

**MEETING BETWEEN THE CABINET SECRETARY FOR RURAL
AFFAIRS AND ISLANDS AND BÒRD NA GàIDHLIG**

WHEN	<p>07 October 2021 13:15 – 14:00 45 minutes</p>
WHERE	<p><redacted></p>
ATTENDEES	<p>Bòrd na Gàidhlig (The Gaelic Language Board)</p> <p><u>Attending</u> <redacted> – Chair of The Board, Bòrd na Gàidhlig <redacted> – CEO, Bòrd na Gàidhlig</p> <p><u>Official Support</u> <redacted>, Head of Islands: <redacted> <redacted>, Head of Gaelic and Scots: <redacted> <redacted>, Head of Ferries: <redacted> <redacted>, Islands Team: <redacted> <redacted>, Islands Team: <redacted></p>
MEDIA HANDLING	<p>No Comms official attending.</p>
BACKGROUND TO MEETING	<p>This is an introductory meeting with Bòrd na Gàidhlig, arranged in response to two letters received with requests to meet with you to discuss the value and significance of the Gaelic Language and its associated culture, particularly in the islands.</p> <p><u>Summary of Correspondence and Response</u></p> <ul style="list-style-type: none"> • 25 May – meetings requested separately by <redacted> with Mr Dey and Ms Gougeon, to discuss the impact of rural and island issues on Gaelic, which then included the adverse impact of Ferries/Transport on Gaelic speaking communities. PO agreed to an official response, declining the invitation due to diary pressures and Deputy Director, Phil Raines offering to meet instead. • 3 August – meeting requested to provide advice to the Cabinet Secretary regarding the value and significance of the Gaelic language and development and its associated culture, particularly in the islands; interlinked with economic, social, health and transport matters as well as education, adult learning and community.

AGENDA	<p>The key areas Bòrd na Gàidhlig asked to discuss include:</p> <ul style="list-style-type: none"> • Item 1: Gaelic in the islands • Item 2: Other issues that have an impact on Gaelic • Item 3: Islands Funding <p>The agenda includes three issues which are of strategic importance to Gaelic development.</p> <p>An annotated agenda is provided at Annex A as the key element of the briefing and includes key messages and suggested questions for each agenda item.</p>
YOUR MAIN OBJECTIVE	<ul style="list-style-type: none"> • To give Bòrd na Gàidhlig a platform to discuss key issues. • To understand areas of concern and priorities for Bòrd na Gàidhlig and to demonstrate responsiveness and willingness to engage. • Maintain and reinforce our partnership with Bòrd na Gàidhlig, who already have a particularly strong working relationship with the Gaelic and Scots Team. • To provide a basis for future partnership working to be enhanced.
OVERARCHING KEY MESSAGES	<p><redacted></p>
ANNEXES	<p>Annex A: Annotated Agenda Annex B: Bòrd na Gàidhlig Annex C: Scottish Government – Gaelic Policy Annex D: Islands Act, National Islands Plan and Gaelic Commitments Annex E: National Islands Plan – Governance Structure Annex F: Islands Programme Annex G: Island Communities Impact Assessments Annex H: Ferries Connectivity Annex I: Treòir Voar Virr (National Transition Training Fund) Annex J: Rural and Island Repopulation/Population Retention Annex K: Islands Bond Annex L: Gaelic Education and Adult Learning Annex M: Young Islanders Network Annex N: Islands Growth Deal Annex O: Correspondence</p>

Annotated Agenda

AGENDA ITEM 1	GAELIC IN THE ISLANDS
ISSUE/ BACKGROUND	<redacted>
WHAT THE STAKEHOLDE R MAY SAY/ASK	<redacted>
KEY MESSAGE(S)	<redacted>
SUGGESTED QUESTION(S)	<redacted>

AGENDA ITEM 2	OTHER ISSUES THAT HAVE AN IMPACT ON GAELIC
ISSUE/ BACKGROUND	<redacted>
WHAT THE STAKEHOLDER MAY SAY/ASK	<redacted>
KEY MESSAGE(S)	<redacted> <redacted>
SUGGESTED QUESTION(S)	<redacted>

AGENDA ITEM 3	ISLANDS FUNDING
ISSUE/ BACKGROUND	<redacted>
WHAT THE STAKEHOLDER MAY SAY/ASK	<redacted>
KEY MESSAGE(S)	<redacted>
SUGGESTED QUESTION(S)	<redacted>

<redacted>

ANNEX K

Islands Bond

Top Lines

- Engagement with communities and island stakeholders will be crucial to developing a Bond that will deliver a meaningful, sustainable intervention reflecting island communities' aspirations and needs.
- We launched the Islands Bond consultation on 2 August 2021. This will run until 24 October 2021, and is an opportunity for our island residents in particular to help to influence the development of the bond at this very early stage, and respondents may use this as an opportunity to highlight how the Islands Bond could be shaped to consider Gaelic interests.
- It is crucial that island residents and all key stakeholders respond to this consultation, as the information gathered will also help us develop actions to address the drivers of depopulation and barriers to population retention.
- Bòrd na Gàidhlig are a member of the National Islands Plan Delivery Group and we have engaged with this group on the development of the Islands Bond consultation and have also sought their early feedback on the initial Islands Bond proposal.
- Following on from the consultation and once the Islands Bond policy has been further developed, we intend to host a series of engagement events with key island stakeholders which will include Bòrd na Gàidhlig, for their further valued input.
- We have also requested and received initial, early feedback from our island local authority colleagues and will be engaging directly with them further in one-to-one discussions in late September.

Background

- The SG has committed to developing a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there.
- Population decline is a real threat to the sustainability of many, although not all, of Scotland's island communities. During the consultation for the National Islands Plan, depopulation was the top priority issue identified by respondents.
- That is why, through the National Islands Plan, we have committed to address population decline and ensure a healthy, balanced population profile across our islands.
- An Islands Bond could also support the SG ambition to address spatial population imbalances which is one theme in the national population strategy. The Islands Team have developed a close relationship with the Population team, and are beginning to

develop forward plans for co-development of SG priorities around strategic repopulation.

- Providing support in the form of capital funding through an Islands Bond will encourage both population retention and growth in island communities, and stimulate local economies through supporting investment in business and homes.

ANNEXES L - O

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From: <redacted>
D:ARE: REC Islands Team
20 October 2021

Cabinet Secretary for Rural Affairs and Islands

DEVELOPMENT OF THE PROGRAMME FOR GOVERNMENT COMMITMENT TO DELIVER CARBON NEUTRAL ISLANDS

Purpose

1. To provide an update on our progress with regards to the development of the Programme for Government commitment to deliver Carbon Neutral Islands (CNIs), and to seek your approval to proceed with some key milestones.

Priority

<redacted>

2. Overall, the goal will be to deliver carbon neutral islands that attract jobs and a good quality of life, helping to tackle island depopulation and supporting delivery of the National Islands Plan and our new Islands Bond initiative. We will also work with our colleagues in the Energy and Climate Change Directorate to ensure that this project supports a Just Transition for our island communities as we help them move towards carbon neutrality.

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D:ARE: REC Islands Team
20 October 2021

Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
Cabinet Secretary for Rural Affairs and Islands	X				
Cabinet Secretary for Net Zero, Energy and Transport			X		
Cabinet Secretary for the Constitution, External Affairs and Culture			X		
Cabinet Secretary for Education and Skills					X
Minister for Just Transition, Employment and Fair Work			X		
Minister for Culture, Europe and International Development					X
Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights			X		
Minister for Environment, Biodiversity and Land Reform			X		
Minister for Transport			X		

<redacted>

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1. Richard Leonard: To ask the Scottish Government what specific targets it will apply to the Islands Bond.

Mairi Gougeon: One of the key measures in the Islands Act, is to ensure that we engage and involve people and businesses from our island communities and other stakeholders, including local authorities in consultation on the development of new policies like the Islands Bond. That process is currently underway and I expect that matters like targets, as well as other indicators and desirable outcomes that we might all want to see from this policy, are being discussed. Should there be a strong appetite to have targets included in how we deliver this commitment, then we will give that full consideration

ISSUE:

- The 21/22 Programme for Government, states that by Summer 2022, SG will introduce a new £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there.
- The Bond will not be launched before Summer 2022, so we can gather a range of views to inform the policy development. This engagement will result in a Bond that is fully reflective of our islands' needs.
- We have not yet developed eligibility or criteria for the Bond, as this will be informed by the consultation and engagement process.
- An Island Communities Impact Assessment will be conducted before the policy is fully developed.
- Access to affordable housing on the islands is continually raised as an issue by communities, and has had a lot of negative coverage in social media over recent months.
- Concerns have been consistently expressed by communities, businesses and local authorities regarding the negative effects of the ongoing challenges that affect ferry services - particularly on the west coast.

Top Lines:

- Population decline is a real threat to the sustainability of many, although not all, of Scotland's island communities.
- During the consultation for the National Islands Plan, depopulation was the top priority issue identified by respondents. This is why, through the Plan, we have committed to address the decline to ensure a healthy, balanced population profile across our islands.

- The Islands Bond is a commitment in the 21/22 Programme for Government.
- The online Islands Bond public consultation began on 2 August and ends on 24 October 2021. Alongside this, we have been undertaking a series of targeted engagement with Local Authorities, external stakeholders and island community groups. This engagement exercise will continue over the winter.

Supplementary Questions:

Q. Why is it taking until Summer 2022 to launch the Islands Bond?

A. Whilst we have a broad understanding of our island population challenges, we must work with our island authorities, and island communities, to understand the more localised issues and to explore how the Bond will respond to these. Unfortunately, this cannot be done quickly, and so launching in Summer 2022 will allow us to gather a range of views in order to inform the policy development.

Q. Why does The Scottish Government not have a more defined Islands Bond proposal?

A. The development of the Bond will be genuinely collaborative so that we can ensure it provides as meaningful and effective an intervention as possible. Furthermore, in line with the guidance on developing an Island Communities Impact Assessment (ICIA), engagement should begin early and *before the policy is fully developed*, to help ensure the ICIA for the Bond is robust and the voices of all island communities are heard and considered.

Q: Given the scale of the depopulation issue in Scottish Islands, why are there only 100 bonds being issued over the lifetime of the parliament?

A: We recognise that the population challenges in our island communities are wide ranging and complex, and that they cannot be solved by any single approach. The Islands Bond consultation, along with the planned targeted engagement taking place throughout 2021, will help us to understand these challenges in greater detail.

In addition to our work on the Islands Bond, we continue to engage with colleagues in the local authorities, across Scottish Government, our island communities, and other island stakeholders to address some of the more immediate, acute population challenges facing our island communities.

Q. Given the ongoing housing crisis in our island communities, how does the Scottish Government envisage housing supply being made available for recipients of the Islands Bond?

A. We recognise that good quality, affordable housing is essential to help attract and retain people in Scotland's remote and rural communities and that building affordable housing in rural areas presents different challenges than urban areas.

Our Programme for Government includes a commitment to deliver a further 110,000 affordable homes by 2032, with 70% of these for social rent and 10% in remote, rural or island communities.

The Programme for Government also includes a commitment to develop a Remote, Rural and Islands Housing action plan, to meet the housing needs of, and retain and attract people to those communities.

Q. Young islanders have consistently raised the issue around being unable to access housing on their islands. Why is the Scottish Government looking to encourage migration to the islands when existing communities are struggling to secure housing?

A. During the 2019 consultation for the National Islands Plan, depopulation was the top priority issue identified by respondents. The issue of depopulation and its demographic impact means that, alongside supporting the retention of the existing population, we need to attract new people, families and those of working age, who can help to grow and sustain our communities.

That is why, through the National Islands Plan, we have committed to address population decline and ensure a healthy, balanced population profile across our islands. The Islands Bond is just one measure in seeking to deliver on this through supporting those looking to remain in, or move to, our islands.

Q. What about the challenges with ferry services?

A. We recognise the lifeline nature of many of these ferry services and the recent challenges they have faced. Ferries play a critical role in supporting the economic, social and cultural development of remote and island communities.

Transport Scotland continues to work closely with CalMac Ferries Ltd and CMAL to resolve the often complex issues as efficiently as possible and to bring greater resilience across the network.

I was pleased to hear the Minister for Transport's recent announcement that MV Utne has been purchased by CMAL to join the ferry fleet serving the Clyde and Hebrides network. It has been earmarked for the Oban-Craignure route, and communities in Skye and the Western Isles will also benefit as a result of the cascade of vessels elsewhere on the network.

Contact: <redacted>, Islands Team, Rural Economy and Communities Division
Tel no: <redacted>.

BACKGROUND BRIEFING

Population Programme and Ministerial Taskforce

- Scotland faces demographic challenges – a falling birth rate, an ageing population, geographical imbalances, and the unknown long-term effects of COVID-19 and Brexit on our population.
- Some parts of Scotland are facing depopulation, due to shifts from west to east, and away from rural communities.
- A Ministerial Population Taskforce has been established to address our population concerns, chaired by the Cabinet Secretary for the Constitution, External Affairs and Culture.
- The Population Taskforce oversees the Population Programme, seeking to address both the changing age structure of Scotland's population and geographical distribution of the population across Scotland.
- The Programme aim is to make communities across Scotland attractive places to live, work, bring up families and move to, so that Scotland's population profile provides a platform for sustainable and inclusive economic growth and wellbeing.
- The Programme involves external partners, including COSLA, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise, Skills Development Scotland, and VisitScotland.
- In March 2021, the Scottish Government also published Scotland's first population strategy, [*A Scotland for the future: opportunities and challenges of Scotland's changing population*](#). The strategy sets out the cross-cutting demographic challenges that Scotland faces at national and local level, and sets out a new programme of work to address these challenges and harness new opportunities.

Rural and Island Housing

- We recognise that good quality, affordable housing is essential to help attract and retain people in Scotland's remote and rural communities and that building affordable housing in rural areas presents different challenges than urban areas. We work closely with a wide range of rural partners and aim to resolve challenges where this is possible.
- Our Programme for Government 2021/22 includes a commitment to deliver a further 110,000 affordable homes by 2032, with 70% of these for social rent and 10% in remote, rural or island communities.
- Over the term of the previous Parliament, we delivered over 6,000 affordable homes in rural and island communities. We will invest £3.5 billion in housing in this Parliamentary term, £3.44 billion of which will deliver more social and affordable homes in urban and rural areas across Scotland.
- Earlier this year, we published Housing to 2040 which is Scotland's first long-term housing strategy. We consulted with a wide range of people across Scotland: rural,

urban and island Scotland and communities of interest that face particular challenges when it comes to housing, to hear their bold and innovative ideas for how Scotland's homes and communities should look and feel in 2040.

- Housing to 2040 includes a number of actions that will impact on rural areas including working with Community Land Scotland and others to bring forward more land for housing in rural areas, and using the new National Planning Framework 4 (NPF4) and the development planning system to do more to identify a greater choice of land for community-led and self-provided housing, affordable housing and new build homes, and actions around short-term lets and second homes.
- It is the responsibility of local authorities through their Development Plan and Local Housing Strategy to determine the appropriate housing required in their area, informed by their Housing Need and Demand Assessment (HNDA).

Rural and Islands Housing Fund

- In addition to the mainstream Affordable Housing Supply Programme, communities will also be supported by the continuation of the Rural and Islands Housing Fund backed by up to £30 million of investment in this parliament period.
- The Rural and Islands Housing Funds have been described in a Scottish Land Commission report as 'game changers' for community-led housing development.
- The schemes were developed in collaboration with community housing trusts, with funding allocated to fully developed projects that obtained permission to deliver housing in their communities. We are working with partner organisations to further promote the schemes to ensure as many people are able to benefit as possible.
- The Rural and Island Housing Fund provides an additional funding route for those not able to access traditional affordable housing funding.
- The Rural and Island Housing Fund has now delivered over 100 homes, with approvals to deliver over 250 homes so far. But we want to see many more projects coming forward to delivery.

Remote, Rural and Islands Housing Action Plan

- Programme for Government includes a commitment to develop a Remote, Rural and Islands Housing action plan, to meet the housing needs of, and retain and attract people to those communities.
- The development of the Action Plan provides a vital opportunity for new collaborative working to pull together, create solutions and address the challenges of delivering more homes in the right places for our rural and island communities.
- We have not set a date for publishing the Remote, Rural and Island Housing Action Plan. Our work is at an early stage of development and we want to engage with a wide range of stakeholders on its development to ensure it delivers for remote, rural and island communities.

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From: <redacted>
Islands Team
D: ARE – Rural Economy and Communities
18 November 2021

Cabinet Secretary for Rural Affairs and Islands

ISLANDS BOND – POLICY DEVELOPMENT UPDATE

Purpose

1. To provide you with an update on the development of the Islands Bond policy following closure of the online public consultation and initial round of targeted engagement with local authorities.

Priority

2. Routine.

Background

3. The current Programme for Government states that by Summer 2022, we will introduce a new £5 million Islands Bond Fund, of up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there. The profiling of this funding is currently being explored with our finance colleagues in view of the forthcoming 2022-23 Scottish Budget and the Medium Term Financial Strategy (which will be published on 9 December).

4. In our previous submission dated 11 June 2021, we outlined a proposed timeline for engagement and consultation on the development of the Islands Bond, and advised that we would be undertaking a full online public consultation.

Public Consultation

5. The online consultation ran from 2 August 2021 to 25 October 2021 and closed with 1656 responses.

6. An Invite to Tender for procurement of external analysis of the consultation responses is now live, and due to close on 18 November. Following successful award of this contract, we would hope to have the finalised report from the external contractor in January 2022.

7. This report, along with the findings from our other engagement exercises will be used to shape the draft criteria and eligibility for the Islands Bond.

Local Authority Engagement

8. In addition to the online public consultation, we also carried out an early targeted engagement exercise during w/c 27 September with officials from the 6 island local authorities. This allowed us to hear their initial thoughts and to answer any questions they had at this stage.

9. Feedback from these local authority meetings has been positive in respect of such early engagement prior to full policy development, with local authorities welcoming a chance to input at this stage.

10. All 6 local authorities recognised that a 'one size fits all' approach will not work for the Islands Bond due to the unique nature of our islands and the different challenges and priorities they each have. For this reason, local authorities would welcome a regionalised approach to the Islands Bond.

11. Several of the local authorities noted that whilst the principle of the intervention is welcome, the impact £5 million will have once it is spread across the 6 local authority areas may be limited. However, the majority noted that it could have a big impact in some of the smaller, more vulnerable island communities.

12. Given the limited number of bonds available, local authorities were keen for consideration to be given to how the impact of the bond could benefit the wider community, and not just the individual or household in receipt of funding. Several suggested that one option for this could be allowing community anchor organisations access to the bond.

13. Orkney and Highland were both particularly interested in how the bond may be able to address challenges relating to existing assets in communities such as bringing empty homes back in to use, or improving homes currently Below Tolerable Standard.

14. Argyll and Bute suggested that the bond criteria and eligibility could provide high level outcomes and operate an open application process inviting individuals to submit a business plan outlining their request for finance, and how this would deliver against the aims of the bond. This would result in the bond scheme being a more familiar style of funding scheme rather than a targeted approach.

15. Some local authorities noted that the Islands Bond could cause division within a small community amongst those who do not receive it and those who do. Consideration will need to be given to how this is mitigated as an unintended consequence.

16. Local authorities are critical partners for us as we continue to develop the bond and we will continue to work closely with them going forward - both directly and via the NIP Delivery Group and Islands Strategic Group. We have given our commitment to meet again with officials from each of the island local authorities early next year.

Internal SG Engagement

17. As part of our engagement on the bond, it is crucial that we connect with key policy areas across Scottish Government to ensure their views are captured, that there is no duplication of work or existing policies which cover areas that are currently being

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considered for support via the bond, and conversely to understand if there are any conflicting policies that might contrast with the aims of the bond. A list of policy areas that we have engaged with so far is provided at Annex A.

18. This early feedback has been fairly high-level given the stage of development of the bond. However, our initial trawl for feedback across a range of Scottish Government policy areas has highlighted some of the key policy areas we will wish to engage with further as the bond develops. This will ensure a cross-government approach in the development of this policy.

19. Notable feedback at this early stage, is that the bond is of particular interest to, and could potentially impact most on, policies relating to Housing, Fuel Poverty, Land Use, Crofting, and Gaelic and Scots.

20. However, there are also some policies that have a broader interest such as Young Person's Guarantee, Education, and Skills, Talent Attraction and Retention as they could provide further support to households in receipt of the bond, or help to identify gaps in skills to help identify criteria for the bond.

21. We intend to further engage with policy colleagues in early 2022 once we have begun drafting a more structured outline for the bond. Our hope is that this will aid our colleagues' understanding of how their policies may support the bond, or to highlight where there may be policy tensions.

External Stakeholder Engagement

22. We recognise that in addition to our local authority partners, there are a number of external organisations who have an interest in the development of the bond and from whom we could glean valuable input at this early stage of development. A list of organisations that we will be engaging with are provided at Annex B. This includes a number of equalities stakeholders to ensure development of the bond takes into account the needs and requirements of any minority groups who may be affected by it.

23. During w/c 15 and 22 November, we are undertaking a series of 1-2-1 engagement sessions with key external stakeholders, similar to those held with our local authority partners. This will allow us to give them an overview of the bond and to gather views from their organisations to help inform the shape of the policy..

24. We are also in discussions with the Scottish Islands Federation around the potential for hosting some workshops directly with island communities in the early part of 2022. You may wish to include a recorded message for these workshops, and we will work with Comms and PO colleagues should you feel that would be appropriate.

Early Considerations Following our Initial Engagement

25. Taking into account the engagement we have had so far, we have developed a list of high level considerations which we will work on developing over the winter. These are broken down below.

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Regionalised Approach to the Islands Bond

26. Recognising the unique experiences, challenges and nature of individual islands, there may be merit in exploring how the bond could be tailored to reflect the priorities and key concerns for specific island areas.

27. Despite the unique nature of island communities, there are some commonalities when it comes to population challenges, so an individual island specific policy for the bond would likely be a disproportionate demand on resource compared to the benefit it would deliver. However, we are open to exploring the potential for a regionalised approach.

28. Although early in our considerations, this could involve developing an overarching singular policy with application scoring criteria handled on a regionalised basis reflecting identified priorities for that area. For example, heavier weightings could be given to identified skills required in that area, or to specific demographics.

29. It is likely that we will be challenged for restricting the bond eligibility, and so there is a need to be transparent and objective. Should this regionalised approach include identifying specific islands, it will be crucial to work with local authorities to set out clear evidence and rationale behind this decision. This would also enable coordinated and coherent messaging from both national and local government.

Population Retention versus Population Growth

30. Both in the engagement meetings, and from correspondence related to your Islands Bond announcement, there has been a consistent desire that the bond should go to those already resident in the islands to avoid depopulation. However, we know that migration is an essential element in supporting sustainable populations.

31. One potential solution that may address this sensitivity is releasing the bond in two tranches - with the first being aimed at supporting population retention and a later tranche aimed at population growth. This approach would deliver a strong message that Scottish Government recognises the need to support existing communities.

Housing

32. Through our engagement with island stakeholders, access to housing is regularly presented as one of the key barriers to retaining/increasing population. However, it has come through very strongly via the engagement we have had, both internally and externally, that using the bond to fund house purchases may only exacerbate the already inflated house market.

33. Unsurprisingly, it has been stressed repeatedly that the ability to use the bond for purchasing a second property should not be supported.

34. Engagement with our Housing Policy colleagues will be crucial to exploring how we mitigate against these concerns, but we could look to exclude open market purchases from the bond eligibility criteria in order to avoid inflating house markets. It could be that the bond can only be used to support self-provided housing. Or, there is the potential for

imposing burdens on any property purchased with the bond to ensure that it must remain a permanent, sole residence.

Target Recipients

35. Stakeholders have suggested that eligibility should focus on a more economically active demographic, rather than just young people and families as the initial manifesto commitment suggests. It has been frequently relayed to us that it would be difficult to clarify exactly who would be covered by “young people and families” and that this risks excluding many others that may have a positive impact on island communities. Widening the eligibility of the bond to ‘economically active’ could allay some of the concerns raised around exclusion of certain groups of society. However, consideration will still need to be given to the impact of the potential exclusion of retirees, who are often those most engaged in community volunteer roles, which are crucial in island communities.

36. On the launch of the consultation, officials received a significant number of email enquiries from individuals based out with the UK looking to access the bond. Given the limited number of bonds available, the potential higher costs for people relocating from overseas, and the increased complexities related to migration of non-UK citizens, Ministers may wish to consider whether or not to only make this fund available to UK citizens.

Possible Proposals for a One Year Pilot Phase

37. Given the complex nature and range of considerations required to deliver a successful Islands Bond, it may be appropriate for the first year of the bond to be delivered as a pilot year. This would allow us to implement the regionalised approach to compare how successful, or otherwise, the different criteria are, and to review the delivery of the bond at the end of the first year.

38. Delivering year one as a pilot would provide flexibility in its delivery that could make it easier to amend the Islands Bond to ensure a successful implementation over the subsequent years to 2026. This pilot phase is still being considered, and we will provide you with further advice in due course.

Finance

39. In our previous submission dated 11 June 2021, we advised that we were working with finance colleagues to understand the most appropriate type of finance for the bond and we indicated that it may have been ‘Financial Transactions’ funding. We have since explored this further and identified that as that type of funding works on the basis of expected payback, and given that our aim for the bond is to encourage recipients to remain in their community - or to relocate there and stay, we have determined that this type of funding may not be appropriate.

40. However, finance colleagues have confirmed that standard mechanisms for clawing back funding from recipients who do not adhere to the criteria can still be incorporated for other sources of funding.

41. Also in our discussions with Finance colleagues, we have scoped out the possibility of the bond comprising both capital and resource funding to enable some flexibility with

what can be funded. We are continuing to liaise with Finance colleagues with the aim of securing appropriate budget levels and mechanisms for delivery. We will provide you with further advice once the budget situation is clearer.

Impact Assessments

42. As with all policy development, there are a number of impact assessments required and we have commenced our work on these. These include (but are not limited to):

- Island Communities Impact Assessment;
- Equality Impact Assessment;
- Data Protection Impact Assessment;
- Children’s Rights and Wellbeing Impact Assessment
- Strategic Environmental Assessment; and
- Fairer Scotland Duty.

43. These impact assessments are not only a requirement to ensure we are compliant with relevant legislation when developing this policy, but are also an integral part of helping us to ensure the bond delivers a positive intervention.

44. In order to produce robust assessments, we have begun these early in the policy development process to provide greater opportunity for communities and island stakeholders to assist us with their input. Ongoing engagement on the bond, (which we have outlined above) will be crucial to our impact assessments.

Legal

45. As the bond could potentially be limited to particular characteristics e.g. “young, working aged”, we will have to consider the legal justification for criteria. The impact assessments for the bond will form a key part of this.

46. We will also need to identify the correct grant making powers to provide a legal basis for awarding the bond, and have begun engaging with our divisional SGLD colleagues on this. SGLD colleagues have advised that they will also engage with SGLD Commercial and Business Services division to gather their views on any further considerations.

Governance and Risk, and Subsidy

47. We have also sought some initial feedback from Governance and Risk, and Subsidy Control colleagues in regards to potential considerations for the bond. At this early stage, Governance and Risk have advised that they see no major concerns with the ambition of the bond.

48. Subsidy Control have advised that, if the bond is for individuals to relocate e.g. housing, then there are unlikely to be subsidy control issues. If the bond is to support businesses e.g. start-up or relocation, there could be more risk.

49. As we continue to narrow down the eligibility for the bond, we will continue to engage with the Subsidy Control team to identify how the above may impact on whether or how we can provide any grant support to businesses.

Timeline/next steps

50. To progress development of the bond, we propose to undertake the following next steps:

Month	Action
November 2021	External stakeholder 1-2-1 sessions being held during w/c 15 November and 22 November.
December 2021	Award contract for external analysis of consultation responses.
January 2022	Final consultation report available.
January–March 2022	Development of Islands Bond draft criteria and eligibility.
March 2022	Draft outline and submission will be sent to Cabinet Secretary for consideration.
April–June 2022	Further engagement with Local Authorities, key external partners and island communities.
July 2022	Finalised Islands Bond proposal to Cabinet Secretary.
August 2022	Launch Island Bond – Year 1.

Comms and Handling

51. We propose that an update for the Islands Bond delivery is shared with the Islands Strategic Group at their next meeting on 15 December 2021. We will provide you with comprehensive briefing.

Conclusion

52. You are invited to:

- **Note the content of this submission including proposed timeline and next steps; and**
- **Provide any comments as appropriate.**

<redacted>

Islands Team

D:ARE Rural Economy and Communities

<redacted>

18 November 2021

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Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
Cabinet Secretary for Rural Affairs and Islands		X			
Cabinet Secretary for Finance and the Economy				X	
Minister for Environment, Biodiversity and Land Reform					X
Cabinet Secretary for Constitution, External Affairs and Culture			X		
Cabinet Secretary for Social Justice, Housing and Local Government,			X		

<redacted>

ANNEX A

Internal SG Engagement

The following SG Policy areas have all been contacted for their input/early thoughts.

SG Policy area	Feedback received
Active and Sustainable Travel	Yes
Child Poverty	Yes
Creative Industries	Yes
Crofting	Yes
Digital Connectivity	Yes
Digital Economy	Yes
Education Scotland	Yes
Ferries	Yes
Fuel Poverty	Yes
Gaelic and Scots	Yes
Housing	Yes
Land Use	Yes
Local Energy	Yes
Planning	Yes
Population	Yes
Regional Economic Development	Yes
Rural Communities	Yes

RESTRICTED

Rural Economy	Yes
Skills, Talent Attraction and Retention	Yes
Young Persons Guarantee	Yes
Apprenticeships	Awaiting
Arts, Culture and Language	Awaiting
Climate	Awaiting
Culture Strategy and Engagement	Awaiting
Empowered Communities	Awaiting
Higher and Further Education	Awaiting
NTS	Awaiting
Place	Awaiting

External Stakeholder Engagement

The following organisations have all been contacted and offered an engagement slot to discuss the Islands Bond. We are awaiting responses from those listed as TBC.

Stakeholder	Date of initial engagement session
Aspire Orkney	23/11/2021
Bòrd na Gàidhlig	22/11/2021
Business Gateway	TBC
Communities Housing Trust	17/11/2021
Community Land Scotland	16/11/2021
Crofting Commission	26/08/2021
Development Trusts Association Scotland	TBC
Federation of Small Businesses	TBC
Highlands and Islands Enterprise	22/11/2021
Historic Environment Scotland	TBC
Mobility Access Committee for Scotland	25/11/2021
National Trust for Scotland	TBC
NFUS	16/11/2021
Promote Shetland	25/11/2021
Rural Housing Scotland	22/11/2021
SAC/SRUC	TBC
Scottish Association of Young Farmers Clubs	TBC
Scottish Crofting Federation	19/11/2021
Scottish Enterprise	16/11/2021
Scottish Islands Federation	19/11/2021
Scottish Land Commission	23/11/2021
Scottish Rural Action	19/11/2021
Skills Development Scotland	23/11/2021
SLAED	23/11/2021
UHI	22/11/2021

Engagement - Equalities Stakeholders

As advised by our Equalities colleagues, we have contacted the following organisations to offer an engagement session, as part of our Equalities Impact Assessment:

Stakeholder	Date of initial engagement session
Age Scotland	TBC
Black and Ethnic Minority Infrastructure in Scotland	TBC
Coalition for Racial Equality and Rights	TBC
Disability Equality Scotland	TBC
Engender	TBC
Inclusion Scotland	TBC
Interfaith Scotland	TBC
LGBTI Equality Network	16/11/2021
Minority Ethnic Carers of People Project	TBC
Scottish Trans Alliance	TBC
Scottish Women's Convention	16/11/2021
Young Scot	TBC

CABINET SECRETARY FOR RURAL AFFAIRS AND ISLANDS
Briefing for Meeting with Chair of Ferries Community Board

What	Meeting with the Ferries Community Board
Where	Microsoft Teams <redacted>
When	8 December 2021 10:00 – 11:00 60 minutes
Key Message(s)	<redacted>
Who	Ferries Community Board (formerly CalMac Community Board)
Why	<i>The meeting will help to continue the positive relationship previously developed between Ministers, and the Community Board.</i>
Supporting official	<redacted>
Briefing contents	Annex A: Summary Annex B: CalMac Community Board Annex C: Transport Annex D: Population Annex E: Energy and Climate Change Annex F: Young People Annex G: Islands
Media Handling	<i>Comms aware</i>

ANNEX A
<redacted>

ANNEX B
<redacted>

ANNEX C
<redacted>

ANNEX D
<redacted>

ANNEX E
<redacted>

ANNEX F
<redacted>

ISLANDS

<redacted>

ISLANDS BOND

Top Lines:

- Developing and delivering an Islands Bond has the potential to be an important element in delivering on the commitment within the National Islands Plan to address population decline and ensure a healthy, balanced population profile.
- At this stage, we are still understanding how the bond could be developed to address key population challenges in our island communities and officials within the Islands Team are exploring how it may support addressing a range of challenges highlighted through their ongoing engagement.

Background:

- The Scottish Government has committed to developing a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there.
- Engagement with communities and island stakeholders will be crucial to developing a Bond that will deliver a meaningful, sustainable intervention reflecting island communities' aspirations and needs.
- We launched the Islands Bond consultation on 2 August providing an opportunity for our island residents in particular to help to influence the development of the bond at this very early stage. The consultation closed on 25 October with 1656 responses and hope to have a finalised analysis report available on this in January 2022.
- This report, along with the findings from our other engagement exercises will be used to shape the draft criteria and eligibility for the Islands Bond, ahead of proposals for roll-out in Summer 2022.

ISLANDS STRATEGIC GROUP MEETING

WEDNESDAY 15 DECEMBER 2021

MINISTERIAL ENGAGEMENT BRIEFING: CABINET SECRETARY FOR RURAL AFFAIRS AND ISLANDS

Key Message	Opportunity to update on delivery of the National Islands Plan as well as other Scottish Government policies that will support island communities, and the importance of a strong partnership with local authorities. This meeting will have an emphasis on housing, with Ms Robison attending to hear from Local Authorities.
Who	Argyll & Bute Council, Comhairle nan Eilean Siar, Highland Council, North Ayrshire Council, Orkney Islands Council and Shetland Islands Council. Ministers attending are: <ul style="list-style-type: none">– Mairi Gougeon - Cabinet Secretary for Rural Affairs and Islands– Shona Robison – Cabinet Secretary for Social Justice, Housing and Local Government
What	<redacted>
Why	<redacted>
Where	<redacted>
When	Date: Wednesday 15 December 2021 Time: 09:00 – 11:00 For timings please see Annex A – Agenda
Supporting Officials	<redacted>
Attached documents	<redacted>

ISLANDS STRATEGIC GROUP MEETING

WEDNESDAY 15 DECEMBER 2021

<redacted>

ANNEX B - ATTENDEES

Council Representatives	
<redacted>	<redacted>
Scottish Government Representatives	
<redacted>	<redacted>

National Islands Plan Delivery Group Representative	
<redacted>	

ISLANDS STRATEGIC GROUP MEETING

WEDNESDAY 15 DECEMBER 2021

Apologies sent:	
<redacted>	<redacted>

- <redacted> **ANNEX C - CHAIR'S BRIEF**
- <redacted> **ANNEX D - MS ROBISON SPEAKING NOTE**
- <redacted> **ANNEX E - HOT TOPICS**
- <redacted> **ANNEX F – HOUSING**
- <redacted> **ANNEX G - LOOSE FREIGHT CHARGES**
- <redacted> **ANNEX H - NATIONAL CARE SERVICE**
- <redacted> **ANNEX I - ISLANDS PROGRAMME**
- <redacted> **ANNEX J - NATIONAL ISLANDS PLAN DELIVERY GROUP**
- <redacted> **ANNEX K - ISLANDS BOND**

Top Lines:

- The Scottish Government has committed to developing a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there
- Reflecting on the feedback we have received during the extensive engagement we have carried out thus far, understanding how complex an issue this is, and that the bond wont be launched until Summer 2022 which may create timescale pressures for spend, we will be looking to deliver the first year as a smaller pilot programme. This will allow us to test different approaches to delivery of the Bond at a scale that enables us to measure and understand the challenges and opportunities associated with this policy. The learning from this will allow us to develop a more effective and meaningful intervention for future years.
- Engagement with communities and island stakeholders will be crucial to developing a Bond that will deliver a meaningful, sustainable intervention reflecting island communities' aspirations and needs.

ISLANDS STRATEGIC GROUP MEETING

WEDNESDAY 15 DECEMBER 2021

- We launched the Islands Bond consultation on 2 August providing an opportunity for our island residents in particular to help to influence the development of the bond at this very early stage.

Public Consultation

- The online consultation ran from 2 August 2021 to 25 October 2021 and closed with 1656 responses.
- An Invite to Tender for procurement of external analysis of the consultation responses is now live, and due to close on 18 November. Following successful award of this contract, we would hope to have the finalised report from the external contractor in February 2022.
- This report, along with the findings from our other engagement exercises will be used to shape the draft criteria and eligibility for the Islands Bond.

Local Authority Engagement

- In addition to the online public consultation, we also carried out an early targeted engagement exercise during w/c 27 September with officials from the 6 island local authorities. This allowed us to hear their initial thoughts and to answer any questions they had at this stage.

External Stakeholder Engagement

- We recognise that in addition to our local authority partners, there are a number of external organisations who have an interest in the development of the bond and from whom we could glean valuable input at this early stage of development.
- During w/c 15 and 22 November, we undertook a series of 1-2-1 engagement sessions with key external stakeholders, similar to those held with our local authority partners. This will allow us to give them an overview of the bond and to gather views from their organisations to help inform the shape of the policy.

Key Considerations to Be Explored

- Taking into account the engagement we have had so far, we have identified some key, high level considerations that we should explore in more depth as we begin to develop the bond policy over the winter. These are:
 - Regionalised Approach to the Islands Bond;
 - Population Retention versus Population Growth;
 - Whether the bond eligibility should be broader than individual households; and
 - Suitability of Islands Bond as a method to address island housing challenges.

ISLANDS STRATEGIC GROUP MEETING

WEDNESDAY 15 DECEMBER 2021

Next Steps

- We hope to have the initial draft Islands Bond eligibility/criteria in place by Spring 2022 and intend to engage once more at this stage when more detail will be available to better understand and assess the potential impact of the bond.
- We are also in discussions with the Scottish Islands Federation around the potential for hosting some workshops directly with island communities in the early part of 2022.

ANNEX L - CARBON NEUTRAL ISLANDS

<redacted>

ANNEX M - ISLAND COMMUNITIES IMPACT ASSESSMENT (ICIA)

<redacted>

ANNEX N – FERRIES

<redacted>

ANNEX O - ISLANDS CONNECTIVITY PLAN

<redacted>

ANNEX P - STPR2

<redacted>

ANNEX Q - POPULATION

<redacted>

ANNEX R - DIGITAL CONNECTIVITY

<redacted>

ANNEX S - RURAL ECONOMY

<redacted>

ANNEX T - ISLANDS DATA/SURVEY

<redacted>

**ANNEX U - ISLANDS GROWTH DEAL (ORKNEY, SHETLAND, OUTER
HEBRIDES)**

Oral PQ – S60-00612 – Carol Mochan, Labour

To ask the Scottish Government what preparations it has made to support the rural economies of Scotland's islands, in light of the anticipated impact of the Omicron variant

22/12/2021

Supplementary questions and background note

<redacted>

Islands Bond

- The Scottish Government has committed to developing a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there
- Reflecting on the feedback we have received during the extensive engagement we have carried out thus far, understanding how complex an issue this is, and that the bond won't be launched until Summer 2022 which may create timescale pressures for spend, we will be looking to deliver the first year as a smaller pilot programme. This will allow us to test different approaches to delivery of the Bond at a scale that enables us to measure and understand the challenges and opportunities associated with this policy. The learning from this will allow us to develop a more effective and meaningful intervention for future years.
- Engagement with communities and island stakeholders will be crucial to developing a Bond that will deliver a meaningful, sustainable intervention reflecting island communities' aspirations and needs.
- We launched the Islands Bond consultation on 2 August providing an opportunity for our island residents in particular to help to influence the development of the bond at this very early stage.
- We hope to have the initial draft Islands Bond eligibility/criteria in place by Spring 2022 and intend to engage once more at this stage when more detail will be available to better understand and assess the potential impact of the bond.
- We are also in discussions with the Scottish Islands Federation around the potential for hosting some workshops directly with island communities in the early part of 2022.

<redacted>

SGO-00506 - To ask the Scottish Government what discussions the rural affairs secretary has had with ministerial colleagues regarding cross-government action to improve connectivity for Scotland's island communities.

Sharon Dowe is the Scottish Conservative and Unionist Party MSP for South Scotland (Region) 2021.

<redacted>

<redacted>

<redacted>

Supplementary Questions

<redacted>

Q: How is the Scottish Government helping to support island populations?

A: The recent consultation on the development of the Islands Bond, and the wider engagement being undertaken has provided an opportunity to hear directly from our island communities, the issues that matter to them most.

Through continuing to work closely across government portfolios, with our local authorities, and island stakeholders, we can continue to take a collaborative effort in addressing these challenges. This approach was endorsed at the most recent Convention of the Highlands and Islands on 25 October.

Background note

<redacted>

Islands Bond

- The Scottish Government has committed to developing a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there.

ORAL PQ - S6O-00506 – Supplementary Questions and Background Note

- Engagement with communities and island stakeholders will be crucial to developing a Bond that will deliver a meaningful, sustainable intervention reflecting island communities' aspirations and needs.
- We launched the Islands Bond consultation on 2 August providing an opportunity for our island residents in particular to help to influence the development of the bond at this very early stage. The consultation closed on 25 October with 1656 responses and hope to have a finalised analysis report available on this by February 2022.
- This report, along with the findings from our other engagement exercises will be used to shape the draft criteria and eligibility for the Islands Bond, ahead of launching in summer 2022.

<redacted>

RAINE COMMITTEE BRIEFING – NPF4 – Islands Contribution

ANNEX A

NPF4

<redacted>

ANNEX B

RURAL AND ISLANDS REPOPULATION / POPULATION RETENTION

<redacted>

Islands Bond

- The Scottish Government has committed to developing a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there.
- Engagement with communities and island stakeholders will be crucial to developing a Bond that will deliver a meaningful, sustainable intervention reflecting island communities' aspirations and needs.
- We launched the Islands Bond consultation on 2 August providing an opportunity for our island residents in particular to help to influence the development of the bond at this very early stage. The consultation closed on 25 October with 1661 responses and hope to have a finalised analysis report available on this in March 2022.
- This report, along with the findings from our other engagement exercises will be used to shape the draft criteria and eligibility for the Islands Bond, ahead of launching in Summer 2022.

<redacted>