

**CONVENTION OF THE HIGHLANDS AND ISLANDS – 28 OCTOBER 2019-  
INVERNESS**

**Please note that there were some technical issues during the recording of this meeting. In various areas of this transcript the recording was inaudible and this has been noted.**

**Attendees:**

Barron	Bill	Crofting Commission
Berge	Kersti	Scottish Government
Brodie	Chris	Skills Development Scotland
Brown	Joe	Scottish Government
Burr	Malcolm	Comhairle nan Eilean Siar
Buxton	Carroll	Highlands and Islands Enterprise
Campbell	Angus	Scottish Natural Heritage
Cantlay	Mike	Scottish Funding Council
Cooper	Alastair	Shetland Islands Council
Crerar	Lorne	Highlands and Islands Enterprise
Cullinane	Joe	North Ayrshire Council
Davidson	Margaret	The Highland Council
Ewing	Fergus	Cabinet Secretary for the rural Economy
Forbes	Kate	Minister for Public Finance and Digital Economy
Foxley	Michael	University of the Highlands and Islands
Grant	Neil	Shetland Islands Council
Gregson-MacLeod	Lorna	Highlands and Islands Enterprise
Halfhide	Nick	Scottish Natural Heritage
Hatton	Craig	North Ayrshire Council
Hodge	Simon	Crown Estate Scotland
Hyslop	Fiona	Cabinet Secretary for Culture, Tourism and External Affairs
Kearney	Liam	Scottish Government
Lang	Crichton	University of the Highlands and Islands
Leadbitter	Graham	Moray Council
Lobban	Bill	The Highland Council
MacIver	Calum Iain	Comhairle nan Eilean Siar
Mackay	Roddie	Comhairle nan Eilean Siar
MacKenzie	Rod	Crofting Commission
Maclean	Catriona	Scottish Government
MacLennan	Shona	Bòrd na Gàidhlig
MacNee	Karen	Scottish Government
Manson	Leslie	Orkney Islands Council
Manson	Donna	Highland Council
McDade	Xander	Cairngorms National Park Authority
McDaid	Michael	Skills Development Scotland

McNicol	Aileen	Argyll and Bute Council
Mitchell	Frank	Skills Development Scotland
Moir	Grant	Cairngorms National Park Authority
Morrison	Don	Scottish Government
Morton	Aileen	Argyll and Bute Council
Mundell	John	Orkney Islands Council
O'Hara	Jo	Scottish Forestry
Oowska	Francesca	Scottish Natural Heritage
Pickstone	Jonathan	Scottish Government
Scott	Andrew	Scottish Government
Sheridan	Stephen	Skills Development Scotland
Sunderland	Rachel	Scottish Government
Swinney	John	Scottish Government
Thurso	Lord	VisitScotland
Watt	Karen	SFC
Wheelhouse	Paul	Scottish Government
Whitworth	Denise	Moray Council

**John Swinney:** Delighted to welcome today the Convener of Highlands Council, Bill Lobban, the Leader of Highland Council, Margaret Davidson, and the Chief Executive, Donna Manson. I am going to invite, I think, Margaret first to say a few words.

**Margaret Davidson:** Thank you, and welcome, Deputy First Minister, welcome to Inverness. Welcome to the Highlands. It's my privilege to welcome you here today along with your Cabinet Secretary and ministerial colleagues, and it's always good to see you here, and the interest that you take in the Highlands and Islands. So, why are we here today? This is a convention of the Highlands [unclear] that was set up over 20 years ago. I can hardly believe that, I was a mere girl, and I would argue it's even more relevant now than it was then, because it's a forum where we're all together, all of the local authorities and our ministerial colleagues, and we look at get up to date with the regional priorities and opportunities. But we're here for much more than that.

We need to look together at what we can do to take the Highlands and Islands forwards, and I think what we need to start talking about far more than perhaps we have in a more direct way in the future is about the co-production of what we can do together. It's about our priorities and needs, but conversely, it's about how we can identify the things that we can do to deliver on the government's priorities for Scotland, and there are many of them.

So, looking ahead at the agenda today, the agenda's there in front of us and we've all been thinking about it over the weekend, and I'd like to begin by talking about some Highland things where I think are our priorities today, some of the key things that we want to work on. First of all, we're here in Inverness. It's the powerhouse of the Inner Murray Firth and the Highlands, and we never forget that. We talk today about the continuing success of the LifeScan Sector in UHI. We're very grateful for that, and will be encouraging them as much as we can in the future, and working with them. But we're now also ready to invest in our heritage and culture, and I see with some pleasure that you've actually got Inverness Castle, you've got the Spirit of the Highlands. You've got a note in front of you about this key project and where it's going.

I would like to at this stage actually give a personal note of thanks to Fergus Ewing and to Fiona Hyslop for the sustained interest and energy that they've put into that project, and the vision they've brought to it. It's not often that you sit at the table with us and don't actually change some of the approach that we're taking, and I do appreciate that.

Tourism has boomed in the Highlands over the past three years, but we now need to use that success, and we need to join up our policies and tackle some of the things around poor infrastructure, income generation, and depopulation problems. North Coast 500 is not just a success. It's an opportunity, and we all need to use it as best we can.

Highland's a great place to live, and we have areas of the Highlands where our population is stable and doing fairly well, although I live in constant anxiety about the new immigration bill that will come in when we finally do a Brexit deal, and the effect that's going to have on all of us. However, there is huge unevenness across the Highlands, and the north and the west have their huge problems. The one particularly I'd like to address if there's opportunity today is Caithness, where the run-down of Dounreay is going to see us with 2000 less jobs than we've had, and that we are looking at a predicted loss of 20 per cent of the population up there. Many of them are young people.

So, we need to really wrap up local workforce planning, and actually really concentrate on making a turnaround up there, both with the Scottish Government and UK Government on this one.

What that does, whenever we talk about co-production, what it does is, it tends to wake up communities about the opportunities that they also have around place planning and stabilising the public sector. That's always something that comes up very early, but then we need to face them up to the future and what's possible. So, let's use this work here today to demonstrate innovation and success, stabilising the population as best we can, and I do welcome the concentration that Scottish Government is now bringing to that area of policy.

To do this, I'm pleased to see the update we have today around broadband, but we really need to move almost to a different plateau. So, all day I hear, R100's coming, 5G, ultrafast broadband, and full fibre to premises. I hear many things. We need a hand pulling this together to make the most of it over the next few years, because there are UK Government policies, there are Scottish Government policies, and the Scottish Government is going to bring us the backbone of what we do, but there are still more things that we need to do. We've invested heavily in our schools with the hugely improved broadband that we have there, but now we need to look at what we need to do to our communities, because it is undoubtedly a factor in keeping population numbers dropping in parts of the Highlands.

Finally, I'd just like to say climate change, something which my daughters who live in New Zealand and Australia have been saying to me for many years. They've been saying, we've got a crisis on our hands, mother. I sort of said, yes dear, I'm sure we'll cope. Actually, I'm not so sure we'll cope now. So, I really again welcome the declaration of a climate emergency by the government. We've done so ourselves here in Highland, and it's opened our eyes to the potential of what we're doing here. We have huge potential in the Highlands to help Scotland with its climate emergency. We have massive landmass, we have a willingness to plant trees. We need to preserve our peat, and we need to make some money out of it, because that is what will keep us going forward and doing what we need to do.

So, I'm all ears today, and I leave us with one word which came up when we were having our tea together last night, the Highlands and Islands leaders, and it was co-production. Let's see if we can find it all day. Thank you.

**John Swinney:** Thank you very much, Margaret. Bill, would you like to say a few words?

**Bill Lobban:** To be quite honest, Deputy First Minister, no one actually asked me if I was going to say a few words.

**John Swinney:** Well, you're welcome to say a few words, or you can leave it all to Margaret, which I suspect is a common experience in Highland Council

**Bill Lobban:** Really, just from my own point of view, to welcome you all here to the Highlands, and you're seeing today - particularly, you're seeing Highland at it's very, very best. You may not believe me it's always like this, but certainly Highland is a place with massive advantages, but massive challenges. We hope that we can work through these

challenges in the near future, and look forward with your own assistance to a much more prosperous future.

**Calum Iain MacIver:** Thank you, Cabinet Secretary. As you've outlined in this presentation, looks to update on the key priorities we identified a number of years ago. It seeks to draw some lessons from that, and it seeks to identify some next steps. Just as a brief reminder, however, I think it would be useful just to go back and consider the process that we've gone through. There has been a process where we work together as a set of senior officers to identify priorities, where these priorities then came back to COHI and were signed off. We collectively finalised around a set of themes and agreed these themes, and these are outlined there.

The overarching strategic goal of doing this was to try and grow our communities in the Highlands and Islands, and we set ourselves goals around population growth, making sure that growth was inclusive, that everyone shared in that growth, and that we've seen ongoing investment in infrastructure and in our communities. I think that idea of it being a shared approach was important, but at the same time working collectively, it didn't mean that individual organisations didn't work on what individual organisations are remitted to do.

So, the process we wanted to do was to identify the things that, working collaboratively, we could make more progress on by working collaboratively, and each organisation worked on what it was doing as an organisation. So, that idea of collaboration and coherence was important to the process.

So, I think there's been some good progress achieved. That isn't to say there aren't some inhibitors out there, and the presentation will end on some next steps.

Just very briefly and quickly going through each of the themes in turn, then. Digital connectivity. I think since 2016/17 when we first started discussing this, I think there has been quite a lot of progress in regard to broadband rollout and mobile coverage. 82 per cent of premises now have 24mb-plus, up from 76 per cent in 2017. Take-up of services is beginning to get stronger now at over 60 per cent. However, 14 per cent of homes and businesses still cannot access broadband at 10mb-plus. In regard to mobile rollout, there are now over 1000 sites in place, over 700 in service, and almost 300 about to come into service, so that's a significant piece of progress over the last two or three years, and as we know more funding is in place to allow us to go further with R100 the Scottish Government infill project.

So, the group are saying, in regard to digital connectivity, is the delivery of the outputs from R100 and the infill projects, the remaining gaps will be clearer after the procurement reaches contract signing stage, which hopefully isn't that far away. The next step then is to push towards universal coverage, and of course we would want to work collectively to deliver social outputs and economic outputs on that. So, that is the backbone infrastructure. What we've now got to work on is getting the benefits delivered of that infrastructure.

Looking at transport, I think the critical thing here was the endorsements of the key principles for equality of access of 21<sup>st</sup> Century transport that COHI endorsed in October 2017. Engagement has been going on with Transport Scotland officials in regard to these

principles and how they integrate into the National Transport Strategy, and as we know, Transport Scotland presented to COHI in March. So, integration of these principles into the strategy and into the project's review process has been important, and there is a greater consideration now of rural and island challenges in the strategy. I think it's critically important.

Next steps then is to continue that engagement with officials at Transport Scotland in regard to the transport strategy and the future transport projects review, and to ensure within that that there is comprehensive consideration of the challenges for rural areas and island areas.

Looking at energy, I think Scottish Government, local authorities, HIE and others, have worked really well in working towards remote island wind. I think we have created a policy background with the UK Government that should allow island wind to come into place. I think we work well collaboratively in arguing for remote island wind, and getting remote island wind as an eligible category in the recent Conflicts for Difference allocation round, and similarly in working together in supplying a needs case to Ofgem for all the islands. Slightly unfortunate that the outcomes that we were anticipating coming out of that haven't come to fruition, but we still see a route forward and a route to market for islands projects, and we had a good meeting with Mr Wheelhouse this morning to discuss how we can work collaboratively again to push forward on that.

It is a source of ongoing frustration that the part of the UK with the richest resources is the part of the UK that is turning out to be the most difficult to get these resources deployed from.

That said, remote island wind isn't the only technology, and we've been working, as we know, the **[Beathris]** project, a £2.5 billion investment, £1 billion of that coming into the Scottish economy employing up to 90 full-time equivalents, and Wave Energy Scotland investing close to £40 million, involved with 200 different organisations in 13 countries. I think there is a workstream to ensure a support mechanism for wave and tidal, because if we don't get that support mechanism, we may lose the opportunity, and the lead we have in that area.

So, the next steps is, post-CFD, post needs cases, to see if there is an opportunity for merchant projects to arise, particularly in the Western Isles and in Shetland. We've got to work with Ofgem around their positioning to make sure that they are positioned to make sure that the links happen if merchant projects do go ahead.

Supply chain stimulation. We know there is significant opportunity in renewables of different types, and they're all going to be competing for the same supply chain at the same time. So, how we work to maximise that supply chain and maximise the benefit is going to be critical over the next period.

Marine, a critical piece of work undertaken by Highlands and Islands Enterprise around the audit of the marine economy of the Highlands and Islands, MAXiMAR, published in 2019. I think there is an increasing understanding at UK and Scottish level of the Highlands and Islands marine resources, and the opportunities around there. Development of a blue growth strategy ongoing, and a bid to the UK Research and Innovation Strength in Places Fund

which hopefully will coalesce all these elements, and bring a strategic coherence to all these elements. So, the next step there was the resubmission of the UK Research and Innovation Strength in Places bid, and the development of a collaborative blue economy strategy for the Highlands and Islands that knits in and matches with strategic national approach.

In housing, I think we've seen accelerating development around the affordable housing supply programme over the last period, moving slowly up annually year-by-year, more houses being built, and we've also seen a significant number of approvals under the Rural and Islands Fund, 70 approvals at July 2019. We will be going into a process of thinking our way through Housing First, rapid rehousing transition plans, and how we make these plans knit in and work with the affordable housing programme. There are, however, still considerable market and regional barriers remaining to be tackled and got over.

So, the next critical steps that we see in regards to this area is recommendations to help inform the 2040 Vision and Route Map for Housing, and to ensure that we are looking at all the disbenefits and the challenges around housing in rural and island areas, and making sure that they are being addressed over the next period to make sure that, in the islands' case, that these policies are island-proofed going forward.

Skills and talent attraction, I'll just touch briefly on this because Chris will do the more detailed overview here. I think the critical element is the refresh of the Highlands and Islands Skills Investment Plan, and a new action plan in place. The Talent Attraction Strategy has also been refreshed. A high-level talent attraction group established by HIE which brings all the different players together, working to a joint collaborative plan. I think there's a lot more understanding now of the regional issues, but also the very specific local issues in local areas, and we've developed a set of areas of focus to help influence policy over the next period.

So, the next steps that the group sees is the evolution of the Talent Attraction Working Group actions, and to provide clear evidence around population challenges, and a clearer articulation of that regional and local action that we want to take around these things.

In regard to that process that brought us to all these actions, I think the Senior Officers' Group in particular have been - the establishment of that group, I think, has facilitated good joined-up work across the membership of COHI. I think there's been coherence in what we've been trying to do, and I think there's been a lot of sharing of good practice amongst that group. There's been cohesion in regard to the digital connectivity. As we know, the rollout of broadband is a mix of procurement, state aid, inputs from UK and Scottish Governments, Ofcom, industry. So, a challenging set of different players, with a lot of moving parts working in tandem. So, the group has worked together, I think, quite well to get all the inhibitors out of the way to allow the progress to be made.

I think there's a very joined-up position around energy, around remote island wind and needs cases. I think the MAXIMAR opportunity is an opportunity that's shared by all, and that is informing islands deals, particularly in Argyll and the Islands, and the three Islands authorities. Talent attraction is seeing a strategy begin to coalesce and go forward, and the establishment of a programme board to see the implementation of the Skills Implementation Plan has been a good step forward as well.

So, in summary, then, the critical steps for the next period, just summarising what we discussed earlier - the delivery of outputs from R100 and the infill project, universal coverage, and the rollout of all the economic benefits we require on that. National transport strategy, ensuring the region is well represented in that. On energy, post-CFD, how we ensure that projects are rolled out, and we stimulate the supply chain. Submission of the Strength In Funds bid. The regional blue economy. Housing 2040, talent attraction, and of course there will be new collaborations arising potentially from the agenda today around the global climate emergency, population, and transformative projects.

I will leave it at that just now, Cabinet Secretary, and hand on to Chris from Skills Development Scotland.

**Unfortunately the microphone did not pick up what was said here.**

**Chris Brodie: (Inaudible)** higher education, and also apprenticeships. At the same time, we highlighted that the Highlands and Islands was facing some significant challenges, not least in relation to the potential outcomes of Brexit. So, at COHI last year we gave a commitment to doing two things. To reviewing the continuing relevance of the themes in the Highlands and Islands Skills Investment Plan, and also updating the action plan to reflect those emerging challenges. That work has been carried out through 2019 by the HISIP programme board, and for members' benefit, that programme board includes colleague from Highlands and Islands Enterprise, UHI, Scottish Funding Council, ourselves, Bòrd na Gàidhlig, and all of the local authorities who are members of this convention.

As a reminder, the four themes of the SIP in 2014 were around four very broad areas. First, planning for the future. Second, supporting the skills needs of employers in the region. Third, that challenge around better aligning skills provision behind the needs of the economy, and fourthly recognising at that time the challenges that we saw around depopulation and demographics, that population and talent attraction would be a critical issue for the Highlands and Islands going forward.

The updated action plan outlines each of those themes, and you can see that on the slides around the room. The development of the plan now focuses - the new, updated action plan focuses on six broad areas for action, and I'll talk about those each in turn very briefly. They're closely aligned with the publication of the Future Skills Action Plan which was published by Scottish Government a number of weeks ago.

So, the first is to recognise that technological change, digital disruption, automation, and the convergence of those three issues, will have significant implications for the jobs base in the region. Looking at that and responding to that fast-paced change in terms of the nature of work, it is critically important at the individual level, in terms of skills provision, we are providing opportunities for people to upskill and reskill throughout their careers. At a system level, recognising that the economy and the labour market is going to change quickly. We also need to ensure that our skills provision has the flexibility and the agility to respond to emerging challenges.

The plan is not just about focusing and growth. It also recognises that it's important that we support, in terms of provision, those sectors that are important in the Highlands and Islands, whether that be food and drink, whether it be tourism, whether it be energy, and indeed those sectors that are distinctive to the Highlands and Islands. Calum Iain has already mentioned the blue economy and aquaculture as two particular examples.

In terms of talent attraction, we also - the plan talks about talent anchoring in the region, and later this morning we will be launching the Western Isles Charter. This charter is an innovative piece of thinking and work which connects senior phase curriculum with foundation, the opportunity for young people [unclear]. It links apprenticeship provision to local jobs, and critically links the provision of support for young people to secure housing in the islands. Those three things together, we think, will play an important role in helping anchor young people in the region.

Finally, in terms of the focus of the action plan, the challenge of population and demographics has not gone away. Indeed, with the challenges that Brexit brings, particularly in terms of the potential end of freedom of movement, we think that the population and talent attraction challenge is possibly the single biggest challenge that the Highlands and Islands faces over the next 10 years. Let me explain a little bit why we think that that is the case.

Looking at how the population has changed over the last 15 years, we know that the population of the Highlands and Islands has increased by something like 25,000 people to just under half a million people, but looking underneath this, there's a picture that is a little bit less positive. Firstly, yes, the number of 16 to 24-year-olds has remained stable over the last 15 years. I think that's testament to the work that has been done in the establishment of UHI, and the work that's been done by COHI partners to broaden educational and employment opportunities in the region, but the number of people of working age has fallen quite significantly over the last 15 years.

So, there are 10,000 fewer people aged 25 to 39, and 4500 fewer people aged 40 to 45. That population growth that's taken place in the Highlands has been almost exclusively in the over-55 age bracket, so 42,000 more people aged over 55, the majority of those aged over 65.

One of the critical figures in the last slide was actually the fall in the number of young people aged nought to 15, so 10,000 fewer young people of school age than there were in 2004. Looking ahead, that presents an obvious challenge. Looking ahead to 2041, the population of the Highlands and Islands is expected to stay pretty much the same and be stable, but there are going to be big shifts in terms of working age population to non-working age population. So, 40,000 fewer people of working age, 40,000 more people not of working age. That presents obvious challenges in terms of the availability of people to fill the jobs that we are all looking to create in the Highlands and Islands. There are also some pretty significant implications for the shape of demand for public services in the region.

I want to just speak very briefly about in-migration. So, Calum had mentioned that we're looking at gathering a bit more insight on what's been happening in terms of population. One of the things we've done through the programme board is look at patterns of in-migration and out-migration from the region. The first point to make, and we know this, in-migration, net in-migration, has been critically important to population growth over the past 15 years. 31,000

more people have come to live in the Highlands and Islands than have left. Looking again over the long term, though, it's a more nuanced picture, and a more challenging picture in some respects.

So, looking at the trend from 2004 through to 2018, around half of this in-migration, this net migration to the Highlands and Islands, took place between 2004 and the financial crash in 2008. Since that time, in-migration and out-migration have been much closer. We've seen population growth begin to slow, and critically over the longer term I think there's two things I would draw from this analysis. First, to say that we have done collectively a very good job in terms of stemming out-migration, but in spite of our collective efforts around talent attraction the dial has not yet been shifted. There is more work to be done.

I think this challenge is intensified by the prospect of the UK leaving the European Union, particularly what Brexit might mean for labour supply. So, we know that there are about 10,500 EU nationals working in the Highlands and Islands. That number has ironically gone up since the Brexit referendum result in 2016, and EU nationals now make up about four per cent of the Highlands and Islands workforce. They are working right across the area, whether it's by geography, whether it's by sector, whether it's by job, and there are two key questions, I think, which Calum, you'd hinted at, which are on the minds of the programme board.

Firstly, are these EU nationals going to stay? Secondly, what might we do to continue to attract people from Europe and beyond to live and work in the Highlands and Islands.

I think the good news is that some of the ingredients for doing that are in place, and whether it's the investment that we've heard about in terms of the digital infrastructure in the region or the economic infrastructure in the region, or whether it's about the continued investment in creating the high-quality jobs that will encourage people to stay, and people to move to the Highlands and Islands. We know that the region benefits from a terrific quality of life. The ONS Wellbeing Study published this weekend highlighted that in the islands, the Western Isles, Orkney and Shetland, people rate their quality of life, and their life satisfaction, as amongst the highest across the UK.

We know that at local level, in Moray and Argyll and Bute, for example, local authorities have been doing some great work to target incentives and support to encourage people to move into the region. I think again, the work that we're doing around the charter presents a really important commitment in terms of helping anchor people to the region. I think what's clear, though, is that all of it in itself, while good and very important, will not be enough. In the face of Brexit and the region's demographics, the programme board thinks we need to commit to a concerted regional effort to target and influence the younger, more mobile talent that we want to see coming and living and working in the Highlands and Islands.

**John Swinney:** Thanks very much, Chris. Now, on the sound system. Essentially, it's some wi-fi problem. So, all this digital connectivity is great as long as it works. So, if we can use our microphones, because that is enabling the feed, our words, to be recorded, but the in-house PA is switched off because it's just going to drop in and out because of wi-fi problems. So, when you're speaking, please press the button, but speak clearly and loudly so that we can all hear. Right.

**Unfortunately the microphone did not pick up what was said here.**

**Lorne Crerar:** Fergus, what was it that you wanted me to comment on? Just generally what's been said by Calum Iain, and what we've heard from Chris?

**Fergus Ewing:** Yes please, just particularly in relation to the projects. I mean, I guess the question for council leaders around the table is, are we happy that we're proceeding in the right lines? Are we going in the right direction? Are we covering the right projects? Have things changed at all? The positive comments from Calum Iain, and Chris about the Officers' Group were important. Is that your experience? So, it's a chance to get short individual feedback each as to the topics. So, primarily, Lorne on the projects.

**Lorne Crerar:** Okay, that's fine. Later on today we're going to be talking about some specific projects that are being undertaken by us all. So, from Calum Iain's presentation, the question from me as chair of HIE is, are we focusing on all the right things? What we get from our businesses through our business poll surveys, through our surveys of young people, is exactly that. The key things - and we have our board meeting tomorrow in Fort William, we have our business breakfast, and I'm pretty sure that the businesses, around 50 that we'll meet tomorrow, will tell us what we hear around the region, which is the key issues for them are the things that Calum Iain has mentioned.

Number one is around availability of schools, and that's against a background again, I'm sure we'll hear tomorrow, of positivity, that the Highlands and Islands represents an enormous place of opportunity, but from 10 years ago it was the creating of the opportunity, it seems to me, but now it's about removing the barriers that prevent that opportunity being fulfilled. The number one thing we'll be told is the availability of schools.

The second thing we'll be told is concerns around housing, and there's particular projects in Fort William ongoing that we'll be able to talk to them about. The third thing will be around digital, and for Fort William, the fourth will be around transport. So, the key things that Calum Iain has talked about are exactly what will be resonating to us from our businesses. Our recent business poll survey was one of positivity, but for 12 months, also recognising a lack of investment, very much in line with what Chris and Calum Iain have both said in relation to Brexit and general uncertainty.

A real positive for us was the recent survey of young people, which showed a very significant increase in those that wished to stay in the Highlands and Islands. It doesn't deal absolutely with Chris' final point, which is about encouraging more young people back to the Highlands and Islands, but there is some evidence of that happening. But for us, I think the young people survey was extremely encouraging, and UHI has a big part to play in that. So, to answer your question, Fergus, I think we are absolutely focusing on the right things. It seems to me that we are. At HIE board, we get a feedback at our board on how the leadership group is going, and it seems to me that it's going pretty well.

Finally, with the Skills Investment Plan, then that's something we'll be continuing to monitor, but I thought Chris' presentation was excellent, and covered all the things that he should have done.

**Fergus Ewing:** Okay, thanks, Lorne. It's good that you highlight the positive about the increased number of people who are looking to stay rather than leave the Highlands and Islands, and UHI have been at the fore of enabling that to happen, which is much appreciated. I've got Mike Cantlay, chair of SNH, and then if we've got others who wish to participate, please show. Mike.

**Mike Cantlay:** Morning, just a quick point, and it's a Scottish Funding Council point, not Scottish Natural Heritage. Looking at the - I look at these papers on a so what basis. You know, well, so what? This is fine, we're aligning better, but so what and this one particularly stood out for me. If you look over the last four years at student enrolment in higher education in Scotland, it's up 7 per cent. The Highlands and Islands, it's up 21 per cent. So, that for me is a really encouraging sign. So, I'm not saying we don't have challenges. We have all kinds of challenges, some of them which are not of our making, but I think we are making progress.

**Fergus Ewing:** Okay, thanks. I forgot you're more than one hat. I got the wrong hat. Are there others who wish to contribute? I was struck by the profoundly concerning statistics that we've seen before about the shrinking of the working age population, and the burgeoning of the non-working age population in the slide about projections of population out to '41. Given so many businesses at the moment who are succeeding have vacancies, and the problems that Brexit may add superimposed, this is of profound concern. So, I'm keen to hear comments on that. Xander from Cairngorm National Park, and if others - I don't know whether we're being shy this morning, but no council leaders have shown.

**Xander McDade:** Yes, thank you Cabinet Secretary. In the Cairngorm National Park, we've been doing quite a lot of work with young people at the moment. We've set up a youth action group, and very much all of the focus about that came out of our Youth Manifesto, which is a European Youth Manifesto that was set out last year at the Europarks Conference in the Cairngorms. That has a heavy focus on trying to keep people in protected areas and rural communities and recognising that there are a lot of additional challenges faced by that, but also recognising that there's a strong desire to stay in these communities, and also that there's a strong interest from others who aren't necessarily from these communities perhaps living in these communities.

A lot of that work has been started and will continue on, and I think it would be really positive from our point of view - I'm aware that some of the councils do have youth councils, et cetera, but it would be useful for us - we have five local authorities we border around - to continue to work closely with those local authorities as part of that. But the young people certainly are saying very clearly to us that actually they do want to stay, but often it's the opportunities and having these opportunities. UHI has opened up a lot of doors for them to stay and study at home, but I think what we saw there in terms of the demographic drops is actually, it's those post-study opportunities that are the difficult part. It's about how are we segueing people into jobs of the appropriate type as well, because it's all very well training people up in certain degrees but actually, if there isn't the job opportunities there afterwards, how are we going to keep them in these areas?

So, particularly with the public sector challenges, that's perhaps - and we've spoken about this previously, at previous COHs, there is a lot of opportunity perhaps to be doing more training in some of these public sector areas where we're really in need of nursing jobs, and I know UHI is doing some of that. But I think for me, there's a strong focus of, a lot of young people in rural areas really want to stay. They have a real strong attachment to them, not just because they're from there, but actually they want to see it positively grow. I think we can actually latch onto that and run some campaigns around that to keep people in these areas, but also to attract new people in.

There's a lot of people who are very health-conscious now, young people. About a quarter of young people don't drink at all. They're going much more into being sporting, out cycling. Cycling has grown astronomically. There's a real opportunity to attract, as we spoke about earlier, attract people into these areas because of their beauty, their actual natural resources. I think we just need to tap into that a bit more.

**Fergus Ewing:** Thanks, Xander. Roddy then Margaret. Roddy.

**Roddie Mackay:** Thanks. I think I just want to comment on the issue of retaining young people. Again [Inaudible] it's quite precarious, and it looks like it's going to get even more challenging going forward. So, we have real challenges, not just [Inaudible] staff for our own roles, as the roles that the council has to deliver in terms of, say, for example care, but also when you speak to businesses, they're having real issues recruiting skilled labour. The training is available, but again some of the training in terms of practical, hands-on jobs, has gone off-island, and so it's difficult for people. If they want to train plumbers, electricians, et cetera, they do have to send people away.

So, we feel that in order to try and address this issue, we're trying to tap into the fact that, as we've heard from Xander, a lot of young people do want to stay in these areas, in all our areas, but [Inaudible] for them to stay [Inaudible] with SDS, which [Inaudible] together, which is [Inaudible] Ms Hyslop, and she was very [Inaudible]. We are in the right place to take advantage of these things, but we do need the people.

**Fergus Ewing:** Indeed, Roddie. Thanks. Margaret, and then Crichton, and if there's anyone else to contribute, if you could show now, thanks.

**Margaret Davidson:** Thank you, and I would thank Roddie for his contribution there. Full marks to the Islands and SDS getting the charter in place and launching it today. Now we all need it. We need a charter for Northwest Sutherland. We need a charter for Caithness. We need a charter which is not just about [Inaudible] our communities going, as hopefully they settle for the future. [Inaudible] they want to come back, and we have to make it so that we can encourage them to come back, because - once they have a connection, they want to keep it. We need to be focusing very much on encouraging those sort of folks to come back, because they're going to make [Inaudible] through that [Inaudible] around people, because they're there and they're a great opportunity for us.

So, I think this [Inaudible] that we know, and it will help us all right across the Highlands, but particularly where we're losing population, and we need to do it together.

**Fergus Ewing:** Thank you, Margaret. We've got Crichton, and then Leslie from Orkney, Graham from Moray.

**Crichton Lang:** Thank you, Fergus. First of all, thank you for the slides, Chris. I mean, it was really good to see the 16 to 24 statistic. I've been with UHI for 13 years now, and I can just about go back to 2004 and coming into the interim VC role. I've been to a lot of the graduations this year, so I can reflect back 10 years ago the range and number of students that were crossing the stage in UHI graduations. There really is over that time a very, very clear expansion of opportunity and uptake of study at all levels through FE and HE.

The majority of those students, the nature of the types of awards at each of the UHI partners is different, because it does tap in largely - not exclusively, but largely - into the local skills needs that are there. So, I think Xander's point is absolutely critical, that the next stage of transformation for UHI has to be working cooperatively with our other regional partners to enhance the employment opportunities. You mentioned health. Health is the most mature part of UHI, where we're now into the innovation and the R&D, and we're into the job creation around the life sciences, in addition to boosting the in-region training of nursing, midwifery, and allied health professions.

Passing through that, I would say it's critical that we remember a key point of retaining talent in the region is to train people in the region. If you get them here, you expose them to the workplace as students, you strengthen work placement, you strengthen internships, that will help them to stay, whether they came from the region or elsewhere.

But the exciting thing for me at the minute with UHI, and I think we're coming onto this later today, is the transformational opportunities. So, it's like what we've done with health. It's like UHI's contribution with others to the MAXiMAR developments. It's looking at other sectors, the green economy as well as the blue economy, energy, carbon neutral, the aviation academy and smart technology developments in Moray, and how we connect those across the region, not just to bring in researchers and new industries, but through those to grow the high-value career destinations and opportunities, and make the Highlands and Islands an exciting place to live and work and prosper in.

Now, as I say, I'm part of the incomer stat. My family and I moved up here 13 years ago from central Scotland, but again the transformation in the Highlands and Islands is not complete, but it is significant over that period, and I think there's a real opportunity to build on that.

The last thing I would say is that for UHI as a business, the one thing that I'm really excited about at the minute actually is the climate change, and the low-carbon destination. I think we can make that a USP for the university itself. Why come from outwith the region to study here? It's because of the applied nature of a lot of our curriculum in those areas. That will span environmental issues, it will span technology, engineering, construction, a lot of stuff. So, we move beyond the remote and rural, and into other USPs and attractors.

**Fergus Ewing:** Thanks, Crichton. Leslie, and then Graham, and then Donna. Leslie.

**Leslie Manson:** To a degree, Orkney's bucking the trend in that our population is increasing at the moment, and it's in no small part due to the sort of support that we've heard described

already. Many of the characteristics are very similar to what you've heard in the Western Isles, so I won't repeat those. But although our population has increased, and clearly, like everybody else, it's mostly due to migration, it's the wrong age demographic migrating. It's the best place in the UK to live, Orkney, as you know. It's officially won the awards, and we're attracting a lot of older people who are moving in. They're hoovering up all the housing, which is generally very affordable, and it means that young people can't afford to buy houses. They haven't developed the skills, haven't got the jobs, they can't afford to buy a house, raise their families, and so on.

One obvious way of addressing that is social housing, but because of the complexities of ratio of income to debt, that sort of stuff, and the fact that the council's got to talk up the [unclear] social housing at the moment, so we're in a stalemate. There's money, we're trying to encourage [unclear] what do you call it? Housing [unclear] blockage of mind. Housing association, yeah. We're trying to encourage them to use up as much of the grant as possible, but the council's there, willing to do the building, and we can't do so.

We're, as you're probably aware, still looking to access the [Inaudible]. So, young people expect to be able to [Inaudible]. A few folk have spoken about joined-upness, and if we're going to deal with the population changes in Orkney, we need lots of that joined-upness right across all the different services we've been talking about.

**Fergus Ewing:** If we can keep it fairly brief, because I think we're approaching - seven minutes ago.

**Graham Leadbetter:** [Inaudible] circumstances to Orkney to an extent, in that the population - we're not depopulating. We're increasing our population because of mainly growth in the military basis, but the talent attraction side of it is really, really important. Even with the last week, I'm aware that because of a bout of illness sweeping across Moray, as you often get at this time of year, and that combined with difficulty recruiting, that there is really significant challenges in providing social care, simply because people don't want to be carers. There's a huge job of work, particularly as the population ages, and that's going to become a bigger problem.

We have issues around some particular professionals in the NHS, and again as the population ages and requires more health interventions, then those will be moved from being significant challenges - without intervention, those will move from being significant challenges to become points of failure. That's something we obviously have to avoid. Areas like recruiting anaesthetists, certain types of consultants, that are really different to recruit to. That in turn has an impact on people wanting to come to the area, because they look at schools, they look at what the health service is like, before they decide to move to an area. I think that's something that needs to be tackled, not just at local but also at a national level, and indeed at a UK level, particularly in terms of some of the specific health shortages at those levels.

[unclear] the growth deal support there from the government for that, and we're developing an aerospace sector that we've never had, a civilian aerospace sector with potentially up to 1000 people in it, if everything stacks up the way we hope it will. That will be hugely beneficial in getting the skills pipeline to feed that industry, and to retain young people in the

coming years. I think there's maybe a job of work to be done about making that a really attractive profession to go into, and I don't think it's [Inaudible] as it needs to be, further down the line.

**Donna Manson:** In many ways that's representing discussions we had last night on this issue, and collectively chief executives and leaders, I think we have a fantastic opportunity in the curriculum review that's been signposted, and we have to consider what's our rural gap. It's really disappointing to look at our attainment as a Northern Alliance. It's not where it should be. It's really quite concerning, so we need to take that as a starting point. Within that, we need to look out for our young people. What are the gaps to them having tradeable outcomes in our communities, whether it's a digital gap, isolation gap, a fuel poverty gap, a range of poverties that affect our young people. We need to look at those outcomes, and then need to understand the link to the curriculum.

So, Mallaig high school, if the head teacher's got 15 staff FTE, in terms of his metric for DSM, or whether we look at school buildings infrastructure and the metric for that, a lot of the metrics don't fit and work to the rural gap. You know when you listen to our young people who support businesses and care for people in our communities, the time and the place where they're measured for their attainment is quite different to if you're living in an urban area. When's the best time for our young people to sit exams? It's a good question to ask in rural areas, because the outcomes of what we've got are not where they need to be.

So, there's a fantastic opportunity at this moment to connect the curriculum review with where our attainment is in our communities and consider what we can do better.

The Minister, Joe Fitzpatrick, who's been working with us in terms of our wellbeing gap in our communities, our suicide rates for young men, health and wellbeing, we've been looking recently and we're not there yet, but I think we need to do it collectively in terms of understanding that impact on health and wellbeing for our young people. You need to look at - and I know we've a number of people looking at it right now - the difference in places like Iceland, where the government set out three key measures to tackle that in rural areas in terms of depopulation, isolation. So, really what I'm calling for is, we've got an opportunity to make those connections holistically, to actually take a much more fundamental look at our young people's experience in the senior phase, and whether it's wellbeing, whether it's matters such as curriculum, or staffing models, and I'm sure we could do something much - on a larger scale together.

I think the final point when we were discussing it last night - so, we were seeking for that completely different holistic approach, and understanding our young people's needs in these communities are very different, is we do have some really good work going on. We have to look at ourselves last night and look at this, we were saying, what can we do better? What's our responsibility around the table? I was signposting the work of the Cities Alliance, the same robust process we're going through at this moment in time, where we're actually thinking, right, okay, in terms of creating transformational change, it's about having the right people at the right table at the right time. Sometimes, that's talent in your organisation that's only been there a year, that's not at senior level.

So, in the Cities Alliance, I know that we've had a long, hard look at the leaders there and the key officers taking a greater challenge, and perhaps looking at it more as a transformational strategy. Having less outcomes, and more focused and also much more measurable KPIs linked to what we're doing in our collaborations. So, I think we should connect the depopulation work with the Cities Alliance work and see if we can do a bit of learning.

But as I say, I'm just representing discussions last night, but those are three areas where we feel we could absolutely transform what we're doing if we make the right connections and get the right people in the room. We wanted to make that offer today to do that co-production, and to take the opportunities that you've put on the table, whether it's, as I say, the Minister for Health signposting that Icelandic model, whether it's the curriculum review, the attainment, or the Cities Alliance, is there some way we can bring all that fantastic work together in our context and do something quite different? So, that's the offer I was asked to represent on the table today.

**Fergus Ewing:** Thank you, Donna. Shona then Alistair, and then John will respond to the debate. Shona.

**Shona MacLennan:** Apologies for my chair, she's not been able to make it today. I just wanted to touch on this both as a challenge and an opportunity. We're, in Bòrd na Gàidhlig, particularly concerned about depopulation in the Western Isles. In the Western Isles and Skye are the only communities which have more than 70 per cent of the population using Gàidhlig on a daily basis. If there are less people, there are less people speaking Gàidhlig, and that is a real risk to the language. The language, I think, is a big opportunity for Scotland.

In educational terms, Gàidhlig-medium education is demonstrated to increase attainment. At the other end of life, and we've heard the stats about the ageing population, being bilingual can delay the onset of dementia by four to five years, and we have a bilingual population, particularly in the Western Isles and in Skye, and every opportunity to ensure increased usage helps those health outcomes, as well as those educational outcomes. There are also economic opportunities.

In most of our papers, there's a lot about the rich environmental assets of the Islands and Highlands of Scotland. I think we also could make much more about the rich linguistic assets and the opportunities for economic growth through them, and I just wanted to point those as two sides of the same coin, because if we don't retain the populations in those islands, in those communities where there are high levels of Gàidhlig speakers, we diminish the opportunity for economic and educational growth. I'm very pleased that we've been able to participate with [unclear] and Skills Development Scotland in the charter, as well as working with them and Scottish Government on a Gàidhlig charter for the Western Isles. So, I just wanted to link that aspect of the debate in today.

**Alastair Cooper:** Thank you, Minister. In Shetland, we're going through a downturn at the moment where the oil industry is contracting at Sullom Voe, and we're losing permanent, long-term employment. What we find is, young people are looking for sustainable employment. Not just employment, it has to be sustainable. Especially when you live in an island community, it's very difficult for mobile working, working away from home. So, what

we've found is, and I'll speak principally about the oil industry, when they commit for the long term, we see the young folk are committing for the long term, coming back with their qualifications, taking whatever degree they have and going into the oil industry, they're building houses, populating the school, and everything else.

When the oil industry and some of our more traditional industries like the seafood sector are going through a bad patch, they don't commit because they don't see sustainable long-term employment. I think one of the challenges for us as a local authority currently is that we're trying to encourage young professionals to come into Shetland and do some of the public service, health board, council and suchlike. They're now looking for quality accommodation, low-energy housing and suchlike, and what we're looking to do in Shetland is [unclear] to do a number of mid-market rent houses to encourage young professionals to come into Shetland, have accommodation for sufficient time for them to grow and want Shetland to be their home, and then buy their own house and move on.

So, I think we have to deal with the housing issue for young professionals, and it needs to be quality housing into the bargain.

**John Swinney:** Many thanks to everyone for the contributions, which have been very substantial across a range of different areas. I'm not going to touch on the issues of population, which have been very central to the discussion. Fiona will lead on and take forward some thoughts on that point in the next session. But I do want to make one substantive point which Leslie raised in his contribution, and others have made as well, which is about the importance of looking for the connections between these different topics and themes. If we look at these as individual compartments, we will not properly address the challenge that is underlying all of what we're trying to address here.

So, I think I welcome the fact that this - a very good process has been taken forward, as accounted for by Calum Iain in the introduction, and I think it - what we've talked about here represents a strong, broadly owned agenda of the steps that we need to take to address some of these challenges, although I do put in the caveat that we are back here now having **[Inaudible]**... HIE presents for us all is to deliver educational opportunities with the sustainability of the communities in the localities.

So, for example, individuals to commit to being part of the teaching profession and remaining in the locality [unclear] and then going on to teach in the locality, which addresses some of the strategic shortages that we face in relation to teaching provision. The other aspect of UHI which is critical from my perspective is its emerging contribution to research activity, because that will then become a much greater opportunity for HIE to build upon in terms of the development of strategic economic opportunities to enhance **[Inaudible]**, which again is a helpful driver to tackling the population problem.

So, I think what we need to do is identify how to use our resources, how we set our priorities, that we increasingly look to maximise the connection of different themes, that we identify ways in which we could collectively face some of the challenges and the shortcomings **[Inaudible]** that lack of opportunity. If we do that **[Inaudible]** conversation is that **[Inaudible]** later on, on transformational projects, keep that sentiment very much at the heart of how we

decide to make our choices. I think we [Inaudible] and keep these forward in our project space.

**Fergus Ewing:** Well, thank you everybody first of all for the presentations, which were excellent and a good basis for the discussion, and for all your contributions. I think the preponderance of the contributions focused on the need to attract and retain young people, starting off with Xander's comments, and that was a theme throughout, really using the tremendous assets and advantages we have as a great place to live, starting off with Scotland's answer to Shangri-La, the Orkney Islands obviously, Leslie, but just about everywhere really in the Highlands and Islands offer a great lifestyle, and quality of life, and education and services. So, there are many positives, as well as increasing opportunities as Graham and Crichton said in areas such as health and engineering, and many others.

But the barriers are the same barriers we've been talking about for some time, particularly accessible, affordable, available housing in the context of a housing market that's still pretty hot, and where houses are snapped up by people coming in. So, we need more houses. We need perhaps a more flexible planning system in rural and island Scotland to enable the building of more houses. The more housing there can be, the less pressure there is on price, particularly if it's coupled with mid-market rent opportunities, as Alistair has said.

So, I'm just saying that for the benefits of colleagues in the Scottish Government who are formulating, even as we speak, the summation of points from this. But I think in conclusion, the conversation, John, will flow now very clearly onto the next presentation, which is addressing some of the same issues as you said about population. But I think that's been a very useful discussion, so I'm very grateful to everybody for their contributions.

**John Swinney:** Thanks very much, Fergus, and that does move us on seamlessly to the issues on productivity, which Fiona Hyslop is going to lead for us, a critical point coming out of that first discussion. So, Fiona.

**Fiona Hyslop:** Yes, thanks very much. Thank you for the invitation to be here, and also to Margaret for her kind words and welcome at the beginning of the meeting. I've got key responsibilities in my portfolio in the Scottish Government for tourism, yes, which is probably where I've had most of my connections with those around the table, but also for external affairs, where we've been leading on tackling some of the issues around migration in particular. But I also have responsibility for culture and sponsor the National Records of Scotland who are supplying you with all your data in relation to population. It's obviously by looking at some of the challenges that we face as a country in relation to population that's lead me to ensure that the Scottish Government is taking population as a strategic priority, and we've had some conversations with some of you already around the table.

By and large, we're aware that our population is increasing nationally, but it's the balance between that both geographically, a shift from west coast to east coast, and also in relation to the proportion of working age to our elderly population. So, one thing we probably have to agree, I hope, is that getting old and more people living for longer is a good thing, okay? It is a good thing, and it's also how, therefore, we get the benefit from that. Fergus is saying hear, hear. Yes, Fergus. But I do think we have to be conscious of that. So, what does healthy wellbeing in an older population actually mean?

So, what I'm going to suggest we do is have my official here, Liam Kearney, who's the population programme manager within the Population and Migration Division. He'll do a short presentation, probably telling you what you already know in terms of what the challenges are. I've then got a few remarks to share with you about where we are, what my suggestions are, but I'm really keen to get from you what your priorities are, how we tackle that. We've perhaps had an indication from Donna in her remarks about some of the ways we might need to approach this to make a real and tangible difference.

So, can I now hand over to Liam for his presentation, and then we can open up after my remarks for some of the discussion.

**Liam Kearney:** Thank you very much, Cabinet Secretary, and thank you everyone for inviting us along here today to discuss population. It's been very interesting what we've heard so far, and no doubt, as the Cabinet Secretary said, my presentation will probably touch on some of the stuff that we've already talked about.

So, Scotland's population is increasing nationally, and is currently at a record high of around 5.44 million people, and recent projections that were published last week by National Records Scotland show that the population is expected to continue to grow to 5.57 million people by 2043. However, despite this overall increase in population, it's not felt all the way across Scotland. There are 14 out of the 32 council areas experiencing depopulation, and most of these areas being mostly rural or island council areas, as well as areas in the west of Scotland.

So, I do have a few graphs. Hopefully, everyone's able to see it around the table. So, how is Scotland's population increasing? So, population change is driven by two main components. Natural change, which is the difference between births and deaths in Scotland, and net migration, which is the difference between those entering and leaving the country. As this graph shows, over the last 60 years or so the number of births has been declining across Scotland, whilst the number of deaths is going up, so we're now seeing more deaths than births. Conversely, migration has been increasing over the past 60 years, so we now are getting more people coming into the country than those who are leaving, and that's why Scotland's population is growing. It is totally down to net migration.

However, it should be noted that nationally, inward migration has declined since the EU referendum in 2016, so it was good to hear from Chris that Highlands and Islands are bucking that trend, but it is that nationally we are seeing a decrease in migration.

I don't know if you saw, like I said projections were published just last week by NRS around population projections up to 2043, and those projections show that while net migration will remain fairly stable over the next 25 years, the number of deaths will continue to increase across Scotland and will continue to outstrip the number of births, so much so that Scotland's population is expected to stall by 2043. As you'll see, migration remains around 18,500 people, whereas number of deaths will be about the same, so therefore about 2043 Scotland's population is projected to just, as I say, not increase and stall, and it should be noted that these projections don't take into account the impact of Brexit, so that might not be the whole story.

So, just to compare Scotland with the rest of the UK, this does show that Scotland has the highest percentage of migration across the four countries within the UK, and the lowest natural change, so the lowest birth rate. You can see other comparisons there. Northern Ireland has a very high birth rate, and England is probably in the middle for both.

We've already touched on this already through the earlier discussion. Scotland does have an ageing population, so these two graphs, the top one is Scotland, and the one underneath - so, those 25-year projections that I mentioned earlier showing that our population will increase by 2.5 per cent over the next 25 years, however we are seeing that the number of children is expected to fall by 10.5 per cent, and the working age will remain fairly flat. However, our pensionable age population is expected to increase by about 23 per cent. So, that's the blue bars.

The grey bars are the impact if, after Brexit, only 50 per cent of the current EU migration that we see - if that falls by 50 per cent, the grey bars are what the impact will be. So, we will see even less working age people moving to Scotland, and then obviously bringing their families or having families here, so that's why those numbers will fall. However, the pensionable age will remain the same because people are already here and getting older. As we've already talked about, this is already - ageing population is already particularly an issue with Highlands and Islands. As we've already discussed, people may come in and learn here at the UHI, but then may decide to go and work elsewhere, not have families, whereas older people might decide to come and retire here.

I drove up in my car yesterday up the A9 and the scenery is beautiful, so I can understand why people want to move here, but obviously that does have an impact then on our public services and finances.

So, as the Cabinet Secretary has mentioned already, we recognise that Scotland's population is a strategic challenge for the whole country, so we've set up a new programme of work to look at addressing this. The aim of the population programme is to make communities across Scotland attractive places to live, work, bring up families, and move to so that Scotland's population profile improves sustainable and inclusive economic growth, and wellbeing, which was a point that was raised earlier, is also an important aspect as well.

We have established a Ministerial Population Taskforce which is chaired by the Cabinet Secretary, and Mr Wheelhouse is a member of that group as well, and we have membership from across government. We also have a population programme board which is co-chaired by two Scottish Government directors. Membership of that includes colleagues from SDS, Highlands and Islands Enterprise. VisitScotland who are here as well, and we're looking at a number of other agencies as well. As part of that work, we're looking to engage with key partners such as COHI around the actions that are underway both regionally and locally, so it's been interesting to hear what's happening so far, and obviously happy to hear more.

So, the programme for government this year has a commitment to develop an action plan to support the repopulation of our rural and island communities, and that's going to be in two phases. The first stage is around building evidence to understand the impact of depopulation in remote areas. That will be gathering evidence from institutes like the James Hutton

Institute and discussion through Rural Parliament. Once that evidence has been built, the rural policy team are looking to then identify a small number of rural mainland and island areas where it might want to focus attention, introduce specific measures, and then try some small-scale pilots around supporting repopulation, and I'm sure - Catriona's here from Rural, so she'd be happy to talk about that more if you would find that interesting.

In addition, there's also work around improving our productivity. As you may be aware, the Skills Action Plan for Rural Scotland was launched on 10 June this year by Mr Ewing. The plan identifies five key priority areas around taking a strategic approach to tackling the skills provision, a lot of which we've already talked about this morning already, and providing a better understanding of the skills that rural employers need, providing accessible education and skills provision for young people, upskilling the current workforce or retraining them, particularly if they're in areas of work that might be decreasing - can we retrain them to work in other areas? And ensuring that we build a secure pipeline for the future. An implementation group has been established to take this work forwards.

We've also got the Regional Growth Deals, which have already been touched upon. I know Inverness, there's a £350 million deal for Inverness touching on investment for a number of things we've talked about already, transport, innovation, skills, et cetera, and I know earlier this month there was an announcement around a growth deal for Argyll and Bute as well.

We've already touched on talent attraction already, looking to attract people to move and work in Scotland to address regional skills gaps.

So, what next? So, through the population programme we're looking to develop an indicator for the National Performance Framework on Population. It's quite interesting, the points that Donna was mentioning earlier about KPIs and wellbeing, so we're currently working with colleagues through NRS to consider what this indicator might be. It might well be a suite of indicators rather than just one target, so I'd be quite interested to hear people's thoughts around the table about that. There is the National Islands Plan that was laid in parliament on 3 October by Mr Wheelhouse, and one of the strategic objectives is around addressing the repopulation of the islands' population. That feeds into the wider rural action plan that I mentioned earlier.

As well as that - I should say, we are quite a brand-new team, so obviously you guys have been doing a lot of work and interest around population, but we are quite a new team looking at that, so I've been in post for six weeks, so still getting my head around things. But we are looking at meeting with a number of policy areas across Scottish Government as the Deputy First Minister was mentioning, looking at housing colleagues, digital, transport, around what everyone is doing together, and getting that collaborative approach to understand how we can impact on population. I think it's very important, as Margaret was saying, to look at collaboration and co-production, about what we can all do together around increasing population.

So, look forward to continuing the discussion about what we're all doing. Thank you very much.

**Fiona Hyslop:** Thank you very much, Liam. You may have been familiar with some of those stats, but they're pretty stark, and I think the comments that were made, particularly at the beginning about actually, it could have been worse in Highlands and Islands had we not had UHI and others, I think are points well made. Actually, where we are now still demands a transformational response. I think the points about embedding this in our national performance framework are really important. We're just finally looking at what that indicator would be. To me, that means that we look at Scotland as a whole in terms of our approach. It means that when we're looking at diversity and inclusive growth, and sustainable growth, it's not all about income inequality. It's about geographical issues, and that's what we're currently looking at as a government just now.

I had the opportunity to meet with a number of west coast authorities recently - thank you Roddie for the remarks - because there's a real energy around this. People want to make this happen in terms of how we tackle things. I would suggest that a lot of the discussion so far has been about depopulation. 14 out of the 32 local authorities are depopulating. If we're serious about this, we're going to be talking about repopulation, and I think that's the challenge I'm putting out there. Is that what we mean? If that is what we mean, what do we have to do to tackle that?

So, I think we also then have to look at retention, which is where a lot of our focus today has been, particularly around EU nationals. When we do things collectively, we can make a difference. We did get the £65 fee off on the settled status. We have got the Migration Advisory Committee finally to look at doing some kind of population pilot in Scotland. We are working with colleagues in business and other areas. So, don't underestimate our capacity when we come together. I think those stats, when we compare to the rest of the UK, we've got a different experience, so therefore having a tailored migration policy is really, really necessary. So, again, support from there, I would be very welcome.

So, yes, it's about retention, which has been a bit of a focus to date, and I think that's been very successfully done in relation to young people. As we've heard, particularly because of UHI. I think that's a game-changer, absolutely. So, retention, we know what we're doing. We could do more. Attraction we've heard about, talent attraction, but it's also about people attraction and what could we do collectively. There's also - in relation to that, I thought Xander's point about marketing the lifestyle - one of the conversations we've had with councils is, how do we sell a change of life generally, and then people deciding which one they want to go to?

Universities do that internationally. They don't then compete with each other. They're selling the concept of moving, and then within that what can that mean. I've had good conversations with [unclear] Scotland, what they might want to do to attract people? It's actually towards the south areas but doing it collectively. Then, I think there's an issue about doing things in the short term, the medium term, and the long term. What we fundamentally [inaudible] having more children living in [inaudible] therefore look at the childcare changes, the nursery and childcare changes that will make a difference [inaudible] women. We'll have more productivity if we have more women in the workforce, which should happen as a result of the childcare changes. But that's a conversation that we've not touched on, is about how can women help in relation to this agenda?

A couple of other things, that point about sustaining older people. You're not necessarily old, John, when you're 55. But some of the people that are moving, it's life changes. People might move at certain stages in their career, their lives. I'm very struck about training your own. I think there are very successful examples here in the Highlands and Islands of train your own in many respects, but how do people get the experience of somewhere else? Perhaps we should be looking at in-built exchanges, where people who've perhaps had their children, they're grown up, they're in their 40s or 50s, can change back. They themselves may take a lifestyle choice and change in rural - in some parts of Norway, Nordic countries, you cannot graduate with your medical degree unless you have had, early on enough in your career to make your choices, experience in a rural situation, and I know there's work ongoing with the health service.

So, I think in terms of some of this, I know there's things already, good things happening already. I'm keen to hear about Argyll and Bute's resettlement fund and how that's working. It'll take all of us. That's why I've brought together house and health in terms of employment, economy, all the different areas. How do we, in tourism, encourage year-long round contracts that means that families will relocate without having to have simply seasonal employment? That idea of marketing ourselves. We've got that fantastic Scotland is Now resource, which we're using to help Scotland be promoted as a place to work, live, invest, study, et cetera, but we need to use that within the UK to encourage people to shift.

Also, about to be published is the next report of our Scottish Government's Expert Advisory Group on Migration and Population. They've been taking information from local authorities. They've been looking at Sweden, Spain, Australia, and Canada, and particularly interested in the Canadian Atlantic policy, working with particular employers to incentivise very successfully bringing people. So, there's things that we can do that are quite transformational, but it's maybe looking at it slightly differently where we bring all those packages together to make them attractive. So, I'm keen to hear the different experiences you have, what you'd like us to be doing.

My commitment to you is, I will ensure that Scottish Government takes population as a strategic priority right across. We've had the National Infrastructure Commission, seen the population demographics presented to them. I regularly meet with John and others, with our Economy Secretary. Population and place are key to what we're doing, but we need to have some practical steps of what we're doing, but also that collective buy-in.

So, you've seen the aim, and it's worded deliberately about sustainable communities and wellbeing. If we can collectively work together on this, I think we can do that transformational change that I think we need. There's great opportunities. We've done a great deal so far, but there's great opportunities. So, I'm very interested to hear the contributions that everybody has to make.

**John Swinney:** Thank you very much for - and just to reiterate that last point that Fiona made, that this is recognised as a strategic priority for government. Fiona has been allocated with responsibility by the First Minister to lead this process, and to lead it on a cross-governmental basis. So, there is a forum in which we can make advances on this question, but we're very keen to make sure we do that in a fashion that is commanding the confidence

and the participation of all of our colleagues. So, Leslie, if you want to open up that's grand. Thank you.

**Leslie Manson:** Thanks, John. I think both you and [inaudible] for education in Orkney, and I well remember the difficulties in recruiting young, newly qualified teachers to Orkney and other places. At some point in the past, the Scottish Government made the extremely good decision to award a cash payment to these teachers on the basis that it was all very well to speak about attracting teachers to the more [inaudible] and we all benefitted very much from that step.

I also think there's a strong symbolism to that. I mean, the peripheral areas felt governments with us, actually supporting us. We have seen some centralisation of services over the last number of years, so I think there's a symbolic benefit in government considering whether they are, through encouraging their partners, so the QUANGOs and so on, in devolving jobs from central Scotland to the peripheral areas. Now, we discussed this last night, and as Margaret - she made the comment that not only are these are young people and skilled, their salaries are being spent in Highlands and Islands areas, for example. But again, I think there's a tremendously strong symbolism for all of us, seeing government taking the lead. [inaudible] quality jobs to the Highlands and Islands areas, making a real fanfare about it [inaudible].

**John Swinney:** Thanks, Leslie. Others - Aileen.

**Aileen Morton:** Thanks, Cabinet Secretary. I think it was really interesting, actually, when Chris was speaking this morning, the extent to which that depopulation challenge and the ageing population underlay some of the issues around skills and talent attraction. It's really clear how integral it is to that. So, it's really welcome to see both the taskforce set up by the government, and also to see this on the agenda for COHI today.

It has been a priority for Argyll and Bute for quite a while now. Obviously, in the 2011 census we were one of the handful of authorities that did depopulate, and it's a core part of our local outcome improvement plan. We have been taking a number of steps in relation to that. So, our rural resettlement fund is currently paused because we're waiting for the analysis as to what that's actually delivered, because we have limited funds available. We're hopefully going to see that back by the end of this year. There's also been our inward investment fund, which again is a limited pot of funds. But it has seen so welling we have invested in Oban as a university town, and Oban's our growth area. We have also put money into Bute Island Foods, because Bute's one of our most fragile areas.

I suppose Bute is a really good example, because the population of Argyll and Bute dropped by nearly the same percentage that the population of Scotland rose in 2011 according to that census, but the population in Bute went even further. It was a 10 per cent drop. So, for example, our study in refugee resettlement programmes entirely focused on Bute, partly for that reason, but also for access to health services and things like that. But it is trying to tie together, if you like, where all of these strands come together and how we move them forward.

I suppose one of my concerns as well is that when we look at it from a - Highlands and Islands from a rural perspective, there is a tendency to look at infrastructure. So, it's about roads or digital connectivity or ferries or housing, but when you look at the areas that are depopulating, Inverclyde is competing with ourselves and Western Isles in terms of that, the longer-term depopulation trend, and that's not their issues. There clearly is more to it than just the infrastructure aspect.

I suppose, when I look at the recommendations in terms of the paper that we've got in front of us, I suppose one of the things I would pick up is that - the first one is that, identify depopulation as a priority, and I think it is probably population profile or repopulation, that it is about the ageing aspect as well. Again, it's a good thing that people are living longer, but there was a Resolution Foundation report out just this morning, which I haven't seen in detail, but there was a map which showed, if you like, the age of the UK by local authority area, and in terms of the Highlands and Islands area, it was ourselves and the Western Isles that were in that 10<sup>th</sup> decile, i.e. the oldest age local authorities.

A lot of that is driven by universities really clearly, because when you looked at the English examples they were giving, it was places like Brighton and Cambridge and Oxford had much younger populations, and for Argyll and Bute there's been historic underinvestment in terms of the college and the university approach. There's just been an expectation that our young people migrate out and then, hopefully, come back, but that's not always been the case, and it's not a case of what's just happened in the last few years. It is the longer term.

I suppose, picking up Leslie's point, it maybe would be good to see come back to COHI some kind of analysis of not just Scottish Government jobs, but NDPP jobs, UK Government jobs. Is there a way that we can look at trying to push them out? Although I do think the further and higher education is a key factor as well in terms of both trying to keep and attract young people and working age people back into the region, because - I suppose it is - yeah, and caution around the working age profile, because I think when you look at it in terms of the health and social care partnership, it really is that once people are over 80, 85, that you're starting to hit much higher needs statistically, if you like. If we don't have the population to support that, that's really challenging.

**John Swinney:** Thanks very much, Aileen. Michael.

**Michael Foxley:** Yeah, thanks very much. As you said yourself, really everything we discussed this morning is interconnected. So, I really just want to come back very briefly to the previous paper, because *Working Together*, the paper from SDS that was, the college, universities, schools, tremendous growth in foundation apprenticeships, modern apprenticeships, graduate apprenticeships. I mean, the first two years, for the size of population, we had 25 per cent of the foundation apprenticeships up-take in Scotland, which was very impressive.

There's still more to be done. I've always been particularly impressed by the Orkney offer. There's still issues between the schools, colleges, and universities. As you know, John, better than most, there are - UHI is complex and complicated, but we are looking at a joint branding marketing exercise, same message going in across the Highlands and Islands. We've all agreed on that recently at the meetings, so that will help the situation. But there is

still much more to be done at that school, college, university interface, because the message that comes to young people is primarily from teachers and their parents and their parents' friends, so there's an issue there to be addressed.

Second, in terms of productivity, you quite correctly referred to the research across the UHI. We're now performing well above what should be our ranking in the audit. Research work is very impressive. But, with my particular role in terms of chairing the FE regional board, it's access to people across 70 learning centres, and it's linked to productivity, because those learning centre managers go out and winkle out people who are sitting at home, single parents, drink/drug problems. They winkle them out, they get them in on a short course, they get their confidence back, and they're off.

Crichton and I have been at a run of graduations recently. They're off and running. They're picking up SVQs, they're picking up degrees, they're picking up jobs and that's clearly important.

We had an excellent meeting in Shetland a month or so back where **[inaudible]** particularly Herriot-Watt, RGU, and the Islands' Councils, to look at how we can maximise training in the Islands Deal.

Last, if I can be slightly controversial, we have to target the housing in the remote rural areas at the young people who want to stay there. The access to the housing market, if you just sold a house for £2 million, £3 million, £4 million in London is very different if you're a young person growing up in those communities who doesn't have access to a site on a croft. Current policies are based upon short-term housing need, short-term staying in the locality and housing need. Long-term living in that locality, housing need, and people wanting to stay is a very different issue. It's a bit politically incorrect, and it will be a difficult thistle to grasp, but that's what we need to do.

To finish on a positive note, because as Lorne said it's a very impressive report from HIE about the young people who want to stay - I've got two sons, both in their 20s, and I was just thinking about it as Lorne mentioned that report. A lot of their friends have either stayed or are coming back, the ones they went to high school with. That's a very subjective comment, but there is certainly a trend around where I live for people wanting to come back, but we need to be able to house them. We need to house them in the townships and the villages where they grew up. They don't want to live in an urban centre 30, 40, 50 miles away. They want to stay in the community they know.

So, thank you very much.

**John Swinney:** I think - to reflect on this. I think your comments there about housing get us into the territory, where might we have to - and Leslie's comments about public sector jobs are the same - where might we have to take specific action to try to reinforce this outcome? We know the trends here, but what I think these contributions help us to focus on is identifying the issues and ideas that the government can look at where we - they may be controversial, but all decisions are controversial to somebody, but if we continue without those type of interventions, we probably will come back here in 10 years' time and have

roughly the same, if not more acute conversation, than the one that we're having already today.

Okay, other contributions? Xander, and then Alastair.

**Xander McDade:** Yeah, just very briefly, just to add to, I think, very much on from what the Deputy First Minister just said. I think there is a concern from my point of view that often, when young people leave an area, they might want to come back, but they often don't come back. Particularly, and I've raised this previously, a lot of them haven't maybe learned to drive, and to go back into a rural area if you've not learned to drive I very difficult. If they moved to a city for university, and then they stay in that city, and they move to other cities, because of the public transport links and a lot of the infrastructure that we have discussed before, particularly around public transport, isn't there to facilitate work. Hopefully, with digital connectivity that will become less of a barrier, but it does still exist.

I think the depopulation situation is likely to get worse before it can get better, in terms of a lot of this stuff has to happen before we can actually start reversing those trends. That, for me, is - I see it in a lot of people who I went to school with. About 20 per cent of my year went to Australia and stayed for several years, and only some of them have come back, and a lot of them have gone to other countries. That is quite a concerning situation. A lot of my cousin's junior doctor colleagues, they all went abroad, a lot of them. That is a real issue, of trying to get these people back after they have gone away. It's a very difficult situation, and it's something that we're going to have to look at, how we try and keep them.

I think it was mentioned by Crichton earlier, it's that keeping them part that is the difficult part. Once you've kept them in the area, that is a lot easier in terms of keeping them in jobs, et cetera. But it's if they leave. Trying to get them back is very difficult.

**Alastair Cooper:** Thank you, Cabinet Secretary. I think local government has to be embedded in the work going forward to maximise the knowledge coming through. In Shetland's case, we have done employment surveys for a number of years, so we have done employment surveys. We're, at the moment, finalising an input/output study. The last one was 2011. We're doing another one, so that's relevant. But I think I come back to what the minister said earlier on. We need to sell ourselves. Shetland has been doing - it used television programmes, the murder mysteries in Shetland, and also the *Island Medics*. The *Island Medics* is actually a good case in point, where the health board has struggled for years to encourage young doctors to become GPs and all the rest in Shetland, and *Island Medics* actually said to the whole UK, and made them aware of the quality of life in Shetland, and how you can do general practice and all the rest of it.

The struggle that we have with the health board is not in actually getting folk to want to come to Shetland. It's actually finding accommodation for them, and actually giving them quality accommodation when they come to Shetland. So, we're selling ourselves on one level, but we can't deliver on another level because we can't provide the quality accommodation that folk demand in this day and age. I think that the critical situation that we're at in Shetland is this mid-market rent housing, which we think will allow these folk to come through.

But the health board does benefit to a large extent, because they're getting more people to actually come to Shetland, but we could even do better if we had the accommodation thing. I think the whole thing would be well for it.

**John Swinney:** Thanks Alastair, Graham.

**Graham Leadbitter:** Yeah. Just picking up on a point that Leslie made about the need to devolve jobs into the Highlands and Islands areas, public sector jobs. That, I think, has multiple advantages. We have real [inaudible] and amongst the rest of the world in providing those facilities, and if we can't translate that into your public sector employment, then that's - there's something - we're not doing something right there. I think we're perfectly capable of doing that. But it's also got a bit impact in terms of the climate change issues.

If you can get people working from home, and the digital rollout's working, and if we can get all these things dovetailing together, then you can get home working, you're reducing the impact on the environment, we'll increase our population, we'll increase the spending in our Highlands and Islands areas, and all of these things coming together have the potential to turn that population issue around.

**John Swinney:** Roddie.

**Roddie Mackay:** To build briefly on what you've said yourself, John, perhaps we do need to take positive action in certain areas, and I would like to see [inaudible] in terms of what we want to do around the jobs, and public sector jobs. I've been in communication about this recently, I think it's [inaudible] ministers. So, you know, [inaudible] if we could get [inaudible] into the system, some understanding that we start looking at [inaudible] these are quick and easy wins that would bring us good jobs. 10 jobs in Uist, what's that? 200 jobs in Glasgow.

So, I think some sort of concrete proposals coming out around about that, that would be really useful [inaudible] around it and see where we might get suggestion [inaudible] from jobs that come. I mean, I last suggested this to a particular minister around social security jobs that were going to be established, I think in Glasgow. But I was given reassurance that they were actually decentralising. They were going to put some to Dundee.

**Kate Forbes:** Yeah, just a really brief point on this point within the Highlands and Islands, which is itself very diverse, and actually we have urban centres that [inaudible] and all of them rely on our most remote [inaudible] into our small islands, and I think there's a job there, yeah, with public sector jobs, but also supporting our communities to commercialise huge opportunities going on right now where they've got markets coming to them because of the branding of our food and drink, and that branding is based on our remote and rural areas. So, I think working collectively to help remote and rural areas commercialise on opportunities that are already there are almost just as important if not more important than the well-made point around decentralising public sector jobs.

House building there are huge amount of work that's going on to meet targets of 50,000 new homes. Well, where are they being built? If they're just being built in urban centres, then

we're not going to support our most rural and remote areas, and that's a job of work that all of us around the table can play a part in.

**John Swinney:** [inaudible] reflects the usual distribution arrangements. [inaudible] to help us to do that, because it's [inaudible] have to address that, and that isn't often something that the government can win an argument [inaudible].

Okay, I've got a couple of - I've got Jo next and then Margaret and then Chris, and then probably have to wind it up a bit after that.

**Jo O'Hara:** Thank you. It's just to pick up on this point about decentralisation. As an Edinburgh-based but rurally focused government department, we've had real, real problems recruiting into forestry, partly because of competition from the private sector, and partly because of a lack of people coming big kudos to UHI for the work that we're doing with you on that. That's really making a difference for the Scottish School of Forestry.

We're trying with another way of doing this, because we just couldn't get the young foresters coming in, and we did a national campaign to recruit forestry professionals, but it was location neutral. This was after a couple of years of being unable to fill posts in rural locations, because we couldn't get people to go there we had young people coming to us who were trying to take a decision about where they were going to live, but actually they were open-minded when they came in. As a result, we've got a much - we got a much bigger field. We were attracting people from the private sector, and then when we were taking these people on, we were saying, okay, well as long as you can be in location X two or maybe three days a week, you can do two days a week from home, and we'll be flexible about it. As a result, we've managed to fill posts that we've been struggling with for a couple of years.

Now, this isn't going to be easy [unclear] how we organise that as [unclear] but it's paying dividends for us as an employer, and it's paying dividends for keeping young people in Highlands and Islands as well. So, I just suggest we do have to look at other ways of doing this.

**Unidentifiable from recording:** Thanks, John. I don't think there's any doubt about it that one of the main reasons why young people either leave or don't come back is because they can't find an affordable house, or they can't find a job that's with a sufficient income to be able to pay for it. One of the problems is, especially in rural areas is, that the incoming, I suppose retired, person with a reasonably high disposable income is that they're very welcome, because there's no doubt about it. They contribute to the economy, or they provide tourism accommodation, et cetera. But what we don't have is a massive amount of affordable housing, and despite the efforts that Scottish Government has made, and we've had great support from you, maybe we need to take, in some particular circumstances, really bold decisions, like state that in a particular area we will only allow the building of affordable or mid-market houses.

I know that that will be quite controversial in some areas, but I'm sure that, and especially in areas like, for example, the national park, it may require something like that to be done, where we only allow, in particular areas, that sort of level.

I realise that 25 per cent affordable housing is a great step forward, but in some areas it's just not enough.

**John Swinney:** Thanks very much. Margaret.

**Margaret Davidson:** I was just going to ask, because I found a little ray of hope there when Fiona was talking. You were talking about the Migration Advisory Committee eventually taking account. Ben Macpherson's done some really important work. He's done it with the Cities Alliance, and I've been part of that, and we've all been asking for the immigration policy to be something decent that we can live with once it comes in. So, I'd welcome any update you've got there, and is it time for us actually, as a region, to actually start going back to - Lord above, that brings us back to Brexit - whoever the minister is at the time, to keep up this pressure. Because the Migration Advisory Committee was doing us no good at all for a while, but a migration - an immigration policy for Scotland, and in my dreams one for the Highlands and Islands, would make all the difference in the world.

**John Swinney:** Thanks, Margaret. Lastly, Chris, and then I'll ask Fiona to say some words to close up. Chris.

**Chris Brodie:** I will start by drawing some of the parallels between one contribution earlier this morning and the contribution from Liam immediately afterwards. I think Cabinet Secretary is absolutely right, this is a national challenge in terms of population, and the working age population. It's absolutely a challenge that I think is more acute in the Highlands and Islands than in other parts of the country, although not exclusively. It's a really obvious point, but I think what we've heard is that depopulation, and the fall in the working age population, is driven largely by the difference between the number of people who leave and the number of people of working age who you're attracting into the region.

I think some of what we've heard this morning is, in terms of that first part of the problem, while I wouldn't pretend that everything is completely fixed, a lot of our effort is focused on stemming the outflow of young people from the region, and we've had some great collective success there. I think the big collective challenge is on the second part of the problem, and what can we do, where can we intensify our efforts, to bring more working age people back into the region? That, I think, is a collective effort.

It could be about identifying and communicating those vacancies, those jobs that we know are not being filled. It could be about communicating the great offer of life, or it could be about the housing offer in the Highlands and Islands. Critically, I think it's got to be about targeting that advice to those who you can influence to come back, and very often that might be people who have a connection to the Highlands and Islands. It may not be. We may need to look broader than that as well.

**John Swinney:** Great. Thanks Chris. Fiona, would you like to reflect on these things?

**Fiona Hyslop:** Just in response to Margaret's point on the immigration bill. I think getting some purchase on some of the things I was trying to encourage for collective working, I don't want to give you too much hope in relation to what's likely to happen in relation to the immigration bill. It's in limbo, clearly, just now. But in terms of some of the restrictions, the

30,000 threshold is ridiculous. Now, we might get some movement on that in terms of pressures, and I think that will change, but we don't know how. There's a whole load of things within the UK's immigration bill, because if you look at the stats the experience and the requirements for the rest of the UK are quite different from us, so therefore we have to try and get that - this means cross-party, cross-country acknowledgement that a tailored migration policy within the UK's system as it is right now is the very least that we need, and the more voices we have behind that the better.

In terms of - I think the discussion here is, it needs to focus, but I think from Michael's point of view as well, this could lead to controversial decisions. I speak as somebody who's an MSP for the biggest constituency in the whole of Scotland by population. I've got 76,000 voters, 104,000 constituents, and my constituency in West Lothian is taking the heat of Edinburgh, which is growing. We have to decide as a country, do we want to replicate in Edinburgh and the surrounding areas the overheating that we see in London. That's basically the choice. That means we have to do that as government, but also COSLA has to do that.

I think when John says some of the decisions, particularly around housing, and we treat everybody fairly, we kind of need to get the same that is one of the recommendations here, not just agreed by government, but if we can get it agreed by COSLA - now, not everybody in COSLA might agree with this, because it has demands in relation to geography that might be uncomfortable, but that's the job of others around here. So, there will be choices, there will be compromises, and some of it will be controversial. We have to ensure that people know that living and working in Highlands and Islands, remote does not mean removed, and that's a selling job in terms of connectivity.

I think it's also important to acknowledge that some of the areas we can try and deal with, housing - Kate's point is precisely the discussions we're already having as part of our taskforce, because we've got the housing minister there and he knows absolutely that these are the challenges. We also need to do, in mid-market, self-build. We could be world leaders in self-build, particularly for those consultants or those that are well paid that we want to come to help support us. In terms of marketing ourselves, I'm very committed to see what we can do to collectively do that and take on the lessons.

Sometimes, it's about choices of professions, and then there's a choice then of where you go, selling the country to ourselves. Trying to get people to shift from the east back to the west within Scotland. Smart shrinkage. We've heard what Argyll and Bute are doing with Oban, and particularly around Bute. That's a terminology internationally about how do you actually deal in terms of that? That's part of the mitigation adaptation side of things. There's been more discussion about public jobs and less discussion about private jobs. So, I think I'm the right winger to the centre forward in the five-a-side football team you've got here.

So, in relation to hearing the message about the public jobs, I think that earlier conversation is, what is attractive about the Highlands and Islands that we can get people to come here? Remember, all of Scotland's population growth over the next 25 years will be - as Chris says, it's from people coming here. That's what our main target is going to have to be. We're going to have to do everything else as well, but that will be the bit that stems the tide. I just think that idea of lead the world in tackling climate change by living and working in the

Highlands and Islands, that is a vision. That's not just a vision within Scotland and the UK. That is a world vision, and I think something around that, you'll look at the talent we've got at UHI, the research that we've got in those areas. It's about the companies we want to generate here. If that is what we want to do, transformational, to me, I think that's something that we can do, and should do.

So, I hope that's not too looking at the horizon with rose-tinted glasses, but I do think that unless we have something like this, we're not going to have the game change that we really need to tackle some of the very real challenges that we've got here.

**John Swinney:** Thank you very much, Fiona. What we'll do in the course of today is, of course, reflect on all of these conversations and identify the actions that flow from that, that we'll come back to talk about later on in the day. So, we'll get some thinking about that done in the course of the breaks, and then make sure that we can come back to have those discussions. That will hopefully give us that clear sense of direction that is required to take forward.

**Fiona Hyslop:** Can I make a suggestion?

**John Swinney:** Please do.

**Fiona Hyslop:** When we say to identify depopulation, can I suggest we say to identify depopulation, repopulation, and population profile as suggested? The rest of it, I think the point about agreeing how issues are best addressed, it's not whether. It's actually how - to agree how these issues might be addressed at national, regional, and local level, and in co-production, I think would be a good way to try and capture that.

**John Swinney:** What we'll do, our officials have been working on this in consultation with you, Fiona, before we get much further on in the day, to develop recommendations that really flow from the conversation. We'll come back and look at those later on in the day. We'll sign them off later on, and we can proceed on that basis. But we'll reflect all those points you're thinking as best we can in the recommendations that come forward.

Okay. Thank you very much. That's been a very stimulating morning, thank you very much. We're now going to have a break, and we will reconvene at 1:45 for the session on global climate emergency. Thank you.

**John Swinney:** Good afternoon folks. Now we've got two items to look at this afternoon, the global climate emergency issue and regional transformational opportunities. The first session on global climate emergency will be led by Paul Wheelhouse, the Minister for Energy, the Islands - what have I missed, and Connectivity? How could I miss that out Paul? We'll hear from Francesca Osowska of SNH and Kersti Berge of the Scottish Government as well, so Paul.

**Paul Wheelhouse:** Thank you very much Deputy First Minister. This has been a year when the - where the global climate emergency has risen to the top of the news agenda. As we all know whether through school strikes and the profile of Greta Thunberg or the sight of treasured and vital resources like the Amazon burning for weeks on end, and indeed still

burning, and of course there are wild fires currently in California as you've probably seen in the media in the last few days.

As [Margaret] set out at the very start of this morning's work based on her own daughter's experience in New Zealand and Australia many people are seeing the reality of climate change affecting them on a daily basis already. In Scotland our First Minister declared a climate emergency in April of this year and in responding to this declaration we've committed to placing climate change at the heart of the Scottish Government's ongoing work, and have reflected this in our *Programme for Government* this September, which set out some of the next steps on Scotland's journey to net-zero emissions.

We've also introduced a statutory framework that matches the declaration through the *Climate Change Bill*, which sets a legally binding target of reaching net-zero greenhouse gas emissions by 2045, five years ahead of the UK at 2050. The Bill also includes an ambitious new target to reduce emissions as an interim target by 75 per cent by 2030 and indeed 90 per cent by 2040. On top of that we have had advice from the Committee on Climate Change touching on the issues that were raised earlier on that we need at UK level 35 gigawatts of onshore wind and 75 gigawatts of offshore wind by 2050.

To put things in perspective there's currently eight gigawatts of onshore wind in Scotland and we are in the process of building out our first four gigawatts of offshore wind in Scotland. So that gives you a sense of scale as to the increase in investment that needs to take place. We are now developing a climate change plan or we have six months from when Royal Assent is received for the Climate Change Bill from Ms Cunningham, as the incumbent Secretary for the Environment, Climate Change and Land Reform, to produce the updated climate change plan.

Following that we'll produce a revised energy strategy. It won't be a wholesale revision of the energy strategy but we'll very much try and reflect the increased ambition in the targets. As part of that work we're also working in a hydrogen assessment project, offshore wind policy statement, and NetZero Solution Centre developing that with the oil and gas industry to help them decarbonise their offshore production.

The 2019 *Programme for Government* contains many bold commitments still, for example, we'll spend £500 million on bus infrastructure to transform public transport, which picks up some of the themes from earlier on, an investment that is much needed of course across the highlands and islands. It would look - and I'm sure Mr Matheson would look for local authorities in the highlands and island to try and see if there are examples of projects that could contribute to that using that £500 million.

We have also committed to decarbonising rail in Scotland by 2035. That's particularly relevant for some of the long lines we have in highlands and islands in terms of the north highland line and the west highland line, and we're also looking at EV battery trains and hydrogen trains as potential opportunities there, to avoid having to electrify the lines themselves with all the contingent impacts it would have on visual amenity in some of the most scenic routes in the world.

We'll also aim to decarbonise scheduled flights in Scotland by 2040 and to create the world's first zero emission aviation region in partnership with Highlands and Islands Airports Limited. To deliver on this commitment we will begin trialling lower zero emission planes in 2021, most likely on shorter inter-island routes as colleagues from Orkney and indeed Shetland may be aware. As I'm sure we'll discuss further, our £40 million investment in peatland

restoration will be pivotal in both mitigation, adaptation, and contributing to biodiversity, conservation, and hopefully you'll hear more of that very shortly.

This next year we'll also lay a draft bill on heat networks and communal heating. That's one that I'll be leading on and I'll be keen to engage with all the local authorities and partners around the table on the opportunities in the highlands and islands through that. There are of course those significant challenges too and each of us will have to carefully consider our choices, whether that's a personal or in a professional capacity. We are frankly getting into the more difficult territory, the low hanging fruit having largely been picked and we're now into more challenging areas of change that will affect us all.

As you'll know, as we contemplate the opportunities to present Scotland's progress and contribution to tackling climate change at the COP in Glasgow in November of next year, the highlands and islands are uniquely placed to contribute both to mitigation, reducing Scotland's emissions, and adaptation, creating a climate ready Scotland, and a wealth of renewable energy encompassing solar, wind, and hydro already make a significant contribution to our emission targets and the opportunities to make further innovative contributions are clear.

Just as a way of a progress marker, in 2018, 76.3 per cent of the electricity we consume in Scotland could be provided from renewables and that's for the first time ever over half the electricity we consume can now be provided by wind energy alone so 54.8 per cent. Continued investment in the sector, 1.2 gigawatts of additional capacity added in that year alone up to the end of June 2019, that's an 11 per cent increase, so there's continued investment largely recently in the highlands and islands in terms of onshore wind and in the Beatrice offshore project.

At that point I would like introduce Francesca Osowska, Chief Executive Officer of Scottish Natural Heritage, who will provide an overview of the challenges and opportunities for the highlands and island in meeting Scotland's climate change targets. She'll also present four recommendations for the consideration of members, over to you Francesca.

**Francesca Osowska:** Thanks very much for that introduction Minister and you've actually beautifully picked up on many of the themes that I'm going to mention so congratulations for that fantastic choreography. The first of those themes is leadership and I think Scotland has really shown great leadership up to now in terms of the *Climate Change Act* and the 2045 net-zero targets. This group by having this conversation and thinking what can be done within the highlands and islands area is also showing great leadership in terms of what can be practically done to address quite a profound challenge in terms of climate change.

It's lovely to see so many of my fellow bodies in the room. What I'm about to say has been developed in partnership with many of those organisations including the National Park, SEPA, Scottish Forestry, and Forestry and Land Scotland. That collaboration across all of us is really important because it's only through collaboration that we'll be able to generate the scale which is again another of your themes Minister to address these emergencies.

So what I'd like to get to at the end, it's always good to give you a heads up in terms of where we're going so you can think about it now, is some practical thinking. I heard from this morning that as a group you're thinking about practical actions that can be taken to address both the opportunities and challenges within the area, so practical responses from the highlands and islands area on how we can tackle the twin issues of climate and nature.

I know you'll know all of this stuff it's been in the news for quite a long time. We know that humans are impacting on our planet both in terms of climate effect but also on nature.

Nature isn't just important because it's an end in itself, because we like it, it looks pretty. The reason why organisations like mine promote enriching nature is because ultimately that's going to impact on human wellbeing, so the air that we breathe, the water that we drink, that is all enriched by nature. If we want a healthy ecosystem as people like me might say, if we want a healthy water supply, if we want the air that we breathe to remain breathable, then we need to think about how we can enrich nature and support it into the future.

We know that some of these dependencies can seem remote or abstract and I'm showing some images here and that's partly just to wake us all up after our lovely lunch. But what these images show is that there are real effects on our local communities, on our businesses, food that we eat, the way that we travel, and coastal areas like Inverness, like the Western Isles, like many of the areas across the highlands and islands, are likely to see nearly a metre of coastal sea level rise between now and 2100. So that's not an abstract concept that's a real construct.

But one of the things that I want to say is that while we have predictions that can be challenging, predictions on sea level rise in terms of climate, what I want to give is a message of hope. Because we know now that if we begin to act, if we take the steps that we need to take, if we invest in climate solutions, in natural solutions, then actually we can prevent some of these effects taking place. We can change the curve in terms of this transformation.

I want to just consider for a moment impacts on food. Again along with air quality, in turn quality water, quality that's really fundamental for our livelihoods, it's fundamental for the livelihoods of many in this area. We've seen some of the impacts. Again some of the recent events are shown on the screen from 2018 and 2019, which have had profound effects on rural economies, on our food chain. As I'll come on to say later actually our farmers, our crofters, those who support the land, yes, they're impacted but they're also part of the solution too.

We see time and time again farmers, crofters, other land owners, and land managers stepping up and thinking innovatively about the solutions to these issues, and I think we can do more of that and I think we can highlight the important role that they play. Another effect along with extreme weather has been wild fires and we've seen these over the last couple of years in Sutherland. Again, question is that a climate effect, is that going to be more a reality in our future and how do we deal with that?

Now some of you will be aware of the recent *State of Nature* report that was published and that highlights along with the climate effects that nature is being degraded. About 50 per cent of species in Scotland have decreased over the last 20 years. Now as I said earlier, addressing that isn't just because of the conservations issues, addressing that is because nature's health is an important part of human health, alongside it enriching nature can address climate change so there's a triple win.

I want to move on to the particular opportunities with the highlands and islands and I'm sure many of you recognise that stunning image from the Flow country. Mr Wheelhouse has already mentioned the potential of peatland and the track record of the highlands and islands in addressing climate change, in addressing carbon emissions, looking to store more

carbon, looking to sequester more carbon, is really strong. My question is, how can we build on that strength?

So the Flow country is in effect Scotland's lung that is helping us breathe by storing so much of the countries reserves of deep peat. Over 85 per cent of Scotland's peat reserves are found in this one region. In addition, many local authorities are taking initiatives to support climate mitigation, for example, the Carbon Neutral Inverness innovation. We've seen local authorities such as the Western Isles, such as Orkney, establish climate change groups. That's great that people are beginning to think about how they address climate effects within their local authority but in collaboration with others.

Mr Wheelhouse mentioned scale and scale is something that we can all consider, whether it's the scale of peatland restoration here, or the scale of woodland planting. Again, the highlands and islands have got a fantastic track record in extensive planting, both commercial and native woodland. This helps in terms of carbon stores, it helps in terms of climate effects, it helps in terms of enriched nature which is going to support all of us.

The other really strong feature and again I mean Mr Wheelhouse we should have - we obviously exchanged scripts that you mentioned is renewable energy. One thing that this area has no shortage of is weather and a lot of that weather is in the shape of wind and renewable energy, and the ability of this area to produce more renewable energy. Building on the excellent figures that the minister mentioned is a great opportunity to think about how we balance and combine economic advantage alongside addressing some climate effects.

So what should we do? We've heard about some of the challenges. I've pointed out some of the opportunities, whether it's carbon sequestration, whether it's looking at renewables, whether it's more support for our farmers, our crofters, and our land managers, in thinking about how they enhance their soils and their land to support and mitigate against climate effects. So there are four recommendations in the paper and when we come onto the discussion you can give your comments on these recommendations.

First, is recognising that transformational change is required. To do that the collaboration is important and that's why groups such as these which bring together such a broad geographic and subject based collective are going to be really important. Second, commit to action, and I'll come on to think about some of the areas of practical action that SNH can offer in the future. Third, just transition, it's a really important principle and I think that's something that needs to be at the heart of our considerations. Fourth, we should commit to monitoring our progress and ensuring that we're clear about the impact of our actions.

So what can Scottish Natural Heritage bring to this particular issue? There are three offers that I can make to you around the table, three offers that I make to every member of the Convention of the Highlands and Islands. First, we can help you climate proof strategic initiatives. So how will a project or initiative impact on emissions? How will a project or initiative adapt to a new reality of a warming climate, and what is its impact or contribution to healthy nature?

The second offer that I can make to you is work with you to strengthen your reporting on the biodiversity duty. I'm sure all of you dutifully report against your biodiversity duty. But recent investigation by the parliamentary committee showed that there is some patchiness both in response and level of response. We've published some guidance recently on the biodiversity reporting duty to help all public bodies do this and do this well and I want to help you more.

Then the third offer is for our expertise to help your organisation in terms of nature based solutions. You may be part of an organisation which has large land holdings, SNH holds just less than one per cent of land in Scotland, around three per cent of public sector land. That's actually a massive amount of resource in terms of the carbon impacts. You may be in a similar position in terms of your land holding. How can we help you either by that route or by another route employ nature based solutions that are going to support climate effect?

Before I conclude, I think it's worth remembering that in terms of climate change, in terms of nature issues, it's not just small segments of the population that are now agitating for change. It's brilliant that you've asked me here today and I think a couple of years ago SNH might have not seemed a natural bed fellow within this august body. But more and more of popular society is thinking about climate change, is thinking about nature degradation, whether it's Extinction Rebellion, whether it's the schools climate strikes, or even the governor of the Bank of England.

All are recognising that in order to ensure sustainability of our society and I mean sustainability both economic sustainability, societal sustainability, and environmental sustainability, we need to act now. But this is an opportunity. It's an opportunity for all of us to work together, whether it's within this group, whether it's within the group of environmental NDPBs, but to think about how we can enrich not just nature but human life going forward so that we have resilient communities, resilient businesses, and a rich natural world.

I think COHI can play a massive part in ensuring that the region of the highlands and islands with its tremendous natural resources can be at the front of a net-zero economy. So to guide the discussion a couple of questions to consider, there's a lot of fire power in this room, incredibly strong and well placed leaders of pivotal organisations. So how can we as senior representatives show leadership to force pace of change?

I've given you some thoughts on what SNH can do, the three practical steps that we could take in working with you, and I'd be really pleased to hear some thoughts from you on practical steps that you'd like to see taken, either in conjunction with SNH or across this group as a whole. Thank you very much.

**Paul Wheelhouse:** Thank you very much Francesca and a really thought provoking summary of where we're at so thank you very much for that. I'm going to invite Kersti Berge who is Director in terms of Climate Change and Energy policy for the Scottish Government to lead off for us, give her thoughts from the Scottish Government perspective and then open it up to colleagues around the table, so over to you Kersti.

**Kersti Berge:** Thank you Paul. I'll be brief because I think Francesca and Paul have actually set out the issues and the landscape very, very well. Paul's point is that in Scottish Government we have put climate change front and centre of all policy making. You've already seen it in PFG in terms of the quite radical proposals we've put forward in policies, we've put forward in transport, in buildings, and in land use.

We are also putting climate change front and centre of the budget and the spending review this year, and we're producing as Paul said an update to the climate change plan this spring. Again, we are going to have to up our effort in commitment in a range of areas to make sure we meet these targets. The scale of the challenge is - I don't know how detailed you've read the paper that Francesca sent around. But at the end of that paper there's a chart that shows the contributions of the different sectors of the Scottish economy to greenhouse gas emissions and just gives you a flavour of the job ahead of us.

So to be clear, we're doing a lot in Scottish Government and I'm the Director for Energy and Climate Change but I don't hold many levers within the central government for taking the action we need. But those who have been in the Scottish Government longer than me are very clear that this feels very, very different and the action that we are taking is very, very different to what it has been over the last couple of years. So colleagues in transport and in land use are looking at fundamental changes to making sure we meet our targets.

The second point - so Francesca's paper again and I commend that you read that if you haven't got it before the meeting I think sets out very clearly what the challenges and opportunities are for the highlands and islands. It's very important to take this down from the high level of what we're doing at the Scottish Government to the more specific area based issues and down to the concrete action that Francesca is talking about in her presentation.

So obviously some of the big challenges and opportunities in the highlands and islands are around building, so energy efficiency and decarbonising heat, it is around - Paul talked about and Francesca indeed as well, around using the land based natural resources we have, renewable energy, peatland and forestry, and indeed the opportunity for carbon capture and storage utilisation, which the Committee for Climate Change has been absolutely clear has to be part of the solution to getting us to net-zero.

Again as Francesca said, public bodies, the parties around this table, have an absolutely vital role to play in this transition. First of all in terms of leading the way by demonstrating ourselves how we can decarbonise our activities in terms of the fleets we use, our own buildings, our own estates. Secondly, by putting in place the policies and measures that individuals and businesses need so that they can make their contribution to the low carbon economy. But potentially most importantly, and this is what we'll get onto today, is to use the convening power to bring parties together, so communities, businesses, individuals, so that we can deliver the low carbon commitment in a coordinated way in the highlands and islands.

I want to say one last point before we wrap up and end on what I think is a very positive note Paul mentioned it but we have got COP26, so the big UN conference on climate change coming to Scotland in November next year. So that's only just about a year away and it is not without its challenges which we've been talking about in the Scottish Government obviously but this is an absolute huge opportunity for Scotland to demonstrate what we have done already.

We have almost halved greenhouse gas emissions on 1990 levels, what we have done already, what we can do in the future, and obviously as Francesca talked about the potential for our nature based solutions and the huge renewable resource we have in Scotland to really make a difference and show what a small country like Scotland can do on a big scale. Thanks.

**Paul Wheelhouse:** Thank you Kersti, that's a really helpful overview of what government is doing and I just want to open the debate out to the floor to see if there's any contribution around the table. So just grab our attention in the usual way and we'll kick off. Who wants to open up?

**John Thurso:** I was tempted to intervene as a land manager in the Flow country and say if somebody could get an electric engine for an argocat that would save us all a great deal of emissions. But doing it actually as a - from a VisitScotland perspective we've been working

on how we can be part of the solution rather than part of the problem for just over a year now. I see this as a challenge but also a tremendous opportunity because there are an immense amount of people out there who if they know that the vacation that they are taking is going to be environmentally friendly, or low emission or no emission, are a huge market.

Scotland with all it has to offer and its stunning environment and great people and phenomenal hospitality is centrally placed to actually benefit from that. I think sometimes we need to remember that neither hospitality nor travel are the problem, carbon is the problem. So if you can decarbonise you actually end up with a product that is very saleable. To put some - what does that mean practically? The background to this is the fact that some 20 years ago at a meeting with a foreign minister from a low lying Indian Ocean country when we were talking about problems he said, never forget tourism is the single biggest voluntary transfer of wealth from the developed countries to the undeveloped countries.

If you actually look at North Coast 500 it is the single biggest voluntary transfer of wealth from the central belt and England to deprived and distant areas of Scotland. It's had a greater financial impact on many households than any government programme. So it's preserving that good which is at stake. But supposing there was something that encouraged B&Bs to invest in electric car plugs and supposing Arnold Clark or Avis or somebody like that were persuaded to have a fleet of electric cars based in Inverness, and supposing we were therefore able to sell an all-electric NC500 that would be a really interesting product.

So the challenge I've given to VisitScotland, and we're about 80 per cent of the way through delivering this, and obviously Fiona is our Cabinet Secretary and knows all about this. Is that how do we lead the discussion with the industry to develop product that actually matches climate change aspirations, so actually use the opportunity as much as at seeing it as a threat?

We have quite a lot of work that we commissioned and is in hand and this is a bit of sneak preview because it will be about two months before it is all ready. So the next COHI I may be able to come back with a completed set of work. But the central core point to it all was think about how you change the product and there will be hard choices, there are some forms of tourism that require a great deal of consumption of energy, and there are other forms that don't.

I think probably when that work is finished small amounts of help, sort of seed corn money from government, could push people in the right direction like new B&Bs for example if there was zero emission B&Bs when they were being built or being adapted or whatever. So if you could get people who could travel without climate change consequences, and you could get people who could have hospitality without climate change consequences, you can have the financial benefits which we so badly need and do it in a way that's sustainable. It's the germ of an idea at the moment but we think it's worth working on.

**Paul Wheelhouse:** Thank you very much John that's very helpful. I think [Jo] wants to come in next.

**Jo O'Hara:** Thanks Paul and just to say it's been a real joy to be part of Team Scotland working on this with Francesca and colleagues in the National Parks and SEPA as well. It really does show the strength of operating within a Scottish environment that we can join up like this. Obviously Forestry is sort of front and centre in a lot of this climate change discussion and just to cheer everyone up I just wanted to re-emphasise the success that

we've already had in that last year over 11,000 hectares of forest was planted in Scotland against a target of 10,000 hectares.

So we're already overachieving in Scotland and a huge chunk of that is coming from highlands and islands, and of that about 40 per cent is native and about 60 per cent is likely to produce a commercial crop in the long term. So this isn't a one size fits all, there are many, many colours in the forestry palette that we can use, all of which soak up carbon, all of which store carbon, and much of which substitutes for higher carbon materials, for example, by displacing concrete and steel in buildings.

I think this is something that I haven't heard come out yet in the land use discussion is low carbon products displacing higher carbon products and that's a real valuable contribution that we mustn't forget. Obviously with more [bought] at Dalcross with the investments going in there that's a huge growth sector and then you have things like the nursery sector and the other contractors who support it, so it's a real ecosystem of low carbon industries all supported by land use.

**[Unclear]** to supplement Francesca's is my team - and many of you I know already work with the conservatives from Scottish Forestry, just put that offer out there again. I'm sure you're all aware that in the renewed planning act there is now a requirement in terms of forest and woodland strategy. I know we've worked closely with highland on your relatively recent one, we've got the two national parks we've done their forestry strategies. We're there, we're ready to help you to develop this and look at what the potential can come from forestry.

There's huge enthusiasm amongst land owners and land managers. We did 11,000 last year, it looks like we're going to head something similar this year and next year there's even more interest out there in planting. So don't think that there isn't an interest out there or that we're climbing up a hill here, actually there's a huge interest in there, we've just got to unlock it and let it happen. So that's just an offer and there is a massive opportunity here.

**Paul Wheelhouse:** Thank you Jo and indeed as Mr [Ewing] was saying earlier on I think Francesca wasn't here to hear it but he's been working with oil and gas companies such as Shell to actually provide additional funding for forestry planting, and that could be native as well as obviously commercial species as well.

**Jo O'Hara:** It's so nice that that funding is all native and it's toward peatland restoration and actually it's going to be happening in the highland region at Glen Affric so that's all local.

**Paul Wheelhouse:** That's an excellent example. I think Angus Campbell wanted to come in next and just anybody else grabs my eye I'll be looking out for you.

**Angus Campbell:** Thank you minister. I think I was struck today by - from the very first remarks by Mr Ewing recognised just what the highlands and islands have to offer in terms of climate change. The tools are there within the highlands and islands to help Scotland really lead the way in this but there's also huge opportunity for the highlands and islands. A lot of the issues that we talked about this morning I think part of the solution is within the climate change agenda. People are very aware of the climate change and it means an awful lot to them, it's a very real thing and it has to be real to their lives.

I recently attended a presentation at the parliament on the Flow country and what they had done so far and how far they have reached. The pride among the people there of what they were doing towards climate change, towards tackling that but also the emphasis on local

jobs, local education for young people, all fitting in with the broad agenda we all want to push forward. I'll maybe just take up the opportunity to talk about specifics, for instance, the food miles that was mentioned in the presentation.

Where I live you see these lorries trundling up with food to all parts of the highlands and islands from the centre. Food and drink has come on leaps and bounds in the highlands and islands over the last few years. But if we can build even more on that I think there's an opportunity there to help the farming community, the crofting community as well, and make a sustainable all rounded economy. The same applies in the energy area. I think we know what renewables does but there is also a chance to take a lead in terms of storage of renewable produced energy, whether it be hydrogen bath re-storage.

But you imagine if you could supply your ferries on the west coast for instance with a locally produced energy that came from that part of the world you'd be having an effect on climate change, you'd be producing jobs and you would have the decarbonisation of transport that you talked about. So I think there's a real gain here for both the environment and for the economic future for the highlands and islands.

**Paul Wheelhouse:** Any other thoughts, certainly over to yourself [Xander].

**Xander McDade:** Thank you minister. Yes, I think very much echoing what has already been said but I'm very much keen to continue the work we've been doing with partners. We've been engaging quite interestingly with the National Parks, with local land owners, often quite difficult to reach land owners, about how they can take part in combatting some of these issues. I think for me often the hardest part is actually creating that initial relationship but once you've opened that door and actually being able to build on that it's really critical.

We've had some great success in that and I think that's work that we'd be quite happy to share with others around the table as they look to develop some of these plans. I think also I'd like to put that offer out there. The National Park was founded on part of the aim of being a trial area for lots of things and I think we very much are keen to do more of that as we have to look at trialling lots of new types of ways of combatting some of these challenges, and we're very positive and keen to do more of that.

I think also we're holding - like many agencies we're holding a climate conference next year to look at how we can combat these challenges in the National Park and we have some quite unique situations. Obviously trying to protect a very vulnerable area but also we have some of the most valuable land in terms of biodiversity that we can actually be tapping into and can be used as the solution to the problem.

So I think I just want to put out there that we have a lot of good work that we can share with others around how we can have a situation where people and nature can thrive together, which is part of our National Parks' overarching aim to share that work with others as they need to develop these plans.

**Paul Wheelhouse:** Thanks very much Xander and indeed that approach I know the kind of test bed approach is something working very well in Orkney for example. So there are opportunities I think to use whether it's LCITP, other funding streams, to try and trial and demonstrate new approaches, system approaches to providing for some of the challenges, transport, heat, et cetera. We've certainly picked that up as an opportunity with yourself and

[Grant] if there are opportunities in the Cairngorm National Park. I think [Donna] wanted to come in next and just check if there's anybody else, [Mike] I'll bring you in after that.

**Donna Manson:** Two things, in terms of our young people we're beginning to get reports coming through of this matter affecting their wellbeing and that they take it as a serious responsibility. So I'm wondering if there's going to be any national strategic response to that wellbeing matter now becoming quite a significant issue as young people are seeing this as a real fear. I think it's been compounded where some communities have either experienced significant forest fires or significant flooding, they're compounded with that and people are experiencing trauma.

What we learned through flooding events on the slide show this year is that in terms of working with communities through that trauma there are significant agencies that make a difference but also the outcome of it is a much more resilient community. So we're seeing basically a real impact on wellbeing in some communities linked into this and just wondering if we are going to have a response to it. Because I mean our young people continuing to strike is not the kind of outcome we're looking for.

But if we can work through in a different way we might get - you know if you see all these health improvement campaigns that come through nationally I suppose what we're - whether it's drug and alcohol. But now climate change is now the other big anxiety in young peoples' lives and I just wonder if we could maybe deal with that in a much more strategic health and wellbeing strategy.

**Paul Wheelhouse:** That's a really important point. I know we obviously as a government focus a lot on tackling climate justice in an international sense. But it's something I know going back to the early part of the decade that we were also considering climate justice in a domestic context as well in terms of the - that's informing the Just Transition not just from the point of view of the economic transition that needs to take place but also to help communities adapt to the new environment and new climate that we will face.

Indeed it is something that has come through in the *National Islands Plan* is one of the key messages around climate adaptation and the real concern there is in some of the island communities. So it's not just in the highland and islands areas as well about the risks to their wellbeing as a community from how do you face more severe coastal erosion events, more severe weather events as we've seen tragically loss of life in some of the causeways for example in the Western Isles?

So it's a very real thing people are already facing so we can certainly think about that and maybe bring back Kersti later on in this conversation to maybe say anything about what we're doing to reflect that. I think I had Mike next so over to you Mike.

**Mike Cantlay:** I just wanted to say - everyone is talking about climate change and entirely appropriate that is. Specifically though the SNH Board wanted to bring the topic to COHI just to express the point that this isn't just about the highlands and islands doing our bit, which undoubtedly we are, it's to highlight that the highlands and islands bit is unique. It's unique in Scotland and it's arguably unique in the world because of specific matters of scale.

I'm not going to go through them all, we've talked about them. But in energy, in terms of land use and forestry, and soil and peatland, and blue carbon, et cetera, we have unique opportunities and unique opportunities that we've not fully exploited yet. So on top of everything else in the discussion of everything else in terms of how we live our lives and all

the rest of it the highlands and islands has unique features of scale that we need to keep in mind.

**Paul Wheelhouse:** Mike and just to remind the point that Kersti made about the COP26 is our shop window opportunity I think coming up in November next year and the build up to it to actually presents opportunity for investment.

**John Swinney:** Could I just interrupt there Paul to pursue the point that Mike has raised? Because I think Mike also invites us to think whether or not the combined agendas of the organisations around this table are doing all that could be done to make the most of the unique role of the highlands and islands in advancing that agenda. John Thurso made a very interesting connected observation about the relationship between North Coast 500, which people could think is an absolute environmental catastrophe for the north coast but if you look at it from the other end of the telescope you can change that quite dramatically.

I think I'm interested from the perspective of the connections with UHI, with the National Park, with other public authorities. Are we seizing the most of the leadership opportunity to follow up what has been raised in the presentation to ensure that we - there is a unique proposition could be advanced here which could then help with some of the population issues that we talked about in our sessions this morning? So perhaps we could reflect on some of those questions in thinking about how we take this item forward.

**Paul Wheelhouse:** But we're going to come back...

[Unclear]

**Graham Leadbitter:** Yes, I agree with everything that's been said pretty much so far. One of the points that I think that's important is that something that caught my eye recently in one of the national press was [unclear] saying that they wanted to stop investment in trunk roads and focus on cycling and carbon free methods of travel essentially. That doesn't help us in the highlands because the commitment to the 1996 ruling is really significant and it's really important and actually I think is the key to unlocking more environmental potential in the highlands.

We have lots of forestry but we need a way to get it to market and that is sustainable. The type of vehicles that will be using these roads are moving fairly rapidly in the direction of electric and hydrogen fleets. I can see that happening over the next five, 10, 20 years but they need something to move that freight around on. In areas like Elgin, for example, where you've got a town that's approaching 30,000 people by taking all that trunk road traffic out of the town it decarbonises the town centre and incentivises people to walk and cycle.

They're not incentivised to walk and cycle at the moment when they've got every HGV going through the town centre and it's not a pleasant place to try and ride a bike, to try and cross the A96 which severs through the middle of the town. I think it's important that we recognise that actually investment in roads infrastructure in the highlands isn't contrary to our climate targets but actually can help them and I'd appreciate your thoughts on that.

**Paul Wheelhouse:** Thanks [Graham] and of course just to reiterate the point that governments are continuing to develop the design work for the A96, and obviously I think the Luncarty to Birnam section is the latest section on the A9 which is due to be completed in 2021. So there's continued investment in the roads but take your point entirely that some of the messaging around in the public discourse has been about roads being a bad thing for climate change, and obviously if the people themselves don't decarbonise that could be true.

But do we firmly intend to decarbonise the road fleet in Scotland and that so that can be a conduit as you say to economic development and to support some other climate related activities. I promised to bring in Crichton to talk about the UHI perspective.

**Crichton Lang:** It was really just a very brief comment because I think it's largely been touched on already. UHI largely delivers curriculum often for the region and the synergy here in terms of the climate change and the zero carbon issues across so many of our discipline areas is very, very strong, and I think I mentioned that this morning. So the simple thing for us to do is to make sure that an up to date understanding of issues and opportunities relating to climate change and zero carbon initiatives is embedded in all of our curriculum.

But beyond that I think as Mr Swinney mentioned there is also - and I used to really hate people that said this at interview but view our region as a laboratory. Because the application of knowledge to zero carbon impact in this region, test it here as a fundamental part not just of curriculum but of research and innovation is a real opportunity as well. The other question I would have and I can't answer it, it would need the stakeholders to come together is, what new jobs, what new elements of the regional economy will develop out of this?

Will there be new types of qualification, of specialism, and of career that we can develop coming back to this morning's discussions about talent attraction and talent creation and economic growth? So you're right it has to be very connected.

**Paul Wheelhouse:** Thank you very much Crichton that's a really helpful steer actually in terms of I think addressing some of the points that were discussed but from Francesca as well looking at opportunities. I think Margaret wants to come in, then we'll bring in Frank and then we'll probably have to start to wind up I think.

**Margaret Davidson:** Thank you. You do wonder as the conversation goes on whether of all that we've talked about today whether this is what is going to pull everything together as we go forward. Angus said that about the links. I often fear that - my youngest daughter is gone, she's in Tasmania, she's got an Australian partner who doesn't earn £30,000 a year and isn't on the list of critical jobs that they'll let him in to - they won't let him into the country to live - unbelievable. But the one thing that would bring her back to Scotland is the serious working on carbon change that we're going to all be doing, and it will really attract back some of our brightest and best if we get this right.

So I think what we've all got an obligation to do, climate change action plans over the next few months. I think it's really important on all of us as local authorities to be really ambitious in what we put in there, and to talk about the step changes we need to do and how it's going to influence all of our work because it will. I also wonder whether we should be thinking now about a major 2020 seminar in the highlands and islands, bringing together all of the work that we're doing because I don't believe that we all know what each of us are doing or planning.

I also think that we need to stop just speaking to ourselves, we've got to get out there and speak to our young people in our schools and colleges because their thinking is probably sharper than ours and we need to at least have some answers for them. So I think we need to think about what we do and perhaps more than a one day session. I also think that the government has shown the way by bringing together a task force and I suspect we should be

seriously thinking about the highlands and islands task force on climate change. It is of that measure of importance.

**Paul Wheelhouse:** Thank you very much Margaret and that ties in very well with Francesca's recommendation that climate emergency is seen as an overarching priority for everyone around the table so that's very timely. If I could bring in Frank and then I'm going to go to [Alasdair] and we'll probably have to wrap up I think.

**Frank Mitchell:** Okay, thank you. Just a couple of comments, one just to update the group that we in Skill Development Scotland are progressing the development of the climate emergency skills action plan. So maybe that's something we can bring forward at the March next meeting just to update the progress and how that is going and about the opportunities that will come through those new requirements. But also dealing with the impact of climate change which is real and I think that's going to bring other opportunities for upskilling and reskilling and training of the workforce.

The other point I would like to make is maybe with another hat I have on that the scale of what we've got in front of us to decarbonise the economy is huge. Scotland has led its way on decarbonising the energy sector and that's been testament to the leadership of the Scottish Government but just have to do that in transport and heat is a huge challenge in front of us.

To skill that for you - you've heard some of the stats that we've had, where we've got over the last 25 years, and the scale of the challenge in front of us is about three times as much challenge in front us we've got to achieve over the next 25 years. So pace and scale are really important just now so back to the ambition I think is key to have that in mind if we're going to hit the 2045 target. Thank you.

**Paul Wheelhouse:** Frank it's a very timely reminder I think you're right. I mean we know that we need to at least double the amount of electricity we produce from renewables to be able to achieve our wider climate ambitions so that's absolutely right. I think I'm going to bring in Alasdair and then I think Francesca just wants to give a final comment, so over to you Alasdair.

**Alastair Cooper:** Thanks Minister. In Shetland I can't do very much with the trees as my wife's garden will attest. But [unclear] we have required as part of the planning permission that they do a certain amount of peatland restoration as the work goes on. But the real bonus for Shetland would be if all the agencies, the Scottish Government, and everybody round the table here was to sit down with the oil industry and make it a requirement that they green their production operation, in so far as you can take power offshore and such like.

That they green the [unclear] and Voe terminal dare I say, that we consider more seriously carbon restoration, we consider more seriously hydrogen, wind, and renewables to hydrogen, and use the existing pipeline infrastructure for gas to feed into the national grid and such like. So there are a whole heap of opportunities with the oil industry which I think we need all to do a bit more work on.

I think the oil industry is on a cusp at the moment with the green lobby where they're probably more willing to listen than what they would have been even a year ago. I think we have an opportunity to green the oil industry and use existing infrastructure to do so and it's an opportunity we shouldn't be missing.

**Paul Wheelhouse:** Thank you Alasdair that's absolutely right. I mean we've committed as a government to two things that are relevant to what you've said. One, the NetZero Solution Centre which will be led by the oil and gas technology centre in Aberdeen but on behalf of the whole sector to decarbonise production and that takes out 15.7 mega tonnes worth of emissions per annum. To put that in perspective that's about 80 per cent of what Northern Ireland produces so it's a lot to get rid of.

We're committed to supporting the initiative but we're also making support for the industry conditional on contributing to the transition so that hopefully helps. But I'll just - if we've got time Deputy First Minister is bring in Francesca just to finish up.

**Francesca Osowska:** Yes, thanks minister and thanks very much everybody for all the really helpful comments and just wanted to pick up one element of those which was mentioned by a number of people and that is pace and scale. What is different about the highlands and islands is I think the opportunity to act with pace and particularly scale given the unique geography, land, and sea, and we haven't talked much about some of the opportunities in our marine environments but blue carbon, for example, holds a great deal of potential.

But to pick up the challenge from Mr Swinney, are we doing enough? Not necessarily for me to answer but there is an obligation on us all to think about our climate change plans and commitments. Before we can decide what that action is we need to know where our issues lie. So for SNH we're absolutely clear that our land holdings are key so if I could maybe encourage all of you to think for your own organisations where is the scale issue for you, where are the collaborative opportunities? We're very happy to help others and put offers of help on the table and how can we collectively, whether it's via a seminar or a task force, work together to address these twin issues? Thank you very much.

**John Swinney:** Thanks Francesca. I think obviously there'll be some work done in the course of the next hour or so on summing up that conversation and what that leads to in terms of recommendations. But I do think there's clearly a role, a responsibility for all organisations to contribute to this effort. But there is a need for us to reflect on whether that is collectively maximising the scale of what could be contributed and I think there's a particular role for SNH to try to help in drawing that together, and also in challenging some of the thinking within organisations about whether more could be achieved as a consequence of some of that combined effort.

So in formulating the outcomes that come out of this conversation could we reflect on that particular point to make sure we've got some process in place to enable us to do that? So that this can be added to the ongoing priorities of the convention where we're trying to identify a scale of effort that is appropriate and which also lives up to the challenge that Mike currently suggested, of this being a particularly unique opportunity for the highlands and islands given the significance of the land mass and the natural environment enables this to be taken forward.

So if we could reflect on that in terms of how we put together the outcomes that would be very helpful indeed and thank you for all the contributions to that discussion and thank you Francesca for the paper that commenced that.

If we could now move on to the last of our substantive agenda items, which is a paper on regional transformational opportunities and we have a paper in front of us from Highlands

and Islands Enterprise. But Kate Forbes is going to lead us through this discussion so Kate if I can ask you to open up and we'll be able to finish for about 3:45.

**Kate Forbes:** Great thanks very much John. So last year we had a discussion about regional strategic projects within the highlands and island which would be transformational, not just for the region as a whole, but also for Scotland. The scale of those projects would require us to work collectively and jointly in a sort of Team Scotland approach because of the complexity of them. So this session will look at some of the regional transformational opportunities and in a few minutes I'll ask Lorna Gregson-MacLeod to talk us through the paper circulated in advance of today's meeting.

But I guess in **[audio drops out]** conversations in the hope that we approach this in a streamlined manner. It's worth thinking about the priorities that we've already identified today in terms of population, and also in terms of climate, and to look at these opportunities through those lenses. So thanks **[audio drops out]** to bring us to this point and I think we've got a useful opportunity to **[audio drops out]** what might be possible but also to test them factoring in the discussions from earlier. I'll now - just as my mic gets sorted hand over to Lorna.

**Lorna Gregson-MacLeod:** Thank you minister. As alluded to, this stemmed from an exercise undertaken last year and in undertaking that exercise the Senior Officers Group did consider how to build on that identification process. I think what we recognised was there was a number of major projects in there but potentially there was a difference in terms of the range and quite a diversity in terms of their development, how many of them were investment ready, the scale of opportunity.

So we gathered and felt that looking at this thematically would provide a better picture on which to build. So we also felt an independent look would help and commissioned consultants Ekosgen and the paper that you have today is the first iteration of that exercise that we commissioned, which was to identify these regional transformational opportunities across four themes of energy, marine economy, natural capital, and advance technology.

I think we felt these were the four themes that would offer that great transformational opportunity. There are very many other opportunities existing in other sectors. These were felt to perhaps be those as well that were not at the same stage of maturity and therefore would require that Team Scotland impetus to bring about the transformation. What do we mean by transformational? Well the minister has already alluded to the complexity and the scale of both the transformation, the impact, and what would be required to make these happen.

The impact being very visible cross cutting felt across the region, opportunities that would not only provide local and regional impact but national and global in some respects. They would add to the diversity of the region which was very key and they would provide a real opportunity for looking at ways in which we can respond to both climate and the depopulation that we're facing and a number of these do that very clearly. These opportunities do require potential system based approaches, policy, legislative adaptations potentially, attitudes to risk and risk sharing, and there's also a need for a very clear vision about the final outcome.

That vision may not change but the route we need to take to get to that final vision may require to adapt and flex according to the changing environment we're operating within. Lastly, Francesca touched on this and a number of members of the convention, collaboration

and partnership, was critical when the consultation exercise was ongoing with this piece of work over the late summer period. Nobody could see any other added benefit than the collaboration would bring that was absolutely fundamental to bring these to fruition.

These four themes whilst four in number they do interconnect and possibly that makes them the obvious choices, so they're not to be seen in isolation, they very much require them to work in conjunction with each other. Advanced technology will be a key component to delivering the energy, natural capital, and marine aspirations. I think you'll have seen a table at the back of that paper and just to highlight that these are not numbered, they're not ranked, they're not in any order of priority.

These regional transformational opportunities and I'll call them RTOs from now to stop me tripping me on my tongue, that these RTOs should be looked at individually and as a collective. So there's no relative priority in terms of the numbering of these but they do build on the point that many members have made in terms of our unique assets both natural, human, and physical.

The first opportunity that you will have read in the report is to do with seaweed and marine biotechnology and the convention has already heard in more detail at a previous meeting on the marine economy and the MAXIMAR work. But this remains a major opportunity for the region and particularly up the west coast and supporting that attraction, retention, and depopulation drive that we need to tackle.

It builds on the world class research and development that exists in the region and it has a potential value to reach over 600 million by 2030. So the opportunity is great. In terms of collaboration, this is one that's very obvious in terms of the need for collaboration between the public, private, and academic and education sectors. But I think the last point is a very important one to recognise and that is the key to unlocking this opportunity requires some work to look at how we can do that sustainably and in a sound manner.

The second opportunity is relating to marine renewable energy and Francesca and others have already highlighted this so it will be no surprise to members of the convention. It builds on significant resources, on projects already underway, but it does require some impetus to get to the next stage. We already have lots of deployment of test devices in wave and tidal, we are recognised as a world leader in terms of our facilities at EMEC, and our research capacity.

However, it's about retaining more of the added value in the region and building on that opportunity. So how can we add value, retain it, and get that reach across the region is key, capitalising on this early success? This particular one does relate and it's very cross cutting especially with those relating to the hydrogen and the place based proposals that will come later. They all have an element of requiring that added value and making sure that the supply chain is developed to be able to best respond to the opportunity.

Hydrogen has already been alluded to today in a number of cases and the Scottish Government has clearly made this an ambition through its development of a hydrogen economy for Scotland in the *Programme for Government*, and the region is already quite well placed here with Orkney a trailblazer and Fort William looking intently at utilising hydrogen as is the Western Isles. This provides a lot of opportunity in terms of industrial application, transport, haulage, and logistics.

Again capitalising on work that's already there and linking to the aviation theme that will come and the proposal mentioned earlier on that, the region is developing a proposition to become the net-zero aviation region, the first of its type in the world. Embracing these and seeing the opportunities for community sustainability and wellbeing is another key component of this particular opportunity, where it will add to energy security and the ability of communities that are not linked to mains gas to provide them with other forms of energy, and therefore tackle some of the fuel poverty challenge that exists.

The fourth RTO relates to energy infrastructure to support market competitiveness and we are unique in terms of the range of assets that we already have and can build upon. A number are referred to in the report, it's not an exhaustive list at all, in terms of those that you see here there is a good geographical spread. They have specialisms, they've got strong reputations already but building on those will become more critical. The opportunity to capture the benefit at further stages and not just at the R&D stage but the manufacture, the assembly, the operation, through to the decommissioning at somewhere like Dales Voe.

So trying to develop this RTO really requires capitalising on existing skills, expertise, R&D in these facilities where fundamentally - and the transformational opportunity for this does go beyond the employment, although it is a common thread throughout all of these opportunities that high value, highly skilled jobs and the ability to attract talent and retain talent in the region is common and very important. But this provides potential for new offerings on a global stage which could offer additional benefit.

The fifth opportunity relates to the Centre for Aviation and Advanced Technologies. This investment in Moray includes £100 million strategic centre based at Lossiemouth but there are opportunities that can spring from this. It's transformational in terms of the scale and complexity to be able to support the developments as they stand. But in term of a broader regional transformation this will bring an international audience to our region.

It's potentially unique out of all of the opportunities and doing so with this aviation centre the scale and complexity and that proposition, that international proposition, can provide added benefits for inward investment as well as Indigenous business and employment growth. It can also make connections across the region, it's not just a Moray based opportunity there are other aviation opportunities, for example, through Machrihanish that this could build on.

The sixth opportunity is in terms of the advanced technology and relating to point of care health and social care. Again, another common thread and one that consultees were very willing and hoping that the region would be itself at the forefront of as a test bed, and this has already been mentioned today in terms of climate change. It is very much a common theme that we seem to want to be at the forefront of being a test bed for trialling new products, services, being open to innovation and point of care health and social care is no different.

So cutting edge technology we've already got a number of strong life sciences companies, we've got a strong number of projects that are looking to develop healthcare. How can we build on these and get added value and efficiencies and this contributes directly to community wellbeing of course and not just economic opportunity. Retaining the benefits in this one is very key beyond that demonstration and R&D initial benefit.

I mentioned place based solutions and the Scottish Government through its place principle has really heralded a real step change in looking at how we can flex and broaden our approach to service delivery and asset development looking through a place based

perspective. Again, there's an opportunity here to capitalise on existing developments through the growth deal work, et cetera, but building in a place based approach into these regeneration packages, and not seeking to see them as individual isolated projects. This step change could provide a huge benefit to the region.

We're already seeing key developments arising through the Fort William 2040 Master Planning and in Orkney and Oban to name but three, where we're looking at the range of infrastructure, skills, and other challenges combining this collaborative place based approach. The highlands and islands has a unique geography and it's utilising and optimising that geography to look at different ways in which we can trial and test. To borrow a phrase from a Mr Sinatra - if you can make it work here, you can make it work anywhere. So we should put ourselves forward for testing and being open to that.

The final opportunity has already been covered by Francesca's presentation earlier and carbon capture and a low carbon destination and Lord Thurso mentioned the opportunities from doing that. So it's just another example where these may be four themes but food and drink, tourism, and other sectors will have opportunities and advantages through an approach like this but clearly peatland and forestry offering two natural assets which could be optimised for carbon capture.

Building the region as a low carbon destination will provide many opportunities as well as a community, sustainability, wellbeing opportunity through the chance, for example, to generate income from planting trees to name but one opportunity. There was a very strong alignment when this work was advancing. There was no end to the range of strategy frameworks and policy frameworks that these thematic opportunities fitted within, rather this list could have extended quite dramatically. But we've shared here some of the key strategies that these thematic opportunities fit within and the work is continuing.

We are looking just now at teasing out more detail of in terms of the enablers, the challenges, inhibitors, what considerations we need to have, what actions, what sequencing would need to take place. Quite clearly skills, talents, research, housing, infrastructure are various forms including transport are key enablers that have been identified in the report, policy also is alluded to. So in terms of looking at these working to understand the convention's thoughts and getting comment on the prioritisation of these as I mentioned they're not in any ranked order.

They are set out as eight opportunities. Each will resonate perhaps more strongly in some areas more than others and some will have more, for example, economic and employment impact than others. That's not to say they're not equally worthwhile but re-emphasising the collaboration and partnership importance. The importance that these have in terms of talent attraction, retention, and the depopulation, and climate change response and the fact that these all build on unique natural assets and also other human and physical assets that we have. But the key to this is to retain and add value and retain that benefit for the region and for Scotland to optimise the potential.

**Kate Forbes:** Great, thanks very much Lorna and I think I've just got three questions. First is, does that list resonate with you? Secondly, having spoken about the priorities this morning of population retention and re-population, as well as climate, which of those opportunities are most likely to address those challenges? The third question is - Lorna briefly mentioned on ranking - which are the most pressing priorities in that list, over to you?

[Silence]

**Kate Forbes:** I think that's a thumb up for all of them then Lorna.

[Laughter]

**Kate Forbes:** Do any of them not meet those priorities? Yes, [Leslie].

**[Audio drops out]**

**Leslie Manson:** I'll kick off. I came to this completely new. I hadn't been involved in any of the previous discussion and I was entirely perplexed when I read these two reports side by side. Because the one seemed to represent sort of future ambitions for the different [unclear] and the second seemed to - which I'd anticipated [unclear] assessment of these proposals. But in fact it looks like **[unclear]** useful production seemed to confirm that it wasn't what the Scottish government was looking for and it looked like you'd just pushed aside the council proposals and sort of started afresh.

Will you assess on existing and in some places 10 years round and existing initiatives and it's a good study for the different themes, it's a good analysis, it's really useful. But there appears to be quite a mismatch between what the council areas, the Senior Officers Group appear to think they had been asked to provide and what you have identified as an agenda for the future.

So a really useful phrase that Lorna used was - she spoke about a first iteration and my hope given that all the council areas can't be wrong in their future ambition, they can't all be wrong, my hope that this is indeed just a first iteration and the two sides are going to get together and discuss again what the objectives are, what the long term aims are. Because I think what's missing here is a sort of analysis or the links between the Moray [interesting] assessment under the themes and what the current range of ambitions of the councils is.

I don't think there's much of a match between those. I think there should be because I don't believe that the same six councils which have been so innovative and given so many good examples to be included in the thematic study can be the same councils who appear not to have got any with the first list in your sight so to speak. So I think there's quite a bit of future discussion to try to bring these two sets of transformational projects or the potential for transformational projects together.

**John Swinney:** Is that a broadly held view around the table because in a sense what I don't quite - I don't think I quite see the degree of mismatch that you raised Leslie here. But obviously if it's to have any value it's got to be a coherent proposition. Because essentially what we want out of this - where this all came from was an aspiration to use the combined power and influence of agencies and organisations around this table to create strategic projects of benefit to the highlands and islands.

Some of those will be emerging out of here, building on projects emerging out of local priorities but fundamentally we're trying to get to a really clear sharp proposition of what would represent an agenda of ambitious projects. So we have to make sure we've got that right in the process. Any other observations on that **[unclear]**?

**Lorne Crerar:** Yes, I see the linkage to the - I couldn't quite hear what you were saying from the mic but there is a clear linkage to the projects that we're undertaking to the themes of this morning. I think that was part of what was addressed and the themes are critical to what we see is the future is the needs of the highlands and islands. As Mr Swinney has explained

we did go through a list of regional opportunities and opportunities for the highlands and islands that we had to make an effort to deal with now.

So, for example, at the HIE Board tomorrow we'll look at an R&D facility for the European Marine Science Park in relation to seaweed so it's linked. What I like about the presentation from Lorna is that there is activity in all of these things now because we have to get on with them now. But they are intimately linked to the themes that we discussed this morning because they're part and parcel of the one. I don't think they're exclusive I think they actually work together if that's helpful.

**John Swinney:** Well Margaret...

**Margaret Davidson:** Can I just follow up on what Leslie said. I'm not absolutely sure. I'm not as clear a thinker as Lesley, he's good but that doesn't seem quite right to me and I don't think as leaders that we've had sufficient input at the moment into, yes, looking at our regional priorities but also around the political with a small p aspects of what we've got here in front of us and what's achievable. So I think a first iteration is fine and I really value the work that's been put into this but I think we need some further discussion on this.

I felt quite alien to the report when it landed on my desk and I had to ask for it. I also think that I just want to take it a wee bit further. That doesn't seem quite right to me and some of your conclusions don't seem quite right to me and if I'm uneasy and if one of my other colleagues uneasy I think can we just have a bit of space to look at this a bit more please?

**John Swinney:** Crichton.

**Crichton Lang:** I'm probably in a similar place to HIE because I recognise all of these areas as areas that we're already engaging in to some extent. So I'm quite from the university's perspective uncomfortable with that list of priorities. The one thing I would say, and I think maybe pick this up at sectoral level as well, is that inevitably a list like this gravitates towards science, health and social care so the arts and humanities become invisible.

I'm not saying that there should be a regional transformation priority but I think we need to remember culture, heritage as part of the mix in terms of the regional opportunity, particularly when we're linking into tourism and economic impact through those areas, and also comments earlier from my colleague here about Gallic culture. But this list in terms of focused priorities the university would recognise these as key opportunities.

**John Swinney:** Because I think the critical point here or the objective here is to get to a really focused agenda of projects that we can through our combined efforts make happen. That's about in some respects the integration between a local authority, UHI, Highlands and Islands Enterprise, and perhaps other public bodies so that we've got really substantial opportunities that are being taken forward. But we have to make sure that's commanding confidence around the table and has sufficient buy-in.

I think you raised Crichton an important issue about whether this process is exclusive. Because it then - does its contents make it exclusive that these are the only strategic projects we take forward or are there others which have relevance to other important aspects of the highlands and island and their character? Okay, Michael you were wanting in, any others.

**Michael Foxley:** Yes, thanks very much. I don't lightly disagree with my ex-local authority colleagues but certainly with my involvement with two or three areas of work across

highlands and islands these to me are the key themes for the future. I really want to also make two points of emphasis. I'm on the Crown Estate Scotland Board but for some reason our chair wasn't able to gain proper admission today so I'm really speaking on her behalf. So Crown Estate Scotland Board is definitely transforming from those of us who were involved with the past the old Crown Estate, it is emerging from the shadows if I could put it that way.

Certainly at least three of these themes are key themes for the Crown Estate Scotland Board and the management team particularly the blue economy and partnership working are absolutely critical to the future. The second point I'd really quite like to make is about offshore renewables and particularly the need - and this is a point of detail but is a critical one for me in my role within the UHI - it's to maximise the training for operations and maintenance and future jobs. Now we have lost opportunities in the past.

I was at the Beatrice Field a year ago, three engineering graduates Siemens were sending down to Hull bypassing the whole of Scotland let alone just the highlands and islands. Now there are issues about procurement and state aid keeps popping its head up but it would be good to see these addressed for the future rounds to maximise those training opportunities and certainly across the UHI we're very close to concluding a solid regional offer to give to the industry.

So it's areas such as that because in previous lives and for years we've talking about maximising the jobs and the training but we've still not seriously grasped that yet. If I could ensure that's taken forward please, thanks.

**[Audio drops out]**

**Female?:** Sorry, the two lists, the two sets of projects are mutually exclusive and indeed some of the ones in the first iteration would very much feed in to some of the major themes that are identified in the second one particularly climate, offshore renewables, for example, and some of the projects that we originally talked about would certainly contribute to those themes. But take on board I think there is still more discussion to be had about how those themes are developed further and what we can actually do in the prioritisation of those. It is still a work in progress it's not a finished article.

**Aileen Morton:** Thanks I think - yes, I suppose it is partly the two different papers and the fact that if you like the original discussion around this at Millport was very much if you like on a project basis, and identifying a project within each local authority there that the Team Scotland approach to help to drive forward in a way that we hadn't managed to deliver so far. When you then look at - and maybe it's just the way they happen to be presented but it almost reads as though - so we did some work on the projects but now we're going to shift to themes and maybe that's not the way it's meant.

But I suppose when you look at the slides as well it's perhaps that prioritising, the RTOs as well, which goes into Margaret's area of concern as to we've not had the chance if you like for those - that more informal discussion. Because I was slightly surprised when I got an update from our economic development officers who had been interviewed by Ekosgen around this and the fact that the focus was less so if you like on the project and much more around wider themes and general priorities.

There hasn't been much of that discussion really at a political level as to how we would shift that over. So I mean I don't actually have any disagreement I don't think with the RTOs

although tourism is possibly the one that's missing if you look at those themes, if you consider the economic profile generally. But the rest of them all definitely fit in and there's a lot of them are really strong in Argyll terms I have to say. There's plenty of references to our businesses but I think it's maybe just where this came from a year ago and where it is now and I don't know that it's where any of us had necessarily expected it to be at.

**John Swinney:** your comments Michael.

**Michael Foxley:** I can't read my own writing so if I can just come back with one last thought. The one omission I thought on the list and it was something that we're [unclear] in Shetland with the various islands' councils a high priority was culture and heritage in terms of future actions across the highlands and islands. So I'd like to flag that one up please.

**John Swinney:** I think actually [Aileen's] contribution in a sense I think brings the dilemma of this to its sharpest point and Aileen is absolutely correct. This came out of a discussion which was essentially about the sort of Lochaber experience, if my memory serves me right, and it was how do we use our combined power and influence to create more Lochaber style developments across the highlands and islands to structure our agenda?

I suppose some of that thinking comes out of the frustration which we certainly feel within government which is that when we face a crisis which Lochaber was we're very good at marshalling forces to respond to that. But what we're not so good at is marshalling our forces in peace time to go after opportunities and that's what this was all about. It was about trying to identify what would be a range of strategic projects that we could combine our efforts around. That might be around one in every local authority area or it could be around a theme of - as Michael has just highlighted - of ensuring that we successfully create an economic return out of cultural and linguistic heritage with an identity within the highlands and islands.

You know that's obviously not geographically specific although it does narrow down the geographic areas that might be involved. So I think it's about making sure that we don't lose any of that - the focus that Aileen talked about in her contribution in how we formulate an agenda that can essentially identify what are a range of projects and interventions to take forward and how we can marshal our resources and priorities to make sure they happen. That's really the question we're wrestling with, Leslie.

**Leslie Manson:** Yes, thanks again. Is that clearer? Yes, I'll just reiterate the thematic study, the themes looked to me very much like the right themes. It may be that they're subject to have some additional themes such as we suggested added but then the right themes. It's a good foundation and I guess in time it would be foundation to either spring Scottish Government funding or to encourage third parties to financially support some of these initiatives.

Had this come first you would have got a very, very different list from the councils because they provided the list I think in advance of the thematic study. It almost looks like these proposals they're not actually what we're looking for. Some of those will fit in or some of them could be made to fit in and there's a lot of creativity behind these proposals. If these proposals have to be fitted into the themes in some way I think that could happen. It's just that when you're new to this you look at the two lists, they look like two different lists to me with very little - I mean I wrote them down and I tried to make some linkages. I was struggling to find real linkages.

**John Swinney:** Lorna.

**Lorna Gregson-MacLeod:** Yes, I mean the list of projects that was updated in the covering paper actually with the exception of the tourism ones, and I appreciate tourism and culture and heritage is not there. But I think I tried to explain at the beginning that when the Senior Officers Group looked at this it was felt that the game changers may have lain within these other four themes. That's not to say there are not tourism, culture, and heritage benefits from a number of these opportunities. But these individual projects in the list actually feature very heavily in the mapping work.

It's a very high level report, it doesn't go into detail but - and looking at that annexe that they actually are all part of one of those particular thematic opportunities, there's just not a project list approach to this piece of work. It was felt that we needed to go beyond individual projects and look at that broader thematic opportunity and look in the medium to the long term, and not just at that list, given that some of them are already underway and some of them are needing first phase completion and trying to get into that long term view.

But I can appreciate that if we try to develop this forward we can have a way of merging the two pieces of work so that they make sense and that's visible.

**John Swinney:** Do you want to say...

**Fiona Hyslop:** No I - just that I think that there's - I'll let you summarise if you want to.

**John Swinney:** Please do of course.

**Fiona Hyslop:** I wasn't at Mull so sorry and this is my first COHI for a long time but I can't listen to what I've heard in relation to culture, heritage, and tourism without making a contribution. Just last week we launched a global climate heritage network which is about mobilising the world so heritage is not just a victim of a climate change it's a contributor to the solutions, it's the stories, creative industries, and the fastest growing sector across the UK. If you're wanting to do work on digital or any innovation whatsoever which were part of your themes you've got to connect with creativity.

One of the - and I can say this looking at the work across all of Scotland the highlands and islands and particularly Highlands and Island Enterprise have been fantastic about seeing the read across between creative industries and culture and heritage and as a driver. If it's about trying to get focus about how we can bring everyone together you know we've got VisitScotland sitting here, I've got Creative Scotland as part of my responsibilities, I've got Historic Environment Scotland.

If you come up with something that can even be piloted as an aim to show how we can capture all of this, and particularly in relation to our climate change agenda, you know I want to mobilise the organisations that I have ministerial responsibility for so I'm not - this isn't - and we should stop having special pleading for culture, tourism, and heritage at these meetings, we should actually recognise that they are absolutely integral.

**John Swinney:** That's the official rant from the Culture Secretary politely expressed but I could recognise it a mile off. Alastair you wanted to speak.

**Alastair Cooper:** Thank you [Cabinet Secretary]. I think probably what we're looking for here today is the extent to which this report is actually forward the money which is required

to actually achieve these projects. So in other words I'll just use a local one, the Dales Voe one, to what extent is this actually taken [ahead] the money for Dales Voe?

I think you can - that's what this all boils down to at the end of the day and that's what you're trying to achieve and we're trying to achieve is how do we actually get the money to make these things come forward. I think you can have no difficulty with what's said in here and the sense of what's said in here but you can - I'm actually struggling to think just to what extent it's taken forward - the money.

**John Swinney:** I don't think it's all about the money. It's actually about - it's a very important element of that Alasdair but it's about how do we make sure that we are taking forward a set of strategic projects which will be compatible with the wider policy agenda? So there's no - well we just had a conversation about climate change, there is no point in us taking forward a project that's completely at odds with the climate change priority. So it's - so we have to respect that. We've had a lengthy discussion today about the population challenge so it's how do these strategic projects help us on the population challenge?

So it's about - because that then will enable us to maximise the effectiveness of what resources we can all bring to the party, and how crucially we can encourage other people who are not just the Scottish Government to actually contribute financially to these exercises as well. So third party financing is really critical. So I think we're quite clearly not going to - this is not at a point where we're going to be able to sign it off today.

What we need to do I think is take away this discussion and reinforce what it is we're trying to get - produce at the end of it, which is a series of strategic projects that can represent a practical agenda to be taken forward by organisations represented around this table, which will have a strategic benefit for the highlands and islands on all the various things we've talked about population, climate change, the economy, culture and linguistic heritage, economic development, the skills base, et cetera.

So that we've got a series of proactive projects that we can go after. Now some of those will already be under way because this is not about saying oh let's go and conjure up a whole list of new propositions. There may be some that are already in the development and we could perhaps advance them and accelerate them by more effective working to get us to that particular point.

So I think if we could have a bit more dialogue around the Senior Officer Group obviously I think there's a need for some political dialogue that's necessary to make sure politicians are comfortable with this, but it has to represent a set of propositions that will have strategic benefit for the highlands and islands and be compatible with the wider policy priorities that we're taking forward. Does that sum it all up? Okay, and we can look at this again at our next COHI. Please yes sir.

**Paul Wheelhouse:** Thank you. Just to be helpful I think around one of the themes that's been identified around marine energy just to highlight that a decision that was taken of the marine energy industry working group which actually was to try and invite [BAYS] to meet with the group. Obviously BAYS in terms of the external finance in this case or the - hold the whip hand in terms of the route to market for marine energy and it hasn't been posited yet.

But I think given the nature of what's been proposed for the convention if it proves to be one of the themes going forward that you wish to pursue is perhaps get the convention formally involved in that presentation to BAYS when they come to - just to add some political weight

for the three - and for all local authorities going beyond the three island authorities to actually represent the interests that you collectively have in developing green energy and make sure it's not just about Scottish Government pushing the case to BAYS.

But actually this is Scottish Government and the local authorities that represented around this table actually making a case for investment and green energy and just to highlight the importance of it to the local economies in each of the areas. That may be one positive practical thing we can take forward in advance of wider agreement about the programme if that would be helpful.

**John Swinney:** There is a context for dialogue of that type where as a collective we have pressurised the telecom companies around mobile and broadband coverage and I suspect some of the progress that [Callum Ewan] was able to report earlier on is a product of the fact that we managed to put that issue further up the agenda of some of the mobile companies which has helped enormously. Okay, any other observations, does that - [Roddie].

**Roddie Mackay:** Just to say I think going back to what Leslie was speaking about there. I think all that's happened here is a presentational timing issue. The themes - one paper is themes, one paper is projects basically and I think also in fairness I first saw the paper on Wednesday and it is quite a detailed paper and we got a very detailed description of its content. So I think it is worth taking a little bit more time just to refine it because it's just so recently that we saw that. But I think that's the only issue here. I think it's a mix of themes and actual projects and I'll think we'll iron it out.

**John Swinney:** Yes, and I think to go back to the point that Aileen raised, the objective here was to get to a list of particular projects that we could take forward that would be compatible with our agreed themes and I think that's not quite where we've reached so far. So we know what we've got to do in the next stage. Okay, right, thank you for that, any other observations. No, okay, right, we'll break for about half an hour while some work gets done on the outcomes that we've got to look at and we'll reconvene just about ten past four actually, thanks.

**John Swinney:** Okay folks, the last part of what we've got to do today is to look at the outcomes that have been arrived at. There's a lot of words here. Right, okay, they're going up on the screen.

So, the first session update on COHI 2020 projects, this first part of it – there's two parts to this – COHI members welcomed the progress emerging from the ongoing work in the senior officers' group. They endorsed the importance of the existing range of projects, but with a greater focus on maximising the connection between areas in order to retain and attract young people and drive up the working age population. The opportunities driven by digital as an underpinning for providing greater education opportunity were particularly highlighted. Then it goes on to COHI members asked for projects to be reframed, to deliver integrated action in the context of a post 2020 timeframe, factoring in the themes, including climate change and repopulation.

How's that? Is that – I think we'll probably – well let me go through all of these actually and then we'll take stock. Because Margaret, you've got some issues to raise in general. Generally, is that in the right kind of – people recognise that? Okay.

Right. We'll go on to topic 2, which is population and productivity. COHI members endorsed the aim of the government's population program and made the following recommendations.

Management of depopulation, repopulation, and population profile will be a focus for COHI's future work program and to engage with the Scottish Government as it gathers intelligence and develops interventions to address Scotland's population challenges, particularly impacting on rural and island communities, working together to co-produce solutions. This includes a sheer willingness to explore transformational options across key issues, such as public and private sector jobs, and housing provision. Then it goes on to say, furthermore promoting the region as a place to live and work was highlighted as crucial. The vision as a region which leads the world in tackling climate change was highlighted as an opportunity to retain and attract talent. Generally, in the right space? Okay.

Then moving on to the global climate emergency. COHI members agreed the global climate emergency would be an overarching priority for future work, pulling together the different parts of the COHI work program. While recognising both challenges and opportunities, members highlighted the unique assets of the Highlands and Islands region, alongside the willingness to collaborate, which will enable action, and scale and pace to tackle the global climate emergency. In the run-up to COP 26, COHI members will work together to maximise this opportunity to showcase the region and what we can do on a global stage and secure investment.

Then the second part of it. COHI members agreed to do up their own plans for decarbonisation. COHI members commissioned the senior officers' group to work with the Scottish Government to map and add value to individual organisations climate change actions, when identified, and report back with an integrated and collaborative strategic plan for the Highlands and Islands. This includes identifying key areas such as land use, energy, nature-based solutions, and opportunities from low carbon tourism. SNH agreed to also act as a critical friend, to ensure scale and pace are optimised. Generally, in the right place?

**John Swinney:** Then, the last one is on regional transformational opportunities. The purpose of the work is to develop a list of pro-active clear strategic project themes, as agreed by COHI members, which are to be taken forward by organisations around the table, which are compatible with COHI's ambitions including repopulation, climate change, economic development and supporting the skills base. COHI supported the broad themes of the regional transformational projects paper and commissioned further work laid by HIE with the senior officers' group. I was informed by discussions with the COHI members to develop a focused and inclusive list of transformational project themes. This would be discussed at the next COHI in March 2020.

Okay, so any specifics that anyone wants to raise on – is that one generally in the right kind of place?

**Margaret Davidson:** Yes, it was [John].

**John Swinney:** Margaret do you want to speak?

**Margaret Davidson:** Yes, if I could please, thank you. Just as a group of Highlands and Islands leaders, we put together some of the things we hoped to get out of today, and several of them have come up, and have been taken care of in your outcomes, which is good. I was just looking at what perhaps was missing, and we might just mention now. [Jo's] suggestion was that we give this to the senior officer group and that they take it away and just make sure we've covered the bits, but there was one in there about – I mean, SDS and Western Isles launched their charter today, and I think they've also done some work with

Shetland and Orkney, and we were just looking to replicate the charter arrangement across the region. If we can do that, it would be good, and would focus things well.

We just made some commitments our self to – we meet about every six to eight weeks, as Highlands and Islands leaders, and we need to extend the sessions, and concentrate on depopulation, repopulation – this is our problem as well as a lot of other peoples, and we need to make a commitment to concentrate on it. That was about repopulation, again, which you picked up very well.

We also picked up – it was in the final plans. We're all going to be moving forward with place plans, and action plans coming out of those, and we would like to put it to you that you might like to support us in doing that, and that UHI could be running a research program along it. So that we're actually capturing some of the things we're doing, because we're very good at just running, and not looking at what we are doing, on occasions.

Climate change action plans. You've picked all of that up, and we'll just put forward the suggestion, again, that could we consider a major seminar in 2020 on climate change, and I think the Highlands and Island taskforce was mentioned under other words in the outcome, so – thank you for that.

**John Swinney:** I think on those points, Margaret, I'm very happy to make sure that the aspirations that you've set out there are reflected and just taking forward these outcomes, I don't think there is anything at odds with that approach. I think on the issue of COP 20 there is obviously a lot of work having to be done at extraordinary pace, to get ready for COP 20 Sorry?

**Margaret Davidson:** Twenty-six.

**John Swinney:** COP 26. Yes. So, we're about I think three years behind in the preparations... [Laughter]...from what I'm led to believe, and I am not joking about that. So, it will be pretty hard going, but I think there is an opportunity for you to lead some of that discussion in the Highlands and Islands.

**Margaret Davidson:** Can I just...

**John Swinney:** Yes, of course - yes.

**Fiona Hyslop:** I'm meeting was with Roseanna Cunningham, our [Allied] Minister this week. Obviously with the external affairs and events brief COP 26 is a key thing for us. Having spoken last week at the climate heritage network global group, I met with people who were preparing for COP 25, so it was quite a good insight as to what they were doing. What their advice was is to have something like on the road to. So, if you had something on the road to COP 26 – so there might be [a whole lot of] I'm looking for the director because I'm not properly across that, but this sounds as if it could be something that could be very helpful on the road to.

**John Swinney:** [Kersti].

**Kersti Berge:** I will just make one very brief point on this. So, the way we are seeing COP is basically, we've got the year and the preparation for COP, and then we've got the two weeks themselves, and they are almost of equal importance, because we will have more airtime visibility in the year running up. It will be a less crowded space, just to re-emphasise.

**John Swinney:** Okay. [Les].

**Leslie Manson:** Thanks. On the slide that is showing at the moment, the second and third last lines, do we mean to develop a focused and inclusive list of transformational project themes, or projects, or both?

**John Swinney:** I was debating that when I read through that, and underlined project themes. I was mulling over in my mind as to whether that was prolonging the confusion, and I think that we probably need to resolve that by making that projects, as opposed to project themes. So, we will change that [point].

**Leslie Manson:** Yes. I think it has to be acknowledged that there seemed to be a desire around the room to extend the list of project themes, and in fact Fiona talked about an additional cultural heritage type theme, but ultimately it's the projects really that I think that most councils certainly will be most interested in. Although arguably it could be both, it could be a list of transformational project themes, and projects.

**John Swinney:** Yes. Well I think we know what we were trying to do. The themes probably need to be expanded to take in the points that the Culture Secretary was raising, but the outcome, the output of this process has got to be projects. So, if we can reflect that in the changes, so that's culture and heritage as themes, and projects in the third last line. Okay, any other comments? [Aileen].

**Aileen Morton:** Thanks. It's obviously not on this scheme, but it's in relation to the population and productivity one, and it was just around – there were the comments around the kind of job dispersal, if you like, and into the peripheral region. I suppose it was about potentially doing the analysis work, at least even if the councils were also contributing to that, because obviously, if you just do it at a local authority, particularly for somewhere like Highlands, you're not then reflecting the different impact that that's having across the area - whether we could pick that up at all.

**John Swinney:** Certainly. So, we can add that into the population productivity of some analytical work on the impact of job dispersal.

**Aileen Morton:** Is that public and private? I suppose it would probably be more straightforward to start with public, and then look at the – I don't know, if we can pick all of it up, then fair enough.

**John Swinney:** Yes, the economic models will apply for both as Fiona says - yes. Okay. Anything else? Okay. So, if we're broadly done on that we'll get those outcomes produced and issued to all colleagues around the table, so we will be able to pursue those in our future discussions, and obviously on – what I'm keen to make sure is that we try to work between meetings of COHI in a sustained way, on particular themes, so that it's not just a bit of this, and then a bit of that way over here, it's actually a coherent agenda that we're taking forward. There are a number of topics here that will not be resolved in one go, that we'll have to develop over time. So, these will, I suspect, become a mainstay of our agenda, given the significance of issues like population, climate emergency and the pursuit of wider economic development opportunity. So, we'll come back to those in due course. Any other issues anyone wants to raise? [Donna].

**Donna Manson:** Just in terms of that, the point I raised this morning is that the Cities Alliance is taking a Lessons Learned approach to how they've been collaborating, working and having impact. So, I think there are processes there that we should be, as learning partners, you know, it's a different context, but there are a lot of similar themes with in it.

We've totally revamped the way we're going to work together in both the political group, and the senior officer group, and also where we're going to drive it, we're much more focused on performance outcomes, KPIs, milestones. So, I just think it would be helpful to try and – we could bring those groups together quite easily, to just maybe have a learning partner approach, in terms of how we're approaching that kind of co-production, and collaboration.

**John Swinney:** Sorry, I'm not following, with whom?

**Donna Manson:** Well there's basically, in terms of the Cities Alliance, you've got a likeness, five or six local authorities working, both at political leadership level, and at senior officer level, to drive an action plan involving lots of research, but a lot of economic outcomes are similar. I just think there's learning that could be parallel learning, it could go alongside, in terms of peer challenge, of how effective that kind of - you talked about it there, what's the process going to look like in between?

So, back to the discussion, I suppose Margaret's introductory words this morning - it's about co-production, so we need to challenge ourselves away from these meetings as much as possible, in terms of what we're achieving, both either in the political leadership group or in the senior officer group, and I just think it's a really good opportunity for co-production and learning. They are looking at similar themes, across the cities, that perhaps we can do some learning with. I just think it would be a good opportunity in terms of [unclear].

**John Swinney:** Yes, there's nothing to stop anyone bringing that [well] in to the stable. What I'm more interested in is this body having a focused agenda for its purpose, which is to enhance the Highlands and Islands. So, what I'm not keen on this being is a body that comes together every six months and looks at one set of topics, then a completely different set of topics in the next six months, because I don't think that advances the agenda. I'm quite happy to look for that learning, but I think we'll enhance the prospects of the Highlands and Islands, and tackle some of these really deep-seated problems, if we have a sustained agenda of that type.

**Donna Manson:** I'm just suggesting a critical friend approach, in terms of, it's often good to understand with a critical friend, who have a different type of process, it might help us. I think that's maybe - well our reflections last night, what has been missing, is that we have not been challenging enough on ourselves, and that's certainly something that - we need to commit more, and give a lot more focus to this to make sure that we're actually delivering in between meetings, and achieving the outcomes that we're setting out, to give it a bit of pace, so it's a bigger commitment to co-production and, I don't know, it came up in discussions last night. We want to make a bigger commitment to this, based on what we've got here. I'm just suggesting there are other critical friend approaches that might help us.

**John Swinney:** Fine, but I think if local authorities are thinking they need to be putting more into this, then I invite you to get on with putting more into it, bluntly, you know...

[Laughter] ...I'm not holding you back. So, if you all want to put in more, I invite you to get on with it, in the nicest possible way. So, I'm very happy to look at those possibilities, but I'm very determined to make sure that we pursue the agenda that we've agreed here, and that we get on with making that contribution towards it. Okay, so you can discuss that in the senior officers' group, or amongst political leaders, and the government will be responsive to that, but I think we've got a very clear agenda that we'll want to take forward.

Okay, anything else? Okay, thank you very much. Thank you for your participation today. Thank you to the Highland Council, to Bill, Margaret, Donna, for your hospitality today. There's a dinner for those who are staying. [Paul] and I will be here for that at seven o'clock tonight.

The next meeting of the convention is on Monday 16 March 2020, which will be in the Isle of Lewis, I'm told, which we'll look forward to, as always. Can I just say, on this occasion, that today will mark the final COE that's attended by Lorne Crerar as Chair of Highlands and Islands Enterprise, after eight distinguished years of leadership of HIE. So, thank you Lorne, very much, for your sustained participation in all of these discussions over these years, and we wish you well in the period ahead. Thank you very much...

[Applause] ...and with that I close this meeting of COHI and look forward to seeing you all later this evening, and then in Lewis. Thank you.

END OF TRANSCRIPT