

Islands Bond

Consultation

July 2021

1. Introduction

Background:

Scotland's National Islands Plan, published in 2019, was developed following the introduction of the Islands (Scotland) Act 2018 and sets out a series of objectives for improving outcomes for island communities across Scotland.

During the consultation for the National Islands Plan, depopulation was highlighted by island communities as their top priority issue. The National Islands Plan commits the Scottish Government to address population decline and ensure a healthy, balanced population profile. This commitment is underpinned by a range of actions including:

- Identify islands where population decline is becoming a critical issue in order to ensure that these islands have their needs addressed;
- Work with young islanders to identify actions to encourage them to stay on or return to islands; and
- Develop an action plan to support the repopulation of our rural and island communities, and work with partners to test approaches using small-scale pilots.

Development of the Islands Bond is seen as a key action in delivering on these National Islands Plan commitments.

Islands Bond Manifesto Commitment:

The SNP Manifesto stated that: “To help stem depopulation, we will establish an Islands Bond – offering 100 bonds of up to £50,000 to young people and families to stay in or move to islands threatened by depopulation. The bonds will support people to buy homes, start businesses and otherwise make their lives for the long term in these communities”.

This commitment provides us with a number of high-level details in relation to the purpose of the Islands Bond:

- The bond will be a £5 million fund across the lifetime of the parliament.
- The bond value for each individual ‘award’ will be up to £50,000.
- Capital funding will be made available to young people and families to stay in or to move to islands currently threatened by depopulation.
- Bonds issued will support people to buy, build or renovate homes, start businesses and otherwise make their lives for the long-term in island communities.

Proposed aims of the Bond:

The Islands Bond will aim to address the issue of depopulation through delivering a direct intervention responding to some of the key financial barriers to remaining in, or moving to, the islands.

This intervention will involve providing up to £50,000 for up to 100 households across the lifetime of the parliament. The bond will be an agreement to provide financial assistance based on set criteria to support island residents to remain in their community, or to encourage households outwith the islands to move there.

Recognising the potential tensions arising from those outwith the islands moving into island communities, we will also look to develop, in parallel to the bond mechanism, options for a relocation support or advisory service. This could help to provide a 'soft landing' for those looking to move to island communities.

Providing support in the form of capital funding through an Islands Bond will stimulate local island economies and address financial barriers to accessing land, housing and/or business space that will facilitate both population retention and growth in island communities.

In particular, the bond could be expected to create sustainable and inclusive growth in the island communities recipients of the bond move to or remain in, and, through careful development of its criteria, would also reduce inequalities and give equal importance to economic, environmental and social progress.

Potential Considerations:

Defining and identifying islands that are currently threatened by depopulation

Understanding the population challenge we want to address will be a major factor in where we direct interventions, and may involve for example:

- Identifying islands that have historically suffered decline.
- Identifying islands that are projected to see a decline.
- Exploring whether population decline is experienced differently across individual islands e.g. does a more granular investigation demonstrate that some areas are experiencing a population growth.
- Considering whether we are solely focused on overall population levels or whether we should target specific demographics.

Eligibility

At this moment, we do not have a list of specific islands that would be covered by the bond. This is due to the range of considerations outlined above. We would hope to be able to improve our understanding of these population challenges through our consultation this year.

Another crucial consideration will be in how the bond may support both those looking to remain in or return to island communities, and those looking to move to island communities.

Consideration will also need to be given to which capital costs are eligible, and this may be influenced by locally identified priorities and/or need.

Value of the Bond

In order to ensure the level of funding is reasonable, the value of individual bonds may require to be needs based. Development of the assessment process will need to explore what evidence would provide sufficient reasoning for requesting a bond, reassurance that funding would be spent against agreed criteria, and options for monitoring/evaluation. This will need to be balanced against the capacity of any assessment panel/team, and the need to make the bond accessible.

Measuring/Evaluating the Bond

Measuring the progress and success of the bond would involve both quantitative and qualitative analysis.

Quantitative:

- Number and value of islands bonds issued;
- Number, individual value, and location of households in receipt of the bond to support remaining in an island community;
- Number, individual value, destination moving to, and original location of households in receipt of the bond to support migrating to an island community;
- Analysis of wider impact of bond investment including additional employment created, increase in local school roll, bond spend in local area/business.

Qualitative:

- Case studies of households in receipt of the bond which would highlight both the benefits and potential challenges of remaining in or moving to island communities.

Through the above measurements, we will be able to measure the success of the bond, and adapt the criteria of the bond to ensure it continues to deliver against island community population needs.

Note on Geographies used in the Consultation:

Questions within the survey requesting information on island location will refer to “Island Groups”. These groups were developed through the framework for the National Islands Plan Survey published 9 July 2021. The groups and the islands they contain are provided in the table below.

The survey, and the methodology can be found at [National Islands Plan Survey: final report - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/publications/2021/07/national-islands-plan-survey-final-report/).

Island Group	Islands
Argyll Islands	Coll, Colonsay, Easdale, Gometra, Iona, Islay, Isle of Gigha, Isle of Mull, Jura, Kerrera, Lismore, Luing, Oronsay, Seil, Tiree, Ulva
Arran, Bute and the Cumbraes	Bute, Great Cumbrae Island, Isle of Arran
Lewis and Harris	Great Bernera, Isle of Lewis and Harris, Scalpay
Orkney Mainland	Burray, Mainland of Orkney, South Ronaldsay
Orkney Outer Isles	Eday, Egilsay, Flotta, Graemsay, Hoy, North Ronaldsay, Papa Stronsay, Papa Westray, Rousay, Sanday, Shapinsay, Stronsay, Westray, Wyre
Shetland Mainland	East Burra, Mainland of Shetland, Muckle Roe, Trondra, West Burra
Shetland Outer Isles	Bressay, Bruray, Fair Isle, Fetlar, Foula, Housay, Papa Stour, Unst, Whalsay, Yell
Skye and the Small Isles	Canna, Eigg, Eilean Tioram, Isle of Ewe, Isle of Raasay, Isle of Skye, Muck, Rona, Rum, Sanday, Soay
Uist and Barra	Baleshare, Barra, Benbecula, Berneray (North Uist), Eriskay, Grimsay (North), Grimsay (South), North Uist, South Uist, Sunamul, Vatersay

2. Consultation Questions

1. What are your initial thoughts on the proposed criteria of the Islands Bond?

The Manifesto stated that:

- The bond will be a £5 million fund across the lifetime of the parliament;
- The bond value will be up to £50,000;
- Capital funding will be made available to young people and families to stay in or move to islands currently threatened by depopulation; and
- Bonds issued will support people to buy, build or renovate homes, start businesses and otherwise make their lives for the long-term in island communities

2. Which island location do you currently live in? *If applicable.*

- | | |
|---|--|
| <ul style="list-style-type: none">• Argyll islands• Arran, Bute and the Cumbraes• Lewis and Harris• Orkney Mainland• Orkney Outer Isles | <ul style="list-style-type: none">• Shetland Mainland• Shetland Outer Isles• Skye and the Small Isles• Uist and Barra |
|---|--|

3. If you are a resident of an island, what do you think are the most significant population challenges in your area and why?

4. A) If you are a resident of an island, are there any particular demographics underrepresented in your area that you think the Islands Bond should target?

- | | |
|--|--|
| <ul style="list-style-type: none">• Age• Gender• Ethnicity | <ul style="list-style-type: none">• Professions• Disability• Other |
|--|--|

B) Please set out your reasons

5. What do you think should be the priority focus for the Islands Bond (please select one of the options below):

- Population Growth (encouraging migration to islands)
- Population Retention (supporting existing community to remain)
- Both
- Other

6. What additional capital investment through the Islands Bond would most influence people's decisions to stay in or move to island communities?

7. Do you agree that there would be a need for an advisory service to support those relocating to island communities?

Recognising the potential tensions arising from those outwith the islands moving into island communities, we will also look to develop, in parallel to the bond mechanism, options for a relocation support or advisory service. This could help to provide a 'soft landing' for those looking to move to island communities.

The role of this service could include but not be limited to:

- Help in identifying local services and support.
- Signposting of local clubs and organisations.
- Explaining transport and travel options for a particular island or island Community.
- Highlighting importance of the local culture, community and history.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

8. In your opinion, what should be the main purpose and role of an advisory service to support those relocating to island communities?

9. Who should be involved in the delivery of an advisory service to support those relocating to island communities?

10. How do you think that the Islands Bond may impact on those with protected characteristics?

Protected characteristics are:

- Age
- Disability
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation

11. Beyond those outlined in the Consultation Paper, what other methods of measuring the progress and impact of the Islands Bond might we adopt?

12. Any other comments on the Islands Bond.

3. Responding to this Consultation

We are inviting responses to this consultation by **25 October 2021**.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at <https://consult.gov.scot/agriculture-and-rural-economy/development-of-the-islands-bond>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 25 October 2021.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form to:

ISLANDS TEAM
Scottish Government
B1 SPUR
SAUGHTON HOUSE
EDINBURGH, EH11 3XD

Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at riit@gov.scot.

Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.gov.scot>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:

<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes No



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