activities are expected to contract each year from 2019 to 2029 in Aberdeen City and Shire. The forecast average annual rate of contraction is -0.8 per cent. However, Education and the Human Health and Social Work sectors are forecast to have GVA growth, growing by 0.1 per cent and 1.5 per cent per year over the forecast period respectively (see Figure 4). This will be as a result of increased demand for these services due to changes in the region’s population structure.

Figure 4
Forecast average annual GVA change by Industry (%) (2019 - 2029), Aberdeen City and Shire

Source: Oxford Economics
The key sectors contributing most to GVA growth in Aberdeen City and Shire from 2019 to 2029 are expected to be Engineering, Financial and Business Services, Construction, Health and Social Care and Energy (see Figure 5). These sectors are expected to have a higher overall contribution to growth as they have a relatively large presence in the regional economy already.

### Table: Forecast absolute GVA growth by Key Sector (£m) (2019 - 2029), Aberdeen City and Shire

<table>
<thead>
<tr>
<th>Sector</th>
<th>Forecast GVA Growth (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>£544.2</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>£327.2</td>
</tr>
<tr>
<td>Construction</td>
<td>£284.7</td>
</tr>
<tr>
<td>Health and social care</td>
<td>£190.0</td>
</tr>
<tr>
<td>Energy</td>
<td>£154.9</td>
</tr>
<tr>
<td>Creative industries</td>
<td>£112.0</td>
</tr>
<tr>
<td>Digital</td>
<td>£108.1</td>
</tr>
<tr>
<td>Food and drink</td>
<td>£93.2</td>
</tr>
<tr>
<td>Tourism</td>
<td>£51.4</td>
</tr>
<tr>
<td>Child-day care activities</td>
<td>£28.9</td>
</tr>
<tr>
<td>Chemical sciences</td>
<td>£6.1</td>
</tr>
<tr>
<td>Life sciences</td>
<td>£5.4</td>
</tr>
</tbody>
</table>

Source: Oxford Economics

![Figure 5](image.png)
Looking instead at percentage change for the key sectors for 2019 to 2029, Child-Day Care Activities is forecast to be the fastest growing. It is forecast to grow 3.8 per cent each year on average. This strong outlook reflects the Scottish Government’s childcare policy to double the number of hours of funded childcare by 2020. However, its small size in absolute terms means that its impact on overall growth is limited.

Relatively fast growth is also forecast in the Digital, Creative Industries and Financial and Business Services and Engineering sectors. However, like Child-Day Care Activities, the overall contribution of Digital and Creative Industries will be lower due to their smaller size relative to the currently much larger, dominant key sectors in the region (see Figure 6).

**Figure 6**
Forecast average annual GVA growth by Key Sector (%) (2019 - 2029), Aberdeen City and Shire

- Child-day care activities: 3.8%
- Digital: 2.4%
- Creative industries: 2.3%
- Financial and business services: 2.2%
- Engineering: 1.8%
- Life sciences: 1.7%
- Health and social care: 1.5%
- Construction: 1.4%
- Food and drink: 1.2%
- Tourism: 1.1%
- Chemical sciences: 0.9%
- Energy: 0.5%

Source: Oxford Economics
Productivity

Productivity is the measure of goods and services produced per unit of labour input. Productivity has been calculated by dividing total regional GVA by total regional employment (measured by jobs).

The productivity of a region is influenced by the industrial mix that is present. Within the same industries productivity may differ from business to business.

Office for National Statistics (ONS) analysis tells us that:

GVA per worker [productivity] is generally lower in the accommodation and food service activities, administrative and support services activities, and wholesale and retail trade industries than in most other industries. The production sector, by contrast, has relatively high productivity.

Among the service sectors, the professional, scientific and technical activities, financial and insurance activities, and the information and communication sector also tend to have relatively high-productivity. Therefore, a relatively high aggregate productivity in a region may sometimes be a reflection of a relatively large share of more productive industries in that location.

In 2019, productivity in Aberdeen City and Shire was £60,600. This was higher than the Scottish average of £50,400 (see Figure 7) and reflects the industrial mix in the region.

From 2009 to 2019, productivity in Aberdeen City and Shire grew by 1.3 per cent on average each year. Scotland experienced the same rate of growth over the same period. The equivalent for the UK was 0.8 per cent.

Productivity in Aberdeen City and Shire is forecast to grow at an average of 1.5 per cent per year from 2019 to 2029. This is above the growth rate expected for Scotland as a whole (1.4 per cent), and the same as that of the UK (1.5 per cent).

Figure 7

Productivity (2019)
Employment in Aberdeen City and Shire
**Employment in Aberdeen City and Shire**

**Current Employment**

Total employment in Aberdeen City and Shire (measured by jobs) was estimated to be 303,500 in 2019, 11 per cent of Scottish employment.

The employment rate for the working age population (aged 16-64) in the region was 78.4 per cent, which was above the rate for Scotland (74.5 per cent). Compared to Scotland, the region had above average employment rates for:

- Young people (aged 16-24), 65.3 per cent compared to 58.3 per cent;
- Males, 82.8 per cent compared to 78.1 per cent;
- Females, 73.8 per cent compared to 71.1 per cent; and
- Disabled people\(^{20}\), 49.7 per cent compared to 45.9 per cent; and
- Ethnic minorities, 67.2 per cent compared to 57.4 per cent\(^{21}\).

The region’s overall employment rate means that approximately two in ten of the region’s working age population were unemployed (4.6 per cent) or economically inactive (17.9 per cent)\(^{22}\). Inactivity includes people who are studying, retired or looking after their family or home.

Across Scotland and within the region full-time jobs were most numerous, 212,000 jobs (70 per cent) were full-time in Aberdeen City and Shire in 2019. This was a higher percentage share compared to Scotland where 68 per cent of jobs were full-time. Within the region more than two thirds of full-time jobs (145,400; 69 per cent) were held by males, and the remaining one third (66,500; 31 per cent) were held by females.

Part-time jobs accounted for a smaller percentage share of employment in the region compared to Scotland, 30 per cent compared to 32 per cent. Overall there were 91,500 part-time jobs in Aberdeen City and Shire, females accounted for almost three quarters (64,900; 71 per cent) of these jobs. Whilst males accounted for 29 per cent, 26,600 jobs (see Figure 8).

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**Figure 8**

*Employment by gender and full-time/part-time (2019), Aberdeen City and Shire*

Source: Oxford Economics

\(^{20}\) Equalities Act (EA) Core Disabled

\(^{21}\) Employment rate figures from Annual Population Survey, April 2018 – March 2019

\(^{22}\) Employment rate, unemployment rate and economic inactivity rate may not sum to 100 due to rounding.
In Aberdeen City and Shire, the largest employing sectors, and their regional share of employment, in 2019 were (see Figure 9):

- Professional, Scientific and Technologies activities, 14 per cent;
- Human Health and Social Work, 13 per cent;
- Wholesale and Retail Trade, 11 per cent;
- Mining and Quarrying, ten per cent;
- Manufacturing, eight per cent; and
- Accommodation and Food Service Activities; seven per cent.

**Figure 9**

Employment by Industry and share of total employment (2019), Aberdeen City and Shire

Source: Oxford Economics
Large sectors are an important source of jobs, however regions also have sectoral strengths that make them unique. It means that smaller sectors can be more important than their size suggests as they are more concentrated in the region compared to the national average. In Aberdeen City and Shire, Mining and Quarrying was the greatest specialism with the percentage of employment in this sector more than eight times greater than the Scottish average. Other sectors that had above average concentrations in Aberdeen City and Shire were Professional, Scientific and Technical Activities (1.9 times more concentrated), Agriculture, Forestry and Fishing (1.2 times more concentrated) and Manufacturing (1.2 times more concentrated).

Of the key sectors, Engineering, as might be expected given the sectoral insight above, was the largest in Aberdeen City and Shire in 2019. The sector accounted for 42,200 jobs. Energy was the second largest with a total of 40,500 jobs (see Figure 10).

Figure 10
Employment by Key Sector and share of total employment (2019), Aberdeen City and Shire
Sectors tell us about the industries that people work in, and occupations provide insight on the type of jobs people do. In 2019, nearly half of all occupations (45 per cent) in Aberdeen City and Shire were ‘higher level’, 32 per cent were ‘mid-level’ and 23 per cent were ‘lower level’. Compared to Scotland, the occupational structure of Aberdeen City and Shire had a greater percentage of the workforce in ‘mid-level’ occupations (25 per cent) and the same percentage of the workforce in ‘higher level’. Scotland had a greater percentage in ‘lower-level’ (30 per cent) occupations.

A detailed look at the occupational structure shows that the largest occupations in the region in 2019 were (see Figure 11):
- Science and Technology Professionals, nine per cent;
- Administrative Occupations, eight per cent;
- Clerical and Services Elementary Occupations, eight per cent;
- Caring Personal Service Occupations; seven per cent;
- Business and Public Service Associate Professionals, seven per cent; and
- Corporate Managers, six per cent.

**Figure 11**
Employment by occupation and share of total employment (2019), Aberdeen City and Shire

Source: Oxford Economics
Past Employment

Employment in Aberdeen City and Shire increased by 0.9 per cent from 2009 to 2019. This was largely caused by growth in prominent, large employing sectors including:

- Professional, Scientific and Technological Activities, 4,300 jobs;
- Mining and Quarrying, 3,900 jobs; and
- Education, 1,600 jobs.

Whilst these sectors experienced growth, other sectors contracted. The greatest absolute decrease occurred in the Wholesale and Retail Trade sector in Aberdeen City and Shire. Compared to 2009, there were 3,300 fewer jobs in the sector in 2019. Decline also occurred in Construction (-1,700 jobs) and Information and Communication sector (-1,500 jobs).

Beyond the sectors, other shifts in the region’s labour market have occurred. Part-time employment increased by 10,100 jobs, whilst full-time employment declined by 7,200 jobs from 2009 to 2019. Male and female employment increased by 2,700 jobs and 200 jobs respectively.

Employment Forecast

The employment growth that has occurred in Aberdeen City and Shire in the past is not forecast to continue. From 2019 to 2029 employment decline of -1.1 per cent is forecast in the region. This equates to -0.1 per cent employment decrease year to year, and 3,200 fewer jobs in total over the forecast period. This contrasts with the national projected growth rate. A three per cent increase in employment, or 0.3 per cent growth annually, over the forecast period is expected for Scotland. The growth rate for the UK is greater still, a five per cent increase, or 0.5 per cent annual change, is forecast.

The employment forecast for the local authorities within Aberdeen City and Shire shows a consistent outlook. The Aberdeen City and Aberdeenshire local authorities are forecast to have a net decrease in the number of jobs over the forecast period. Both are expected to have an annual average decline of -0.1 per cent.

Over the period to 2029, full-time employment is expected to decrease in Aberdeen City and Shire with 3,000 fewer full-time jobs in 2029 compared to 2019. Both male and female full-time employment will decrease, by 1,600 and 1,400 jobs respectively. Part-time employment is also expected to decline by 200 jobs. Female part-time employment is forecast to decline by 400 jobs, but some of this decline is expected to be offset by growth of 200 jobs in male part-time employment (see Figure 12).

Figure 12
Forecast employment change, by gender and full-time/part-time (2019 - 2029), Aberdeen City and Shire

<table>
<thead>
<tr>
<th></th>
<th>Full-time</th>
<th>Part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>-1,600</td>
<td>-1,400</td>
</tr>
<tr>
<td>Female</td>
<td>-400</td>
<td></td>
</tr>
</tbody>
</table>

Source: Oxford Economics
Although employment is forecast to decrease in Aberdeen City and Shire from 2019 to 2029, sectors will have varying performance. The greatest growth in jobs is forecast in Professional, Scientific and Technical Activities, with 4,700 more jobs expected in the sector by 2029 compared to 2019. Other sectors forecast to have growth over the forecast period are Administrative and Support Services (2,000 jobs), Construction (1,600 jobs) and Human Health and Social Work (1,300 jobs).

Job losses in Aberdeen City and Shire are also forecast across a number of sectors. Mining and Quarrying is the sector forecast to have the greatest number of job losses from 2019 to 2029. During the forecast period a decline of 8,000 jobs is anticipated. The Manufacturing sector is forecast to have a decline of 3,300 jobs over the same period of time. This reflects the general trend of more capital intensive and higher value-added activity in the sector, which requires less labour-intensive methods (see Figure 13).

![Figure 13: Forecast employment change by Industry (2019 - 2029), Aberdeen City and Shire](image-url)

Source: Oxford Economics
Employment is forecast to stay the same overall in Aberdeen City and Shire’s public services sector\(^\text{23}\) with Public Administration and Defence forecast to contract by 1,100 jobs over the forecast period due to continued pressure on public finances. The Education sector is also expected to contract but by a lesser amount, 200 jobs. Human Health and Social Care is the only part of the public sector expected to grow which offsets these declines, the sector is forecast to have 1,300 more jobs in 2029 compared to 2019.

The growth and contraction of employment by sector means that private services\(^\text{24}\) are expected to account for a larger share of jobs in Aberdeen City and Shire over the forecast period. The percentage is forecast to rise from 50 per cent in 2019 to 53 per cent in 2029. In 2019 the Construction sector accounted for six per cent of employment and this share is expected to be maintained in 2029, also public services will continue to account for 23 per cent of employment in 2029. The share that primary industries and Manufacturing sectors each account for is expected to decline by two and one percentage point over the forecast period to 11 per cent and seven per cent in 2029 respectively.

Looking ahead, the outlook for the key sectors largely echoes the broad sector trends summarised above – with Construction forecast to have the greatest growth (2,400 jobs). Financial and Business Services is forecast to have the second greatest growth increasing by 2,300 jobs from 2019 to 2029 in Aberdeen City and Shire. A number of other key sectors will experience growth over the forecast period, including:

- Health and Social Care, 1,300 jobs;
- Engineering, 1,200 jobs;
- Child-Day Care Activities, 900 jobs;
- Tourism, 400 jobs; and
- Creative Industries, 300 jobs.

Energy is the key sector forecast to have the greatest employment decline in Aberdeen City and Shire, with 6,700 fewer jobs in 2029 compared to 2019 expected (see Figure 14).

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\(^{23}\) Comprising Public administration and defence, Education, and Human health and social work.

\(^{24}\) N.B. ‘private services’ comprise the following sectors: wholesale and retail trade; transportation and storage; accommodation and food services; information and communication; financial and insurance activities; real estate activities; profess. , scientific and technical activities; administrative and support services; arts, entertainment and recreation; and other service activities.
By occupation, Caring Personal Service Occupations are forecast to experience the greatest increase in employment in Aberdeen City and Shire from 2019 to 2029 (of 900 workers). Growth in these occupations is closely related to the forecast rise in employment in the Health and Social Care sector. An additional 600 workers are expected to be required in Skilled Construction and Building Trades occupations, driven by expansion in the Construction sector. Other occupations anticipated to have an increase that is relatively large for the region are:

- Culture Media and Sports Occupations, 600 workers;
- Health Professionals, 400 workers;
- Business and Public Service Professionals, 400 workers; and
- Clerical and Service Elementary Occupations, 300 workers.

Occupations likely to contract over the next decade tend to be those most closely associated with Mining and Quarrying, Manufacturing and Public Administration and Defence, reflecting the declining numbers of jobs in each of these sectors. Examples include Skilled Metal and Electrical Trades (-1,700 people), Process, Plant and Machine Operatives (-1,200 people) and Administrative Occupations (-900 people) (see Figure 15).

Figure 15
Forecast employment change by occupation (2019 - 2029), Aberdeen City and Shire

Source: Oxford Economics
Total Labour Market Requirement in Aberdeen City and Shire
Total Labour Market Requirement in Aberdeen City and Shire

Total Requirement

In the previous sections we presented what has happened, is happening and what is forecast to happen in Aberdeen City and Shire economy and labour market. When looking at the labour market, we have until this section focused on how many jobs there will be in any given year and how that compares to another year. However, the labour market is more complex than this.

In this section, we provide greater insight on job openings. To do this we consider the jobs that will be created or lost due to expansion or contraction in the labour market and the jobs that will arise due to people leaving the labour market. People leave the labour market and jobs become vacant for a variety of reasons, retirement being the most common cause. This is called the replacement requirement.

In Aberdeen City and Shire, 90,600 job openings are forecast from 2019 to 2029. In the region, and as shown in the previous chapter, the number of jobs is forecast to decline by 3,200 from 2019 to 2029 due to contraction in the labour market. The replacement requirement of 93,800 jobs however will create a need for labour.

These opportunities are expected to be concentrated in a small number of sectors, with four sectors in Aberdeen City and Shire forecast to account for more than half (55 per cent) of the requirement. These are (see Figure 16):

- Wholesale and Retail Trade, 17,200 jobs;
- Administrative and Support Service Activities, 12,000 jobs;
- Human Health and Social Work, 10,400 jobs;
- Accommodation and Food Services, 10,000 jobs.

Job openings can be full or part time and the job openings forecast could be higher or lower in reality. Please note that throughout this section totals may not equal the sum of constituent parts due to rounding.
Figure 16
Forecast net requirement by Industry (2019 - 2029), Aberdeen City and Shire

Source: Oxford Economics
To fill these jobs, and others, there is a forecast requirement for 84,400 people in the region from 2019 to 2029. The difference between the people and job requirements is due to some people having more than one job, for example someone who has two part-time jobs. The number of people working in Aberdeen City and Shire is expected to decline by 4,300. However, the replacement requirement of 88,700 people creates a need for labour.

By occupation, the greatest number of people are forecast to be required in (see Figure 17):
- Clerical and Service Elementary Occupations, 11,400 people;
- Teaching and Research Professions, 9,900 people;
- Science and Technology Professionals, 7,600 people;
- Sales Occupations, 6,900 people; and
- Science and Technology Associate Professionals, 6,700 people.

![Figure 17](image_url)
Supply of People in Aberdeen City and Shire
Supply of People in Aberdeen City and Shire

Projection of Total Population

NRS produce population estimates for Scotland biennially. Their 2016 based forecasts cover the period up to 2041, so in this chapter we present a longer forecast period than the previous chapters.

In 2016, the population of Aberdeen City and Shire was 492,000, nine per cent of Scotland’s population.

By age, the largest group in Aberdeen City and Shire were people of working age (16-64 years). There were 326,400 people in this age group, 66 per cent of the region’s population. Across Scotland the working age population accounted for a smaller share of the population overall (65 per cent).

The number of people of working age compared to those of non-working age has implications for the region’s dependency ratio. The dependency ratio is important when considering the demand for public services, for example schools and healthcare services, and the funds available to provide these services, the income from taxes and National Insurance. In 2016, the dependency ratio in Aberdeen City and Shire was 51 per cent. This means that for every 100 people of working age, there were 51 people of non-working age. Across Scotland it was 55 per cent.

Of those who were in age groups thought to be dependent, children and young people (0-15 years) was the largest. There were 83,100 people aged 0 to 15 who accounted for 17 per cent of the region’s population. Across Scotland those aged 0 to 15 accounted for 15 per cent of the population, which suggests an overall younger population in the Aberdeen City and Shire.

The oldest age group (65 year or older) accounted for the remaining 17 per cent, there were 82,600 individuals in this age group (see Figure 18).

Brexit has placed an increased focus on the nationality of people living and working in the UK. It has the potential to discourage EU migrants from coming to the UK to live and work, either through choice or eligibility. Migration is important to Scotland as without it the population would be declining. In Aberdeen City and

Figure 18
Population by age (2016), Aberdeen City and Shire and Scotland

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Aberdeen City and Shire</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>16-64</td>
<td>66%</td>
<td>65%</td>
</tr>
<tr>
<td>65+</td>
<td>17%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: National Records of Scotland
Shire, there were 35,000 people who were born in the EU and a further 26,000 from the rest of the world in 2018. The EU born population accounted for seven per cent of the region’s population, and five per cent of the region’s population were born elsewhere in the world. Compared to Scotland a greater percentage of the region’s population were born in the EU or elsewhere in the world. Across Scotland four per cent of the population were born in the EU, and four per cent were born in other countries outside of the EU.

From 2016 to 2041, the population of Aberdeen City and Shire is projected to increase by approximately 46,800 people. Equating to a ten per cent increase, this would be double the national projected growth rate of five per cent over the same period.

The age structure of the region’s population is projected to change over the coming decades. Those of working age are expected to continue to account for the majority of the population, although decreasing to a 62 per cent share, or 335,600 people. Despite a projected increase in the number of people of working age of 9,200 people, as a percentage of the overall population a decrease is expected.

The largest increases are expected in the 65 or older age groups, with a 76 per cent increase projected for those aged 75+ (an additional 27,600 people) and 15 per cent increase among those aged 65-74 (an additional 6,800 people). Taken together, the increase in the 65+ age groups (34,300 people in total) far outstrips the increase in the working age group (9,200 people). Hence the falling working age share of the population.

The only forecasted decline over the period is for those aged 16-29, a decline of four per cent, a projected fall of 4,200 people is expected.

These shifts suggest that the region could have a larger and generally older population by 2041. This has implications for the region’s dependency ratio. Brexit may also affect the population structure and exacerbate any challenges. By 2041, the region’s dependency ratio is expected to increase to 61 per cent. Ranging across the region from 41 per cent in the Aberdeen City to 71 per cent in Aberdeenshire. Across Scotland the dependency ratio is expected to rise to 70 per cent (see Figure 19).

**Figure 19**
Dependency ratio (2016 and 2041)

![Dependency ratio chart](chart.png)

Source: National Records of Scotland
Skills Shortages, Gaps and Challenges in Aberdeen City and Shire
**Skills Shortages, Gaps and Challenges in Aberdeen City and Shire**

The Employer Skills Survey (ESS) gathered information on the skills challenges that employers encountered when recruiting, and any challenges that they had within their existing workforces. It is the primary source for this insight as it has taken a consistent approach across sectors and regions. The survey covered:

- Recruitment and skill-shortage vacancies;
- Skills gaps in the existing workforce;
- Skills under-utilisation;
- Upskilling - the need for staff to acquire new skills or knowledge;
- Training and workforce development; and
- High Performance Working practices.

The insight presented here is from the 2017 ESS which covered Scotland, England, Wales and Northern Ireland. The next ESS will be published in 2020 and unlike previous years, Scotland’s results will be published by the Scottish Government. Future ESS results for England, Wales and Northern Ireland will still be available and will be published by the UK Government.

**Skills Shortages**

Skills shortages are challenges that arise when employers are recruiting but are unable to find applicants with the required skills. When a vacancy cannot be filled due to a shortage of skills it is a skill-shortage vacancy (SSV). SSVs impact on the workplace and workforce in a number of ways, including:

- Increasing the workload for other staff;
- Creating difficulties when trying to meet customer service objectives; and
- Increasing operating costs.

In 2018, skills shortages were estimated to have cost Scottish employers £361.3 million, roughly £17,000 per organisation.

To understand the scale of the challenge that they present we can consider their incidence (how many employers are experiencing the challenge) and their density (how many vacancies are affected).

In 2017, the number of employers reporting at least one SSV in Aberdeen City and Shire was three per cent, compared to six per cent for Scotland. The incidence of SSVs in the region was higher in 2015 (five per cent), whereas across Scotland the incidence of SSVs has remained the same (six per cent) from 2015 to 2017.

Density, which indicates how many vacancies were SSVs, was lower in Aberdeen City and Shire than Scotland in 2017 and 2015. In 2017, density in the region was 21 per cent, the same as 2015. Across Scotland, density was 24 per cent in 2015 and 2017. This suggests a challenge that is less prevalent in the region’s labour market compared to Scotland’s (see Figure 20).
Across Scotland, to overcome SSVs, the most common responses employers took were to:
• Increase their expenditure on advertising and recruitment;
• Use new recruitment methods; and
• Redefine existing jobs.

Skills are not the only reason employers can find it difficult to fill vacancies. Other factors like hours and location can make it hard to fill vacancies. In Aberdeen City and Shire, 62 per cent of employers tried to recruit non-UK nationals to overcome hard to fill vacancies, compared to 41 per cent across Scotland. Of these employers and compared to employers across Scotland, a greater percentage in Aberdeen City and Shire sought to recruit EU nationals as a response to recruitment challenges (94 per cent, compared to 89 per cent). Changes to migration policy as a result of Brexit will affect all regions in Scotland, but the evidence suggests that Aberdeen City and Shire may be more adversely affected if the changes affect supply.

Most employers took action to overcome SSVs, however 11 per cent of Scottish employers in 2017 took no action.
Skills Gaps
Skills gaps arise when existing employees are not fully proficient as they do not have all the skills necessary for their role – these can be people, personal, practical and/or technical skills. Similar to skills shortages, we consider the incidence (how many employers have at least one person not fully proficient) and density (how many employees are not fully proficient). Skills gaps have similar impacts to SSVs and can slow down innovation in the workplace. Across Scotland, the most common causes of skills gaps were:

- Employees being new to their role, or training being incomplete;
- A lack of staff motivation; and
- An inability to recruit staff with the required skills, creating a need to upskill employees/recruits.

In 2017, the number of employers who reported a skills gap in at least one employee was 11 per cent in Aberdeen City and Shire, compared to 16 per cent for Scotland. Of the 13 regions, Aberdeen City and Shire had one of the lowest incidences of skills gaps. Since 2015, the incidence of skills gaps in the region has decreased. In 2015, 14 per cent of employers experienced a skills gaps, which was greater than Scotland (13 per cent).

Overall, 4.2 per cent of the workforce in Aberdeen City and Shire had a skills gap in 2017. This was a decrease from 7.1 per cent in 2015, and below the Scottish rate of 5.0 per cent in 2017. This, alongside the insight on incidence, suggests that skills gaps are not as far reaching in Aberdeen City and Shire and the concentration of skills gaps in the workforce is lower in the region than in Scotland (see Figure 21).

Across Scotland employers responded to skills gaps by:

- Increasing their expenditure on training, expanding trainee programmes and/or increasing training activity;
- Implementing more staff supervision; and
- Implementing a mentoring or buddy scheme.

![Figure 21
Skills Gaps (2015 and 2017), Aberdeen City and Shire](source: Employer Skills Survey)
Most employers in Aberdeen City and Shire acted to overcome skills gaps, and 13 per cent sought to recruit non-UK nationals as a response, compared to 15 per cent across Scotland. Of these employers and compared to employers across Scotland, a greater percentage in Aberdeen City and Shire sought to recruit EU nationals as a response to skills gaps challenges (99 per cent, compared to 93 per cent).

Most employers took action to overcome SSVs, however 15 per cent of Scottish employers took no action in 2017.

**Skills Under-Utilisation**
Employees are under-utilised if they have skills and qualifications more advanced than what is needed for their role. Addressing skills under-utilisation is important. In 2012 the economic cost to the UK of skills under-utilisation was estimated to be between £12-25bn. If skills-utilisation was on a par with the levels observed in Germany or France, UK GDP would be £5-9bn higher. There are implications for individuals too, having their skills under-utilised can impact on their income, health and wellbeing.

Similar to SSVs and skills gaps we can understand the incidence (how many employers have under-utilised employees) and density of the challenge (how many employees are under-utilised).

The number of employers reporting skills under-utilisation in their workforce was higher in Aberdeen City and Shire in 2017 compared to Scotland, 38 per cent and 35 per cent respectively. This suggests that more than one third of employers in the region had skills and talent going unused. The percentage of employers reporting skills mismatch has risen and skills under-utilisation increased in the region and across Scotland from 2015 to 2017, from 31 per cent and 32 per cent respectively.

The proportion of staff under-utilised has increased in the region, from 7.2 per cent in 2015 to 12.2 per cent in 2017. This suggests that more employers in the region are experiencing skills under-utilisation and the number of their employees under-utilised has increased. Across Scotland, the percentage of staff under-utilised increased from 7.9 per cent to 9.2 per cent which suggests a skills challenge that is growing (see Figure 22).

**Figure 22**
*Skills Under-Utilisation (2015 and 2017), Aberdeen City and Shire*

<table>
<thead>
<tr>
<th>Percentage of employers reporting Skills Under-Utilisation</th>
<th>Percentage of the workforce Under-Utilised</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>7.2%</td>
</tr>
<tr>
<td>38%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey


**Upskilling**

Skills are gained throughout life, and a need to upskill can arise due to:

- New legislative or regulatory requirements;
- The introduction of new technologies, equipment or working practices;
- Increased competitive pressure;
- The development of new products and services; and more recently
- The UK’s decision to leave the EU.

A need to upskill employees in the next 12 months was anticipated by 64 per cent of employers in Aberdeen City and Shire (as of 2017). This was lower than the percentage of employers across Scotland who anticipated a need to upskill (69 per cent). Within the region, operational skills were the most commonly mentioned development area. More than a half of the employers who identified development needs mentioned operational skills, 54 per cent. However, the need to upskill operational skills was lower in the region compared to Scotland (57 per cent). Fewer employers in the region expected a need to upskill the digital and complex analytical skills of their employees (37 per cent and 33 per cent, respectively). Compared to Scotland, the need to upskill was lower in the region for both digital and complex analytical skills (49 per cent and 44 per cent respectively). The evidence suggests that employers in Aberdeen City and Shire expect to upskill their workforce in the next twelve months, however the requirement appears to be lower than what is expected across Scotland (see Figure 23).

**Figure 23**

Employers anticipating a need to upskill by type of skill (2017), Aberdeen City and Shire and Scotland

<table>
<thead>
<tr>
<th>Skill Type</th>
<th>Aberdeen City and Shire</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational skills</td>
<td>54%</td>
<td>57%</td>
</tr>
<tr>
<td>Digital skills</td>
<td>37%</td>
<td>49%</td>
</tr>
<tr>
<td>Complex analytical skills</td>
<td>33%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Employer Skills Survey
Conclusion
Conclusion
In 2019, Aberdeen City and Shire made a GVA contribution to the Scottish economy of £18.4bn, 13 per cent of Scotland’s output (£138.8bn). Looking ahead, the economy is forecast to grow by 1.4 per cent on average each year up to 2029. Whilst this would be slower growth than what is forecast across Scotland, it would be the same as the average annual growth rate that the Aberdeen City and Shire economy experienced from 2009 to 2019. The forecast however reflects a point in time and the high levels of economic uncertainty could change the outlook.

Total employment in Aberdeen City and Shire (measured by jobs) was estimated to be 303,500 in 2019, 11 per cent of Scottish employment. Employment in the region increased from 2009 to 2019, but the forecast suggests that decline will occur in the future from 2019 to 2029. Although employment is forecast to decrease, sectors will have varying performance. The greatest growth in jobs is forecast in:

• Professional, Scientific and Technical Activities, 4,700 jobs;
• Administration and Support Services, 2,000 jobs;
• Construction, 1,600 jobs; and
• Human Health and Social Work, 1,300 jobs.

As the region’s share of Scotland’s GVA was higher in 2019 than its share of employment, productivity performance was above average. Productivity was £60,600 in Aberdeen City and Shire compared to £50,400 across Scotland.

The forecast employment decline could mean that there will be 3,200 fewer jobs in the region by 2029. However, the need to replace workers leaving the labour market will create 93,800 opportunities. Vacancies arising due to the replacement requirement offset those lost through labour market contraction.

To fill these jobs, and others, there is a forecast requirement for 84,400 people in the region from 2019 to 2029. The difference between the people and job requirements is due to some people having more than one job, for example someone who has two part-time jobs.

By occupation, the greatest number of people are forecast to be required in:

• Clerical and Service Elementary Occupations, 11,400 people;
• Teaching and Research Professions, 9,900 people;
• Science and Technology Professionals, 7,600 people;
• Sales Occupations, 6,900 people; and
• Science and Technology Associate Professionals, 6,700 people.

Whilst there will be demand for people to fill jobs, the population projection suggests that Aberdeen City and Shire could have a larger and generally older population by 2041. This presents a number of challenges:

• Skills challenges could be exacerbated by a deficit of talent, created due to the growth of people reaching retirement age being greater than growth of the working age population;
• Pressures on public finances and services could increase due to a growing dependency ratio, the region’s dependency ratio is expected to reach 61 per cent by 2041, up from 51 per cent in 2016; and
• Migration has been a driver of population growth across Scotland and an important source of skilled labour. In Aberdeen City and Shire, 12 per cent of the region’s population were born outside of the UK, changes to migration policy arising from Brexit could adversely affect future migration to the region and also impact on those who have already settled.

To address the current and future challenges in the labour market, and to make the most of the region’s strengths SDS is working in partnership with others on a range of actions.

Opportunity North East (ONE) is the private sector partner in the Aberdeen City Region Deal, with the ONE Board also providing advice to the regional economic partners including Scottish Enterprise (SE), Aberdeen
City Council, Aberdeenshire Council and SDS through its role as the Regional Economic Partnership Economic Forum.

The Aberdeen City Region Deal Joint Committee was established to oversee the implementation and monitoring of the Aberdeen City Region Deal and constitutes members from both Councils and The ONE Board.

The Regional Economic Strategy (RES) Group comprises a core membership from both Councils, SE, SDS, and ONE with other partners invited to attend as necessary. Their remit is to co-ordinate the development and delivery, and monitor progress of the RES and Action Plan, as part of the wider Regional Economic Partnership.

The Regional Learning and Skills Partnership was formed in 2018 to ensure, through effective and strong partnership working, that the skills requirements of individuals and employers are fully met, and that the skills system contributes to improved performance and productivity across the region. It also provides a strategic forum for partners to identify and discuss key issues relating to skills in the North East and provide oversight of the implementation of the Regional Skills Strategy (RSS).

The RSS was published in the summer of 2018 and contains four key priority themes:
- Responding to the downturn in the Oil and Gas industry;
- Supporting the economic transition;
- Repositioning the skills system; and
- Supporting school-to-work transitions.

The action plan behind the Regional Skills Strategy is ‘live’ allowing it to evolve as the region’s economy and needs change.

The RES was published in 2015 to provide a twenty-year plan for the economic development of the north east, with an updated action plan published in 2018 to take account of progress since the original publication. The Key Programmes within the RES centre around:
- Infrastructure;
- Innovation;
- Inclusive Economic Growth; and
- Internationalisation.

The RES aims to capitalize on the foundations of the economy and focusses on developing sectoral activity, diversifying within them and into new markets:
- Oil, Gas and Energy;
- Food, Drink and Agriculture;
- Life Sciences;
- Tourism; and
- Digital.

The Aberdeen City Region Deal was signed in 2016 with the UK and Scottish Governments jointly investing £250 million over ten years which was backed up by considerable investment from the councils, Universities, Private Sector and other economic partners. The deal focusses on Infrastructure and the economic strategy.

The RSA for Aberdeen City and Shire highlights the current challenges facing the North East economy. These challenges are being addressed through the RSS, the RES and the Aberdeen City Region Deal which are all supporting the economic transition and the transition to a zero-carbon economy. It is anticipated that the actions agreed across the partnership groups will promote inclusive economic growth and address inequality across the region and provide pathways into and through employment for the region’s residents whilst removing barriers such as access to transport and the skills required for the world of work.

Contact Us: If you have any feedback or comments on this report, please email rsa@sds.co.uk