



Proposed Aberdeen FC Stadium and Training Facility at Kingsford

Socio-Economic Impact Assessment

Final Report for Halliday Fraser Munro

January 2017

EKOS Limited, St. George's Studios, 93-97 St. George's Road, Glasgow, G3 6JA

Reg 145099

Telephone: 0141 353 1994

Web: www.ekos-consultants.co.uk

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Executive Summary

Overall, our assessment identifies that the proposed development will generate and support additional economic impact and activity within the local and regional economy. The detailed analysis, as presented in subsequent sections of the report, presents the following economic impacts at the **Kingsford level**:

- create 400 gross additional PYE¹ construction posts generating total one-off salaries of £10.2m and GVA of £21.4m;
- create 20 net additional PYE construction posts generating total one-off salaries of £600,000 and GVA of £1.2m;
- create 240 gross new on-site and off-site jobs – these equate to the actual number of direct positions created as a result of the development;
- generate 30 net additional jobs with salaries of £0.3m per annum and GVA of £0.3m per annum – these equate to the actual impact of the development in the wider economy taking account of additionality factors (displacement, leakage and multipliers); and
- generate net discounted additional salaries of £9m and £14m net additional GVA over a 25 year period at the Kingsford level.

At the local level, this development will also help to create access to employment opportunities for local people across a range of full and part time positions

¹ PYE = Person Year Equivalent, see Chapter 4 for detailed definition

1. Introduction

EKOS has been commissioned by Halliday Fraser Munro on behalf of Aberdeen Football Club Plc to undertake a socio-economic impact assessment of the potential economic and social impacts that could be generated and supported through Aberdeen Football Club (AFC) constructing and operating from the proposed development of a new football stadium and associated training and community facilities at Kingsford, Aberdeen.

Impacts are presented at the Kingsford and Aberdeen City, and Aberdeen City-Shire levels.

1.1 Development Proposal

Planning permission is being sought for proposed Community and Sports Facilities, Football Academy (comprising outdoor pitches, pavilion, ancillary buildings), Stadium (20,000 capacity). ancillary uses, formation of access roads, parking and associated landscaping and engineering works on land at Kingsford, Aberdeen.

The socio-economic appraisal is based on information provided by AFC, including; the planning application, development brief and, and wider project-specific research. We have also consulted with AFC to gather further qualitative narrative on the proposed activities at the site.

1.2 Approach

The study comprised two key work streams:

- desk based review of the socio-economic profile of the local and regional areas to identify:
 - economic and social review: population, employment, business activity, relative deprivation, levels of physical activity etc.
 - review of local facilities: leisure and retail facilities in the area, access to emergency services etc.; and

- economic impact analysis of the proposed development, to identify gross and net benefits, including employment, salary, and Gross Value Added (GVA).

1.3 Report Structure

The remainder of this report is structured as follows:

- **Chapter 2** presents a socio-economic baseline review of the local, regional and city-region levels, and a review of relevant legislation and policy documents;
- **Chapter 3** identifies the current provision of local services including leisure, retail, and service provision; and
- **Chapter 4** presents EKOS' appraisal of the socio-economic impacts that are estimated be generated/supported through the development at the Kingsford, Aberdeen City and Aberdeen City-Shire levels, and considers the scale of effect that the identified impacts will have on these areas.

EKOS disclaimer: *This report does not constitute a market appraisal of demand or take-up of the development, but presents the socio-economic impacts that the development could generate/support if fully implemented (as described) and fully occupied. As such, no comment is made by EKOS on the deliverability of the proposed development or achievement of the residual impacts presented. It is based on current development proposals and sources of information.*

2. Socio-Economic Baseline and Policy Fit

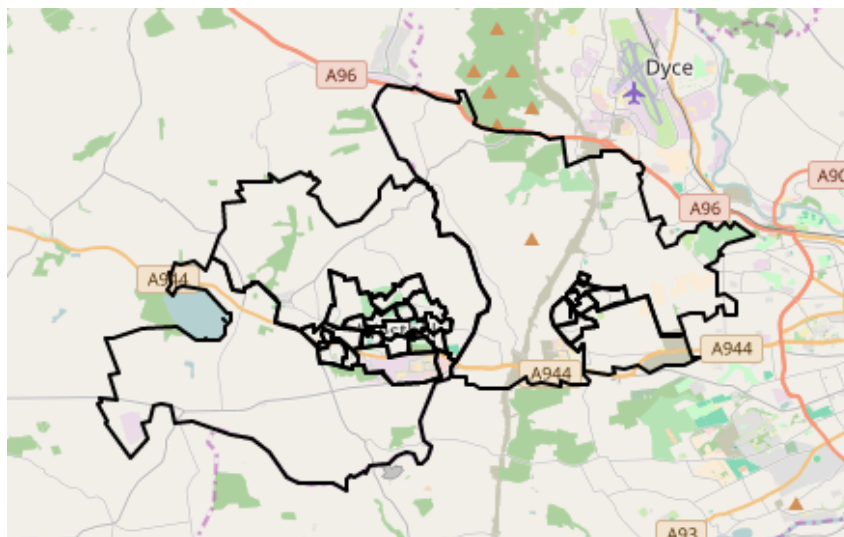
2.1 Introduction

This section provides a socio-economic baseline review to inform the appraisal of, and set the context for, the proposed development. It provides analysis of population, employment, business base, 'relative' deprivation, physical activity, and availability and provision of sporting facilities locally, across Kingsford, Aberdeen City, Aberdeen City/Shire and Scotland. The analysis presents the most up-to-date information, and where possible and appropriate, considers change over recent years.

This section also provides a brief review of relevant legislation and policy documents, and how the development may contribute to achieving the priorities and objectives set out in these documents.

The local area (or 'Kingsford') has been defined using combined data for the Scottish Intermediate Zones of Kingswells, Garlogie and Elrick, Westhill Central and Westhill North and South².

Figure 2.1: Datzones comprising the 'local' area



² Where Intermediate Zone data was unavailable, the following 'best fit' datazones were used to define the area: S01006732; S01006733; S01006733; S01006734 S01006735; S01006736; S01006737; S01006929; S01006930; S01006931; S01006932; S01006933; S01006934; S01006935; S01006936; S01006937; S01006938; S01006939; S01006940; S01006941; S01006942; S01006943; S01006944; and S01006945.

2.2 Population

The total population of Kingsford (as defined in [Section 2.1](#)) in 2013 was 18,294. This marked an increase of 1,240 (+7%) on 2009 – a greater rate of increase than each of the comparator areas (see [Table 2.1](#)).

Table 2.1: Population Change, 2009 and 2013

Area	2009	2013	% Change
Kingsford	17,054	18,294	7%
Aberdeen City	217,020	227,130	5%
Aberdeen City-Shire	466,040	484,870	4%
Scotland	5,231,900	5,327,700	2%

Source: Scottish Neighbourhood Statistics (SNS)

Whilst the age structure of the population is broadly the same across each of the comparator areas, Kingsford has a slightly higher proportion of children, as well as the lowest share of people of a pensionable age. Across each area, people of a working age comprise the sizable majority of the population ([Table 2.2](#)).

Table 2.2: Age Structure (2013)

Area	Total Population	Children	Working Age	Pensionable Age
Kingsford	18,294	21%	67%	12%
Aberdeen City	227,130	15%	71%	13%
Aberdeen City-Shire	484,870	17%	67%	16%
Scotland	5,327,700	17%	65%	18%

Source: SNS 2014

Population projection data is only available at the local authority and national levels. The population of all three areas is forecast to increase between 2012 and 2037, ranging from +9% at the national level to +28% in Aberdeen ([Table 2.3](#)). This is driven largely by a substantial increase in those of pensionable age in each area.

Table 2.3: Population Projection (2012 – 2037)

		2012	2037	% change
Aberdeen City	Children	32,903	47,640	+45%
	Working Age	158,901	189,617	+19%
	Pensionable Age	33,166	51,531	+55%
	Total	224,970	288,788	+28%
Aberdeen City-Shire	Children	80,659	101,972	+26%
	Working Age	323,762	360,258	+11%
	Pensionable Age	76,089	126,371	+66%
	Total	480,510	588,601	+22%
Scotland	Children	914,700	965,000	5%
	Working Age	3,473,200	3,342,200	-4%
	Pensionable Age	925,800	1,473,200	59%
	Total	5,313,600	5,780,400	9%

Source: NRS Scottish Population Projections

Table 2.4 sets out the possible population of Kingsford by 2037 if these rates were applied to the current local population.

Table 2.4: Possible Kingsford population by 2037

Area	Aberdeen City	Aberdeen City-Shire	Scotland
Rate of change	28%	22%	9%
Uplift in Kingsford population	5,190	4,115	1,607
Potential new population	23,484	22,319	19,901

Source: NRS Scottish Population Projections

2.3 Employment

Total employment in Kingsford has increased substantially in recent years, +58% since 2009, compared to +6% at Aberdeen City and Shire level, and +1% at the Aberdeen City and Scottish levels (**Table 2.4**). At the local level, there have been significant value increases in employment within the mining, quarrying & utilities, and professional, scientific and technical sectors (as was the trend at regional level) – this is likely to have been driven by growth in the oil and gas sector over the same period.

Indeed, sub-sectoral analysis at the 5 digit BRES level shows that much of these increases can be attributed to increases in the 'support activities for petroleum and natural gas extraction (+2,200 people)' and 'extraction of crude petroleum (+1,800 people)' sub-sectors. (N.B. BRES is a survey based estimate of employment which may attribute all company employees to address where the business is registered. It could be that some large companies have moved into the area, and so all of their employees are registered there).

It should be noted that retail employment in Kingsford has reduced by -28% in recent years – a development of this scale will bring more people to the area, and it is likely that these people will make use of local shops, possibly having a positive impact on retailers. Sub-sectoral analysis shows that this decrease can largely be attributed to the 'retail sale in non-specialised stores with food, beverages or tobacco predominating' sector.

Table 2.4: Total Employment and % change between 2009 and 2015

Sector	Kingsford		Aberdeen City		Aberdeen City-Shire		Scotland	
	2015 Total	% change	2015 Total	% change	2015 Total	% change	2015 Total	% change
Agriculture, forestry & fishing	0	-	100	-47%	1,290	-3%	35,000	+3%
Mining, quarrying & utilities	6,200	+200%	27,000	+23%	33,000	+25%	69,000	+11%
Manufacturing	500	-27%	11,000	-8%	25,000	+9%	179,000	-5%
Construction	1,200	+22%	5,000	-29%	13,000	-7%	130,000	-6%
Motor trades	100	+25%	2,500	0%	4,250	0%	43,000	+5%
Wholesale	400	+321%	5,000	0%	8,500	+6%	77,000	+3%
Retail	400	-28%	13,000	0%	23,000	0%	236,000	-1%
Transport & storage	200	-35%	9,000	+13%	13,000	+8%	102,000	-1%
Accom. & food services	600	+98%	13,000	+8%	20,000	+11%	199,000	+14%
Information & communication	300	+11%	3,500	-13%	4,500	-14%	62,000	-5%
Financial & insurance	100	+39%	1,500	-33%	2,200	-28%	85,000	-10%
Property	0	-	1,800	0%	2,750	+17%	30,000	+3%
Professional, scientific & technical	4,500	+82%	25,000	+4%	38,000	+19%	159,000	+4%
Business admin & support	700	+88%	14,000	+8%	19,000	+15%	181,000	+1%
Public admin & defence	0	-50%	8,000	0%	12,000	0%	152,000	-1%
Education	400	+10%	10,000	0%	18,000	+6%	193,000	-1%
Health	600	-40%	24,000	-11%	34,000	-8%	408,000	+7%
Arts, entertainment & other	300	-35%	5,000	-17%	9,000	-10%	102,000	-1%
Total	15,750	+58%	179,000	+1%	282,000	+6%	2,443,000	+1%

Source: BRES 2014. N.B. Figures have been rounded in keeping with BRES data suppression guidelines

Table 2.5, over, presents a Location Quotient (LQ) for sectoral share of employment in Aberdeen City, Aberdeen City and Shire, and Scotland, compared to Kingsford. LQs are calculated by taking the share of total employment which each sector comprises in Kingsford, and comparing it to its equivalent figure in the comparator areas.

When considering the representation of industry sectors across the comparator areas, Kingsford has a greater representation in the mining, quarrying and utilities, professional, scientific, and technical, and construction sectors than each of the comparator areas. The local area is under-represented against the comparator areas across a number of sectors, including retail, property, and the public sector.

The LQ works on a 'traffic light system', as follows:



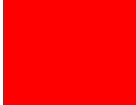
	Green cells indicate that Kingsford has a greater representation of employees in these sectors than the comparator area (1.10 or more).
	Orange cells indicate there is no significant difference (between 0.90 and 1.10) meaning the comparator area has a relatively similar proportion of its workforce in this sector.
	Red cells indicate that Kingsford has a lower share of employees in these sectors (0.90 or less).

Table 2.5: Location Quotient of Employment (2015)

	Kingsford	Aberdeen City	Aberdeen City-Shire	Scotland
Agriculture, forestry & fishing	0%	-	-	-
Mining, quarrying & utilities	39%	2.59	2.59	13.83
Manufacturing	3%	0.56	0.56	0.47
Construction	7%	2.61	2.61	1.37
Motor trades	0.3%	0.23	0.23	0.18
Wholesale	3%	0.91	0.91	0.81
Retail	3%	0.38	0.38	0.29
Transport & storage	1%	0.26	0.26	0.31
Accommodation & food services	4%	0.49	0.49	0.44
Information & communication	2%	1.12	1.12	0.86
Financial & insurance	1%	0.95	0.95	0.23
Property	0.2%	0.19	0.19	0.16
Professional, scientific & technical	29%	2.05	2.05	4.39
Business admin. & support services	4%	0.55	0.55	0.58
Public administration & defence	0.1%	0.01	0.01	0.01
Education	3%	0.50	0.50	0.35
Health	4%	0.27	0.27	0.21
Other	2%	0.64	0.64	0.43

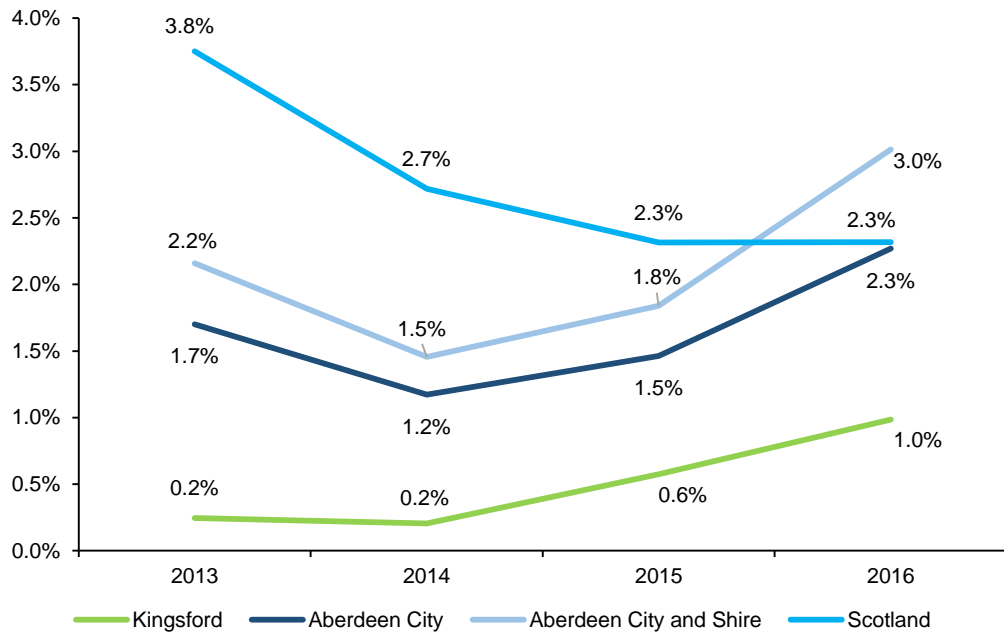
Source: BRES

2.4 Unemployment

The claimant count is a monthly measure of the number of people claiming unemployment related benefits, compiled by the Department for Work and Pensions (DWP).

In each of the last four years, the claimant count in Kingsford has remained consistently lower than the comparator areas, despite increasing in each of the last two years (Figure 2.2). Until 2016, both Aberdeen City and Aberdeen City and Shire have also had a lower than national claimant count rate over the period.

Figure 2.2: Claimant Count, 2013 to 2016

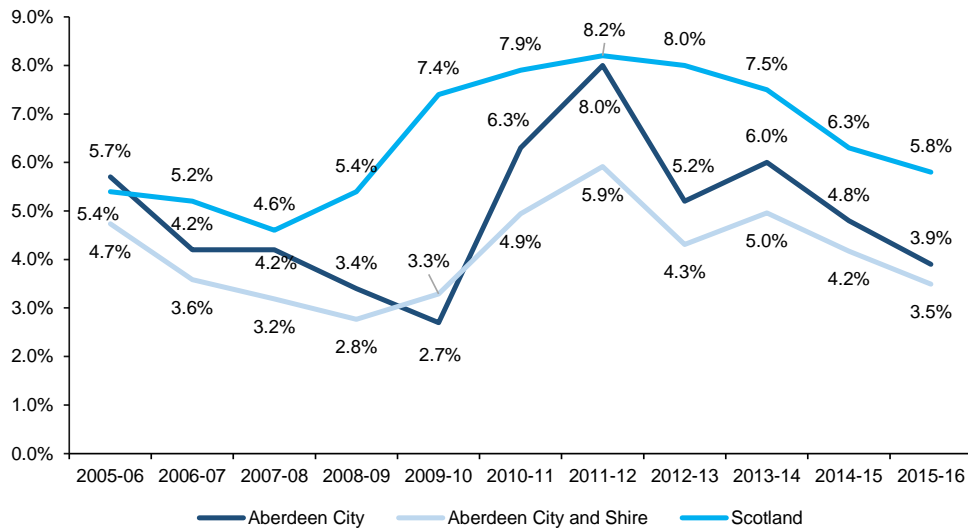


Source: NOMIS Claimant Count

Where available, model based unemployment is a more accurate measure of unemployment than the claimant count as it also includes people who are unemployed but not claiming out of work benefits – however, it is unavailable at a sub-local authority level.

Since 2005, unemployment in Aberdeen City and Aberdeen City and Shire has remained below the national average almost consistently (for Aberdeen City and Shire, comfortably below in each year – [Figure 2.3](#)). This is driven largely by Aberdeenshire, where unemployment has typically remained below 4% over the period. There has been some fluctuation at the Aberdeen City level, with a sharp increase immediately after the recession; that said, unemployment in recent years has shown signs of returning to pre-recession levels.

Figure 2.3: Model Based Estimate of Unemployment, 2005 to 2016



Source: Annual Population Survey

2.5 Business Base

As of 2016, there are a total of 885 businesses operating within the local area, over half of which (52%) are within the professional, scientific and technical sector ([Table 2.6](#)). Since 2010, the business base has grown by 36%, the highest of all the comparator areas (and around double that of Scotland).

It is worth noting that the number of retail businesses in the local area has reduced by -25% over recent years (over five times the Aberdeen City decrease). Again, it would be expected that there could be some positive benefits to local businesses from this development through increased local expenditure on goods and services.

Table 2.6: Business Count, 2016, and change since 2010

Sector	Kingsford		Aberdeen City		Aberdeen City-Shire		Scotland	
	2016 Total	% change	2016 Total	% change	2016 Total	% change	2016 Total	% change
Agriculture, forestry & fishing	30	+20%	90	-5%	3,070	0%	17,265	+3%
Mining, quarrying & utilities	10	-	115	+5%	295	+55%	1,295	+85%
Manufacturing	30	+50%	415	+1%	1,115	+9%	8,760	+14%
Construction	50	-9%	605	0%	2,035	+1%	19,035	+6%
Motor trades	10	+100%	135	+8%	455	+3%	4,510	+9%
Wholesale	20	0%	265	-4%	590	-2%	5,450	-1%
Retail	15	-25%	435	-4%	1,065	-9%	13,625	-4%
Transport & storage (inc postal)	25	+25%	225	+13%	570	+5%	5,235	+12%
Accommodation & food services	20	+100%	490	+7%	1,075	+9%	13,480	+12%
Information & communication	60	+33%	415	+38%	805	+30%	9,800	+49%
Financial & insurance	20	+100%	145	+12%	230	+15%	2,865	+37%
Property	10	+100%	310	+29%	550	+29%	5,350	+20%
Professional, scientific & technical	460	+53%	3,685	+54%	7,655	+57%	32,315	+52%
Business admin & support	65	+44%	780	+43%	1,755	+34%	11,890	+40%
Public administration & defence	0	-	0	-100%	0	-100%	45	-10%
Education	5	-67%	110	-4%	225	+2%	1,930	+15%
Health	20	+33%	290	+35%	570	+24%	6,655	+21%
Other services	35	+40%	485	+11%	1,075	+13%	12,400	+17%
Total	885	+36%	9,000	+26%	23,145	+21%	171,900	+19%

Source: NOMIS UK Business Counts. N.B. Some figures may not sum due to rounding. Cells marked with '-' indicate that 2010 total was 0, thus change cannot be calculated.

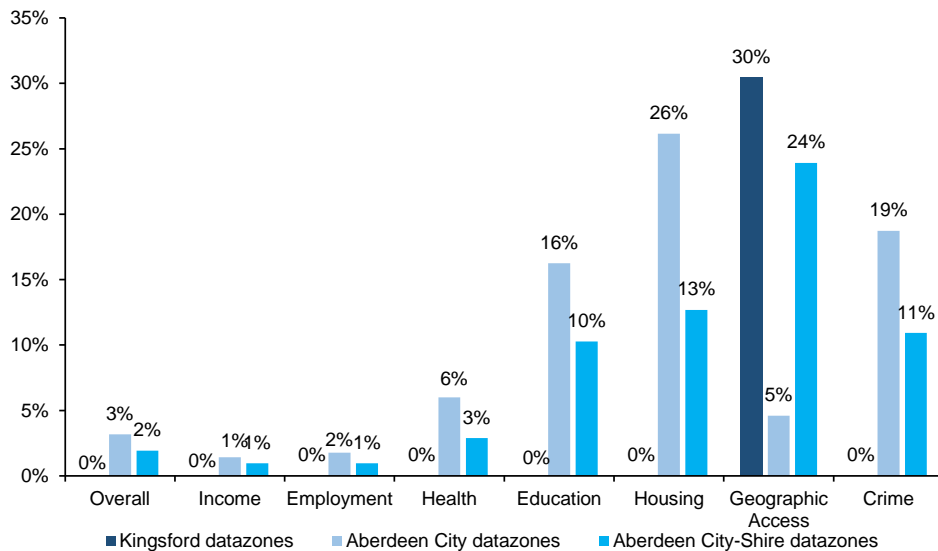
2.6 Scottish Index of Multiple Deprivation

The Scottish Index of Multiple Deprivation (SIMD) measures relative levels of deprivation across datazones throughout the country. The SIMD ranks each datazone from 1 to 6,976 with 1 being the ‘most deprived’ ranking, and 6,976 being the ‘least deprived’.

The SIMD measures deprivation across seven indicators, each comprising a range of individual measures. These indicators are income, employment, health, education, housing, geographic access to services, and crime.

There are a total of 23 datazones which comprise the local area. As shown in Figure 13.3, there is little deprivation within the local area - the only measure in which any local datazone is among the 15% most deprived nationally is in terms of geographic access to services, which is also a particular issue at the city-region level (Figure 2.4).

Figure 2.4: Percentage of datazones in 15% most deprived in Scotland, 2016



Source: SIMD

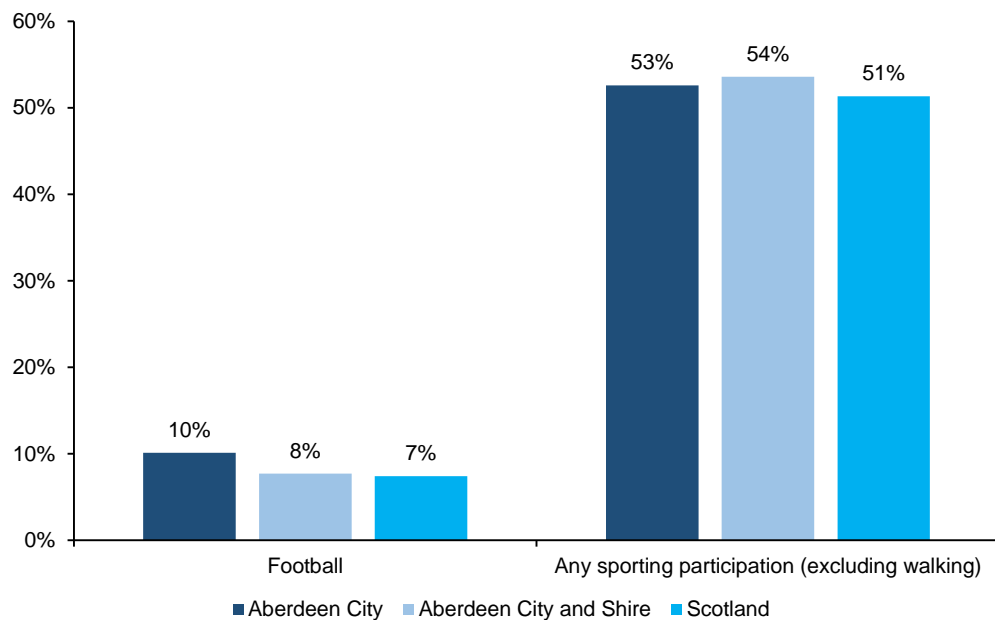
2.7 Physical Activity

The Scottish Household Survey (SHS) provides data relating to participation in physical activity; this is, however, only available at the local authority and national levels.

As shown in [Figure 2.5](#), residents of both Aberdeen City and Aberdeen City and Shire are slightly more active than the national average, with 53% and 54% of residents, respectively, having participated in a physical activity (other than walking) in the four weeks prior to being surveyed.

The proportion of Aberdeen City residents who played football is 10% - slightly higher than both the city region and national figures. The community pitches element of the proposed development will provide residents of both areas with the opportunity to play football more regularly.

Figure 2.5: Participation in Physical Activity, 2014



Source: SHS 2014

As shown in [Table 2.7](#), over half of Aberdeen City residents (54%) are very/fairly satisfied with local authority operated sporting facilities, this is true of only 49% of Aberdeen City and Shire residents. Given the proposed location at the south west boundary of Aberdeen City and Shire, the development will give residents of both local authority areas the opportunity to undertake physical activity in a modern and high quality facility.

Table 2.7: Satisfaction with local authority sporting facilities, 2014

Area	Aberdeen City	Aberdeen City-Shire	Scotland
Very/fairly satisfied	54%	49%	52%
Neither/nor	18%	18%	12%
Very/fairly dissatisfied	6%	6%	5%
No opinion	21%	27%	31%

Source: Scottish Household Survey

2.8 Legislation and Policy Fit

National Policy – Government Economic Strategy

Scotland's Economic Strategy, published in 2015, sets out the Government's ambition to:

“create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth”.

This long-term economic growth will be achieved through four priorities:

- investing in our people, infrastructure and assets;
- fostering a culture of innovation;
- promoting inclusive growth; and
- enabling Scotland to take advantage of international opportunities.

The proposed development will contribute to the priority of investing in infrastructure. The proposed development will create a high quality facility to support the growth ambitions of a significant employer, which will attract people and expenditure to the city and the local area. Further, the development of football pitches for community use will provide access for the local communities and people to play football, and therefore help to remain fit and active. This may also help develop community cohesion and social benefit through bringing people together – civic participation.

Active Scotland Outcomes Framework

The Active Scotland Outcomes Framework sets out Scotland's ambitions for sport and physical activity, to help achieve the Scottish Government's overarching

objective of creating a more successful country with opportunities for all to flourish.

The underlying vision is:

“of a Scotland where more people are more active, more often...being physically active contributes to our personal, community and national wellbeing”.

The Framework sets out six Active Scotland Outcomes:

- encourage and enable the inactive to be more active;
- improve our active infrastructure – people and places;
- encourage and enable the active to stay active throughout life;
- support wellbeing and resilience in communities through physical activity and sport;
- develop physical confidence and competence from the earliest age; and
- improve opportunities to participate, progress and achieve in sport.

The proposed development will contribute to all six of these Outcomes, through providing high quality facilities which will encourage and enable people of all ages to watch and play football. The development of training facilities for AFC will help the club bring through talented young players, and could help the club, and Scotland, develop quality talent in the sport.

Scottish Planning Policy (SPP), 2014³

The Scottish Government published SPP in 2014, setting out its high level strategic policy objectives for land use and planning. There are four key planning outcomes (sustainability, low carbon, natural resilience, and connectivity), and the proposed development will contribute to achieving:

- a successful, sustainable place – supporting economic growth, regeneration and the creation of well-designed places.

The proposed development will help create opportunities for employment and business growth, which could help strengthen the local and regional economies, and help retain young people in the local area.

³ The Scottish Government (2014); Scottish Planning Policy. Available [online](#).

Aberdeen City and Shire Strategic Development Plan, 2014⁴

Developed in 2014, the purpose of the Plan is to:

“...set a clear direction for the future development of the North East – recognising the importance of improving links and connections, adding to the quality of life, and providing opportunities for high-quality sustainable growth”.

To help achieve this, the Plan sets out six objectives; of particular relevance to this development is ‘economic growth’. This development will help create new employment and opportunities which will support business growth across the city region, and, by serving as a cultural attraction, will also attract visitors to the area.

Aberdeen City Council Local Development Plan (LDP), 2012⁵

Published in 2012, the LDP sets out Aberdeen City Council’s aim that by 2030:

“Aberdeen City and Shire will be an even more attractive, prosperous and sustainable European city region and an excellent place to live, visit and do business”.

The LDP outlines a need to expand beyond “*existing developed edges*” to maintain and enhance employment opportunities, retain young people and attract others to invest and live in the area. The Plan also states that existing suburban communities are “*essential*” and will provide opportunities for delivering development.

This proposed development will help generate economic activity within the local and regional areas, in addition to those schemes identified within the LDP.

Summary

In summary:

- the population of the local area has increased by 7% since 2013 – a greater rate of increase than in the comparator areas;
- there has been a substantial increase in employment in the local area in recent years (58%) – substantially higher than in the comparator areas;

⁴ Aberdeen City and Shire Strategic Development Planning Authority (2014); Aberdeen City and Shire Strategic Development Plan. Available [online](#).

⁵ Aberdeen City Council (2012); Aberdeen Local Development Plan. Available [online](#).

- since 2013, unemployment within Kingsford has consistently been the lowest of the comparator areas. Further, unemployment within the city and city-region have typically remained lower than the Scottish average;
- the local business base has grown to 885 in 2016 – an increase of 36% since 2010, around twice the rate of national growth. Half of these businesses (52%) are operating within the professional, scientific and technical sectors;
- there is very little deprivation within the area – the only deprivation which exists is in terms of access to services; and
- residents of Aberdeen City and Aberdeenshire are generally more physically active than the national average.

3. Review of Local Services

A review of services and facilities within the local area provides details on existing leisure and retail facilities, as well as a review of public transport infrastructure in the local area.

3.1 Transport

The proposed development will lie alongside the A944 road between Aberdeen and Alford, which allows access to and from Aberdeen city centre. The site also lies just west of the Aberdeen Western Peripheral Road (AWPR), which is scheduled for completion in 2017. The proposed South Kingswells junction of this road will allow for access to the AWPR, enabling north and southbound travel in and around Aberdeen.

Stagecoach buses operate two services which connect Westhill with Aberdeen. The X17 service from Aberdeen to Westhill and Elrick operates five times per hour on a Saturday, with the nearest stop listed as 'Crommie Cottage', which lies on the A944 directly in front of the proposed site. The X18 service from Aberdeen to Alford stops in Westhill three times per hour on a Saturday.

There is also a First Bus operated Park and Ride facility at Kingswells, offering connection with Aberdeen city centre and Bridge of Don. This is situated approximately 1.5 miles from the proposed development site. There is potential for the development of a green travel plan to integrate with existing local services to ensure fans and guests can travel to the site efficiently and safely.

There is potential for this facility to be used as a hub for shuttle services to and from the site.

3.2 Football Centres

Sport Aberdeen operate a total of 21 leisure facilities across the Aberdeen City Council (ACC) area. Of these, Cults Sports Complex and Sheddocksley Sports Centre have outdoor football pitches for 5, 7 and 11 a-side matches. Additionally, Sport Aberdeen manage four locations, each with a number of 11 a-side grass

pitches – Inverdee, Hazlewood, Aulton and Westfield – none of these, however, are within a c. four mile radius of the site.

Another facility of note within Aberdeen is the Aberdeen Sports Village (ASV), based in Aberdeen City Centre. In addition to a range of indoor and outdoor multi-sports facilities, the ASV has a full sized indoor 3G football pitch which can be used for 7 or 11 a-side matches. It is located approximately seven miles from the proposed development.

Further, there are two privately operated facilities within Aberdeen City – Goals at Bridge of Dee, and Strikers at Bridge of Don. There are no ACC or privately operated facilities of this type within c. four miles of the proposed development (Sheddocksley being the closest site).

It should be noted, however, that Lawsonsdale Playing Fields (an Aberdeenshire Council managed site) border the proposed development site to the west. There are five full-size (11 a-side) grass pitches at Lawsonsdale, however, it does not appear that these can be used for smaller sided games (e.g. 5 a-side or 7 a-side), which the development could accommodate on an artificial surface.

3.3 Local Services and Amenities

Westhill Shopping Centre (situated around 0.5 miles from the development site) is home to a range of amenities and services which users of the development are likely to utilise, such as fast-food outlets, cafes, pubs, and general convenience stores. There is also a Tesco superstore located just south of Westhill, at Arnhall Business Park (c. 0.3 miles from the development). There are also a number of restaurants and shops in Kingswells to the west of the proposed site (c. 1.8 miles away).

There are five hotels which are local (i.e., within a c. four mile radius) to the proposed development, which may be able to accommodate fans, visiting teams, and guests who attend events/functions at the stadium. Each of these facilities also has event/conference space. These are:

- Premier Inn Aberdeen Westhill – 103 bedrooms;
- Holiday Inn Aberdeen West – 86 bedrooms;
- Village Hotel Club Aberdeen - 148 bedrooms;

- Best Western Summerhill Hotel and Suites – 45 bedrooms; and
- Premier Inn Aberdeen, Anderson Drive – 60 bedrooms.

3.4 Emergency Services

Given the requirements for emergency services staff at football matches, it is important to consider nearby facilities. Aberdeen Royal Infirmary is the largest hospital in the NHS Grampian area, and is also the nearest Accident & Emergency unit to Kingsford, around five miles away.

There is a Police Scotland office located in Westhills, with additional offices nearby in the Mastrick and Cults stations, both around five miles away.

It should be noted that there is a statutory requirement on the number of police, ambulance and paramedic staff required for matches and events, and the level of impact is unlikely to change. Whilst AFC forecast an uplift in spectator numbers, it is unlikely that this will be large enough to have a significant impact on the emergency services.

4. Socio-Economic Impact Assessment

This section presents the findings of the socio-economic impact appraisal undertaken by EKOS based on the development proposal as outlined at [Section 1.2](#).

4.1 Assessment Method

The economic impacts of the proposed development are reported as jobs, Gross Value Added (GVA) and salaries, and have been calculated using a bespoke appraisal model and based on HM Treasury 'Green Book' guidance⁶. The impacts are reported at four defined spatial geographic levels - the local (Kingsford), regional (Aberdeen City), city-region (Aberdeen City and Shire) and national (Scotland) levels.

Our assessment takes account of a range of economic impacts:

- 'On-site' impacts – captures the operational jobs which will be based at the development and the salaries and GVA effects (i.e. AFC staff)⁷;
- 'Off-site' impacts – captures the expenditure of fans and spectators travelling to the stadium for matches and events, as well as those attending events and conferences at the stadium. This expenditure on local retail and services will be a direct result of the proposed development, and, in turn, will support jobs in the local and regional economies;
- Construction impacts – captures the one-off impacts associated with the construction of the proposed development; and
- Long-term impacts – captures the net discounted impacts arising from the GVA and salaries generated by the proposed development over a 25 year period.

⁶ HM Treasury (2013); The Green Book: appraisal and evaluation in central government. Available [online](#).

⁷ N.B. The total number of AFC staff is based on figures provided by AFC, supplemented with information on the number of 'ad-hoc' staff employed by the club and AFC Community Trust.

We have used a number of technical terms in describing the likely social and economic impacts:

- **Gross jobs** – the direct jobs accommodated ‘on-site’ within the development, and the direct jobs created through ‘off-site’ spend by spectators and guests;
- **Net jobs** – the out-turn of the gross jobs (both on- and off-site) taking account of:
 - the impact the development is estimated to have on other businesses and the labour market (**displacement**)
 - the proportion of impacts that will benefit those outwith the defined spatial area (**leakage** outwith Kingsford/Aberdeen City/Aberdeen City and Shire)
 - the positive spin-off benefits generated through income and supplier **multiplier effects**;
- **Gross Value Added (GVA)** – GVA is a measure of the value of goods and services produced before allowing for depreciation or capital consumption. GVA measures the income generated by businesses after the subtraction of input costs, but before costs such as wages and capital investment. GVA is the Government’s preferred method for measuring economic performance;
- **PYEs** – construction jobs are based on Person Year Equivalents (PYEs). This method allows the number of people on-site over the whole construction period (which will vary over the period between full-time, part-time, permanent, temporary and contract) to be estimated as a proportion of an annual equivalent post. It is important to note that construction impacts are one-off; and
- **Net cumulative discounted impacts** – the total quantified value of the net additional GVA and salaries over a 25-year period taking account of the construction works, the date at which the development will be completed and occupied, and the time value of money (i.e. £1 today is worth more than £1 next year). Impacts are discounted at the HM Treasury Social Time Preference Rate (3.5%).

The detailed analysis presents the gross and net additional impacts at the local, regional, city-region, and national levels. Gross effects (salaries and GVA) are based on 2014 Scottish Annual Business Statistics (SABS) Scottish salary and GVA sectoral benchmark data, updated to 2016 prices, and adjusted for FTE employment. These figures are then multiplied by the number of jobs to arrive at total salaries and total GVA.

Within this section, all reported job impacts have been rounded to the nearest 10, and GVA and salaries to the nearest £100,000. This is consistent with HM Treasury Green Book guidance to avoid 'spurious accuracy' in the reporting of impacts and outcomes.

4.2 Limitations and Assumptions

This assessment is based on current economic conditions and identifies the potential impacts and benefits which could be generated from the development, if completed in full and occupied as per the stated assumptions. The actual results will, however, vary from those projected as they will be subject to future market conditions and other economic influences.

Variances from our projections could be material (either positive or negative) but it should be noted that EKOS has adopted a robust appraisal method in the estimation of the likely socio-economic impacts for this development proposal. We do not, therefore, anticipate substantial variation, unless there are major changes in the economic structure, change in market profiles, and/or major competition from other relevant developments in the local, regional, or national context.

In order to mitigate against changes to future market conditions and provide a robust assessment, EKOS has employed a sensitivity analysis which reports the low, medium and high impact scenarios. The sensitivity analysis includes making adjustments to key model parameters when assessing the net impacts:

- low-level impacts – using a high level of both displacement and leakage;
- mid-level impacts – using a medium level of both displacement and leakage;
- and
- high-level impacts – using a low level of displacement and leakage.

EKOS has based this assessment on estimates and data provided by Aberdeen FC (AFC), as well as our own professional knowledge and expertise. Unless otherwise specified, impacts and effects mentioned in this chapter relate to the mid-level impacts.

The Economic Impact Assessment has been undertaken based on information, forecasts and estimates provided by AFC, and based on EKOS' professional judgement and assumptions. It does not constitute a detailed demand assessment, but rather it outlines the potential impacts that could be delivered through the development proposals.

4.3 Impact Assessment

4.3.1 Construction Impact

The construction spend and development activity will generate one-off impacts associated with the site remediation and development, construction of the facilities and buildings, and associated site infrastructure.

Our analysis of the construction employment impacts are based on Scottish Annual Business Statistics (SABS) data. The analysis uses an employment co-efficient of £124,294 average construction industry turnover/expenditure per employee – i.e. the spend required to sustain one construction job for a period of one year – a Person Year Equivalent (PYE) job. The co-efficient is derived from SABS 2014 data for Scotland⁸, and has been adjusted to reflect 2016 prices.

Gross construction jobs are estimated by dividing the total construction cost (£50 million) by the construction employment co-efficient i.e. $£50m \div £124,294 = 400$ construction PYEs. Total gross effects are set out in [Table 4.1](#), calculated based on the methodology set out earlier in this report.

⁸ Whilst regional figures can be derived, we have used the national rate across our assessment, to ensure consistency.

Table 4.1: Gross Construction Impacts

Area	Gross jobs	Total gross salaries (one-off)	Total gross GVA (one-off)
Kingsford	400 PYEs	£10.2m	£21.4m
Aberdeen City	400 PYEs	£10.2m	£21.4m
Aberdeen City-Shire	400 PYEs	£10.2m	£21.4m
Scotland	400 PYEs	£10.2m	£21.4m

Construction impacts are then taken through the gross to net calculation, as outlined above (displacement, leakage and multipliers), which estimates the one-off net additional construction impacts, see [Table 4.2](#).

Table 4.2: Net Construction Impacts

Area	Gross jobs	Total gross salaries (one-off)	Total gross GVA (one-off)
Kingsford	20 PYEs	£600,000	£1.2m
Aberdeen City	420 PYEs	£10.6m	£22.1m
Aberdeen City-Shire	460 PYEs	£11.6m	£24.2m
Scotland	470 PYEs	£12m	£25.2m

As outlined at [Section 4.2](#), we have undertaken a sensitivity analysis of impacts to account for future changes in the market. This is presented in [Table 4.3](#).

Table 4.3: Construction Net Impacts, Sensitivity Analysis

	Gross jobs	Net jobs	Total net salaries (one-off)	Total net GVA (one-off)
Kingsford				
Low level	400 PYEs	10 PYEs	£200,000	£400,000
Mid level	400 PYEs	20 PYEs	£600,000	£1.2m
High level	400 PYEs	40 PYEs	£900,000	£1.9m
Aberdeen City				
Low level	400 PYEs	320 PYEs	£8.2m	£17.2m
Mid level	400 PYEs	420 PYEs	£10.6m	£22.1m
High level	400 PYEs	490 PYEs	£12.5m	£26.2m
Aberdeen City-Shire				
Low level	400 PYEs	350 PYEs	£9.0m	£18.8m
Mid level	400 PYEs	460 PYEs	£11.6m	£24.2m
High level	400 PYEs	540 PYEs	£13.8m	£28.7m
Scotland				
Low level	400 PYEs	360 PYEs	£9.1m	£19.2m
Mid level	400 PYEs	470 PYEs	£12m	£25.2m
High level	400 PYEs	570 PYEs	£14.5m	£30.3m

4.3.2 Operational On-site Impacts

Once completed and operational, the development will be home to all of AFC's footballing operations, including; the new first team stadium and training pitches, club museum, shop and café, and football pitches for community use.

Based on data provided by the club, AFC will support 180 gross FTE jobs. The gross impacts and wider economic effects are set out in [Table 4.4](#).

Table 4.4: Gross Onsite Impacts

Area	Gross jobs	Total gross salaries (annual)	Total gross GVA (annual)
Kingsford	180 FTEs	£6.5m	£7m
Aberdeen City	180 FTEs	£6.5m	£7m
Aberdeen City-Shire	180 FTEs	£6.5m	£7m
Scotland	180 FTEs	£6.5m	£7m

N.B. These are existing AFC jobs which we define as ‘on-site’, based on data provided by AFC and our own analysis. Whilst some will be existing jobs, they will all be ‘new’ to the local (Kingsford) area. Our analysis is based on AFC operating from the Kingsford site.

The net effects are set out in [Error! Reference source not found..5](#).

Table 4.5: Net Onsite Impacts

Area	Gross jobs	Total gross salaries (annual)	Total gross GVA (annual)
Kingsford	10 FTEs	£0.3m	£0.3m
Aberdeen City	150 FTEs	£5.4m	£5.9m
Aberdeen City-Shire	160 FTEs	£5.6m	£6.1m
Scotland	190 FTEs	£6.9m	£7.5m

A sensitivity analysis of net impacts is set out in [Table 4.6](#).

Table 4.6: On-site Net Impacts, Sensitivity Analysis

	Gross jobs	Net jobs	Total net salaries (annual)	Total net GVA (annual)
Kingsford				
Low level	180 FTEs	10 PYEs	£100,000	£100,000
Mid level	180 FTEs	10 PYEs	£300,000	£300,000
High level	180 FTEs	20 PYEs	£600,000	£700,000
Aberdeen City				
Low level	180 FTEs	120 PYEs	£4.2m	£4.6m
Mid level	180 FTEs	150 PYEs	£5.4m	£5.9m
High level	180 FTEs	180 PYEs	£6.5m	£7m
Aberdeen City-Shire				
Low level	180 FTEs	130 PYEs	£4.6m	£5m
Mid level	180 FTEs	160 PYEs	£5.6m	£6.1m
High level	180 FTEs	190 PYEs	£6.7m	£7.3m
Scotland				
Low level	180 FTEs	170 PYEs	£6.1m	£6.6m
Mid level	180 FTEs	190 PYEs	£6.9m	£7.5m
High level	180 FTEs	220 PYEs	£7.8m	£8.4m

4.3.3 Off-site Impacts

Supporters who attend matches and those attending events and functions at the stadium will spend money in the local area, primarily on local retail, leisure sector – pubs, restaurants, and hotels, and transport.

Based on previous research undertaken on the average spend of Scottish football fans on match days⁹, we estimate that the average match day expenditure of fans who will travel to Kingsford by car will be £10, whilst for those travelling to the stadium by other means, this will be £25. Based on this we estimate that the total off-site match day expenditure of fans is £5.9m (excluding ticket costs).

We have also made estimates relating to the expenditure of guests attending functions and events based on benchmarks for the tourism sector – we estimate an annual off-site expenditure of £1.2m.

Combined, the annual ‘off-site’ expenditure by spectators is £7.1m which will support an additional 60 gross jobs, assuming average expenditure of £113,636 to support one PYE job in the ‘service sector’ (defined as; retail, food and drink, accommodation and leisure sectors). This will generate gross impacts as set out in [Table 4.7](#).

Table 4.7: Gross Off-site Impacts

Area	Gross jobs	Total gross salaries (annual)	Total gross GVA (annual)
Kingsford	60 PYEs	£1m	£2m
Aberdeen City	60 PYEs	£1m	£2m
Aberdeen City-Shire	60 PYEs	£1m	£2m
Scotland	60 PYEs	£1m	£2m

The gross to net effects and impacts are set out in [Table 4.8](#).

Table 4.8: Net Off-site Impacts

Area	Gross jobs	Total gross salaries (annual)	Total gross GVA (annual)
Kingsford	20 PYEs	£400,000	£800,000

⁹ Repucom (2013); National (Scotland) Football Survey. Available [online](#). N.B. Whilst this survey has been undertaken more recently, none appear to provide data relating to fan expenditure, hence why 2013 results have been used.

Aberdeen City	30 PYEs	£600,000	£1.1m
Aberdeen City-Shire	60 PYEs	£1.1m	£2m
Scotland	70 PYEs	£1.1m	£2.2m

The sensitivity analysis of these off-site impacts is set out in **Error! Reference source not found.**

Table 4.9: Off-site Net Impacts, Low, Mid and High Impact Estimates

	Gross jobs	Net jobs	Total net salaries (annual)	Total net GVA (annual)
Kingsford				
Low level	60 PYEs	20 PYEs	£300,000	£500,000
Mid level	60 PYEs	20 PYEs	£400,000	£800,000
High level	60 PYEs	30 PYEs	£500,000	£1m
Aberdeen City				
Low level	60 PYEs	30 PYEs	£400,000	£800,000
Mid level	60 PYEs	30 PYEs	£600,000	£1.1m
High level	60 PYEs	50 PYEs	£700,000	£1.4m
Aberdeen City-Shire				
Low level	60 PYEs	60 PYEs	£900,000	£1.8m
Mid level	60 PYEs	70 PYEs	£1.1m	£2m
High level	60 PYEs	80 PYEs	£1.2m	£2.3m
Scotland				
Low level	60 PYEs	60 PYEs	£1m	£2m
Mid level	60 PYEs	70 PYEs	£1.1m	£2.2m
High level	60 PYEs	80 PYEs	£1.3m	£2.4m

4.4 Long Term Effects

In calculating the longer-term effects of the proposed development, we have undertaken a Discounted Benefit Flow, charting the total effects over 25 years after the date of completion at the four levels. We anticipate the following net effects:

- Kingsford – total salaries of £9m and total GVA of £14m;
- Aberdeen City – total salaries of £64m and total GVA of £108m;
- Aberdeen City and Shire – total salaries of £92m and total GVA of £116m;
and
- Scotland – total salaries of £109m and total GVA of £134m.

4.5 Impact Summary

Overall, the development is expected to have a positive impact at the Kingsford and Aberdeen City levels, creating a new stadium and facilities which will attract people to the local area.

Tables 4.10 and 4.11 present the impact summaries at the Kingsford and Aberdeen City levels.

Table 4.10: Impact Summary Kingsford Level

	Gross	Net	Net GVA	Net Salary
Operational Jobs	240	30	£1.1m	£0.7m
Construction PYEs	400	20	£1.2m	£0.6m

Table 4.11: Impact Summary Aberdeen Level

	Gross	Net	Net GVA	Net Salary
Operational Jobs	240	20	£6m	£7m
Construction PYEs	400	420	£10.6m	£22.1m

The analysis shows that the development will make a positive contribution to the Kingsford and Aberdeen City economies. The creation of 240 gross jobs (on/off site), equating to 30 net additional jobs at the local level, should be considered alongside the 120 Kingsford and 3,635 Aberdeen City residents identified in [Chapter 2](#) as being unemployed.

In considering the long-term impact of the development (over 25 years), we have identified that the net additional GVA that will be generated equates to £14m at the Kingsford level and £108m at the Aberdeen City level¹⁰.

In summary, the development will increase employment in the local area offering a range of flexible employment opportunities, will offer local people access to a modern and high quality facility for leisure purposes, and visitors will generate additional spending in local businesses (primarily retail, bars and restaurants, and hotels), and leisure facilities.

¹⁰ This value represents the estimated GVA generated by the one-off construction and continuous operational jobs, discounted at 3.5% (HM Treasury's Social Time Preference Rate) for a period of 25 years.