

**CONVENTION OF THE HIGHLANDS AND ISLANDS  
MONDAY 15 MARCH 2021  
VIRTUAL MEETING**

**LIST OF DELEGATES**

<b>Surname</b>	<b>First Name</b>	<b>Company</b>
Barron	Bill	Crofting Commission
Brodie	Chris	SDS
Bryan	Amanda	Crown Estate Scotland
Burns	Roddy	Moray Council
Burr	Malcolm	Comhairle nan Eilean Siar
Caddick	Carolyn	Cairngorms National Park
Campbell	Angus	NatureScot
Cantlay	Mike	SFC
Christie	Alasdair	Highland Council
Cooper	Alastair	Shetland Islands Council
Coutts	Garry	UHI
Craigie	Michael	Shetland Islands Council
Currie	Robin	Argyll and Bute Council
Davidson	Margaret	Highland Council
Dodds	Alistair	Highlands and Islands Enterprise
Dudek	Pam	NHS Highland
Foxley	Michael	West Highland College UHI
Gallagher	Alex	North Ayrshire Council
Kearney	Liam	Scottish Government
Kemp	John	UHI
Leadbitter	Graham	Moray Council
Lewis	Jane	UHI
MacInnes	Mary	Bord na Gaidhlig
MacIver	Calum Iain	Comhairle nan Eilean Siar
Mackay	Roddie	Comhairle nan Eilean Siar
Mackenzie	Rod	Crofting Commission
MacLennan	Shona	Bord na Gaidhlig
McCutcheon	Russell	North Ayrshire Council
McDade	Xander	Cairngorms National Park
Milne	Pippa	Argyll and Bute Council
Mitchell	Frank	SDS
Mundell	John	Orkney Islands Council
Pearce	Hilary	Scottish Government
Robertson	Boyd	NHS Highland
Robinson	Gary	NHS Shetland
Sheridan	Stephen	SDS
Stockan	James	Orkney Islands Council
Thurso	John	VisitScotland
Walker	Todd	UHI

Wright	Charlotte	Highlands and Islands Enterprise
Yeates	Damien	SDS

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**John Swinney:** Welcome to the Convention of the Highlands and Islands for our spring meeting and it certainly does appear spring-like out there. Welcome to everybody. Once again we're meeting virtually and the discussion we'll have today, despite the fact that we're scattered across a whole range of geographies remains very focused on the work that is undertaken collectively in the Highlands and Islands, so I extend a warm welcome to colleagues from all of the organisations that are represented in our discussion today. A number of my ministerial colleagues are to be involved today. I can see on my screen so far, Fiona Hyslop and Fergus Ewing and there will be others that are involved.

I will be around for most of the day. I'm going to have to duck out around about two-ish for other commitments and Fergus Ewing, you'll complete the chairing of the meeting. This, of course, is the final meeting of the Convention of the Highlands and Islands before the Scottish Parliamentary elections on 6th May so a very warm welcome to everybody to the event. If I could just go through a few points of housekeeping before we go much further. If I could say to colleagues to switch off cameras unless you are – if you are not speaking at that particular time and to remain muted if you are not speaking. If we could use the raise hand function to ask to make a contribution, I think that's probably the most efficient way of participating and my colleagues who are leading the sessions will look out for different indications from colleagues.

The day's structure is as follows. We're shortly going to go on to have a discussion about the vital issue of population questions followed by EU exit and the various investment funds associated and implicated by EU exit. We'll have a discussion on workforce and skills and then on crofting and on Gaelic and the post-COVID recovery. The meeting today will be recorded and transcribed so there will be full record of the discussions that we have and there will also be live tweeting with the Convention hashtag [springcohi2021](#) which is all in the papers for colleagues. Before we go onto the first substantive item, let me just say a couple of things about the papers and the materials before the Convention today.

The first is that we have an additional paper on the Regional Economic Partnership model for the Highlands and Islands. Now, this was obviously discussed at a previous session and I think there's a lot of very substantial information within the paper and consideration I think needs to be given to what role such a model could perform in the Highlands and Islands and whether there is particular benefit in taking forward such an approach. Obviously, that's an issue that we can come back to in the course of our discussions. It may come up in – like what I say just now, colleagues are free to make some comments, or it may also come up in the session on population.

The other opening comment in terms of follow on from our previous sessions is that there is an update on the outcomes that we agreed at the last session and I would simply say to colleagues that if they wish to make any comments in relation to those points, I'd happily take those forward just now, but I don't see anyone seeking to make a contribution at – now. I'm just trying to work out – Charlotte, you wanted to make a comment about the Regional Economic Partnership. Charlotte Wright from HIE. Charlotte.

**Charlotte Wright:** Just if that's helpful just now, Deputy First Minister, I could just maybe outline what we've done since the last CoHI when this item was raised. Highlands and Islands Enterprise have had discussion with the Highlands and Islands Leaders Forum which was really helpful. Also, at each of the bilateral meetings that we hold with the local authorities and also been reviewed at senior officers' groups. There has been really strong support for what exists at a local place-based level within the Highlands and Islands with a number of partnerships that are strong and effective at the moment. I think that probably reflects the fact that Highlands and Islands doesn't operate as one economy, but due to its diversity, it operates as a number of economies.

I guess a main concern that came out of a proposal for a Highlands and Islands-based REP was around duplication or any additional layering, but there was a consensus around if there was a potential role for a Highlands and Islands REP, it needed to have a clear focus. That could be around common agenda items not discussed elsewhere such as education and skills, connectivity in its wider sense and also what potential role that grouping could have in the post-EU funding which I guess we'll talk about later. Also, about being a strong advocate voice for the region overall. Dependent on what came out of all of the discussions today, certainly HIE's really happy to take this forward and see whether there is merit in such a partnership, what its role is and how we'd make sure it has a clear role and function.

**John Swinney:** Thanks Charlotte. Can I ask Alex Gallagher to make a contribution. Alex.

**Alex Gallagher:** Yeah, thanks Deputy First Minister. It's on the outcome from the COVID impact – first outcome. I think I have little problem with what's been said, but you may have seen – I've certainly seen in the press that Transport Scotland as CalMac too, increase the ferry charges. The charges were held down last year so we're getting a double impact this year and in particular this has a big impact on the freight charges. I would think that if we're looking at the islands recovering from COVID then I think this sort of impost is probably not very helpful. I don't know if you can do anything about it, but I think it's the wrong thing to be doing at this time and I don't know if anyone else in the other islands feels it.

I know for instance, on Arran, we're now paying about £112 for a three-metre commercial carrier which is going to put cost onto essential foods on Arran. I think this is a not helpful move at this time and it doesn't help the recovery. I think it's bad for the COVID recovery and I thought it's worth making a comment on it.

**John Swinney:** Okay, thanks Alex. I'll take that point away and – well, if my officials can raise that with Paul Wheelhouse who's the responsible minister. I see Roddie Mackay wants to come in. Roddie.

**Roddie Mackay:** Yes. Just to reiterate that point. We've already written about it. It just seems that when the government is trying to do all it can to aid economic recovery in the islands post-COVID, it seems the left-hand is doing one thing and the right-hand is doing another. If we are going to increase these fare charges, it will have a damaging effect on our economies. I would support what Alex is saying there and look forward to feedback on it.

**John Swinney:** Okay, I'll raise that with Paul Wheelhouse in the light of the comments. Anyone else want to come in on that? Okay, right. Just trying to follow the raised hands here, but I think I've got everybody. I don't think I'm missing anyone. Right, okay, that's fine. On the point that – sorry, I'll take that away and raise that with Paul. On the issues that Charlotte raised on the Regional Economic Partnership, I think the – you know, we're – I certainly acknowledge the importance of avoiding duplication. We've already got a lot of good arrangements in place here. A lot of fora for discussion. This is one of them.

There are leaders' groupings and various other bodies. I think all of us want to be in a position where there is alignment between the different functions and priorities that are taken forward so if we keep that in mind but avoid duplication then we can perhaps reflect on what's the most appropriate way to take forward such a concept. I think everybody's probably there in spirit with it, but maybe not quite in practice if it's not absolutely necessary. We'll continue to look at that particular issue in light of our discussions today.

Okay, well that's all I think that I've got to deal with in relation to the outcomes paper. If I can then turn to the first substantive discussion that we're going to have today and that's on the issue of population, a national and regional update. I'll invite Fiona Hyslop, the Cabinet Secretary for Economy, Fair Work and Culture to lead this session. It's due to finish around about 11 o'clock. I'll obviously stay on this and I'll come in just before 11 just to wind things up if we've not reached that point by that stage. Okay, Fiona, over to you.

**Fiona Hyslop:** Thank you very much Deputy First Minister and good morning everyone. It's a pleasure to join you again today and thank you for inviting me along to begin the day on this crucial subject of population. Issues around population change are well-known already to the Convention and its members. Last October the CoHI members heard a paper on population and fragile communities which outlined the acute and urgent depopulation challenges felt across areas in the Highlands and Islands. Today I'd like to provide an update to members on new strategic work on population at both the national and regional level.

At the national level, I'm delighted to announce that today, on the day that the Convention gathers, the Scottish government's ministerial Population Taskforce has

launched Scotland's first population strategy. At the same time, I'm very pleased to share with you that we're going to hear from the CoHI population working group about their initial work around the concept of repopulation zones in local areas. This ties very much in with the vision of the national strategy. In a moment, I'm going to pass over to officials to run through some of the detail outlined in the attached paper. We'll hear firstly from Liam Kearney from the Scottish Government on the national strategy and then Calum Iain McIver on the concept of repopulation zones and the progress of the CoHI officers' working group. We'll probably then have around 30 minutes after the presentations for comments and questions and opportunity to discuss the recommendations in the paper.

Before I pass over to Liam, I'd add that as a piece of work which I'd personally overseen, I've been greatly encouraged by the collaborative spirit in which our national strategy has been developed. I know that local authorities and partner organisations have spent much time feeding into its vision and I really want to thank those of you here today who did just that. I was particularly pleased to see a draft version unanimously endorsed by CoSS leaders in January. This is very much the attitude we need to build on as we seek to scale up this work into the future. At the national level, we see clear long-term demographic challenges for Scotland. We have falling fertility rates – the lowest in the UK. Our population is aging, which is to be celebrated, but it is expected to place pressures on public services.

The future of inward migration to Scotland with the UK's new immigration system is far from certain. At the same time as we all note, each and every local authority feels a demographic challenge differently from depopulation in many of our remote and rural places to rapid growth in other areas particularly in the east. Each of these challenges is vital to the long-term sustainability of our economy, public services and communities as we recover from the COVID pandemic and beyond. There isn't a quick fix, or a one size fits all approach to many of these deeply complex issues, but I am optimistic that we are at the beginning of a conversation about population sustainability as a national mission and challenge for Scotland.

As outset, our strategy identifies 36 actions which range from the short-term to longer evidence gathering. I know we have discussed the Scottish Government's workforce in the past, and I'm keen to see the organisation lead by example in terms of workforce dispersal. That concept of live local, work global or national, I think, its time has most definitely come, and this work is actually being considered by senior managers in the Scottish Government and I hope to see decisions made around this in due course. We've got to build on this work and [unclear] that we must be agile, ready to grapple with new innovative ideas to address our population challenges and so therefore the concept of a repopulation zone or zones, considering actions for example, on specific policer levers such as rural housing – absolutely essential – land and buildings transactions tax policies and support for people looking to move to our island communities.

I hope during the discussion today, we can touch on some of the incentives and the real practical things that will help us in this work. At its core, this work on population should be an open conversation for all of Scotland and as we are doing today, it should be one which brings together the voices and ideas of national and regional partners together. I'm looking forward to a rich discussion from members, but first of all can I hand over now to my official, Liam Kearney who will provide more details on the newly published national strategy. Liam, if I can bring you in and then I'll bring in Calum Iain.

**Liam Kearney:** Thankyou Cabinet Secretary and thanks again as well to CoHI for having us here today to discuss our Scottish Government population strategy. [Andy] could you put the presentation up? Oh, thank you. Can we go to the next slide, please. Thanks very much. First of all, some background for us all. The Cabinet Secretary has helpfully covered a lot of this already. As you'll all know, Scotland's population is at a record high of 5.46 million and is projected to grow to 5.57 million over the next 20 years or so. However, these numbers are masking demographic challenges that Scotland is facing. As the Cabinet Secretary has already mentioned we have falling fertility rates, a shrinking working age population and increasing older population which while to be celebrated that people living longer, we have to recognise the impact this will have on our public services and the spatial imbalance that we're seeing across Scotland.

Not only that, but all of our growth is coming from inward migration from the rest of the UK and overseas and is projected to continue to do so over the next 20 years. These projections, however, do not take into account the impact of the new immigration system and the impacts of the COVID-19 pandemic. Could we move onto the next slide, please. Thank you. This slide, which hopefully you can all see. Apologies it's probably not the most clear, but this slide shows the council areas in Scotland that are demonstrating population growth – those are the ones in the light green or the dark green – or population decline and those are the council areas in grey. The dark green is for ones that are experiencing population growth above the Scottish average and the light green is those experiencing growth, but it is below the Scottish average.

Now, while there are areas on this map that are showing population growth, even this image does not tell the whole story because as most of you will know, even council areas showing population growth are experiencing severe population decline in specific areas such as Highland Council area as many of you on the call will know. Could we move onto the next slide please? Thanks very much. That is why the Scottish Government has today launched its first national population strategy paper. The aim of the population programme, which was previously endorsed by CoHI members in October 2019, is to make communities across Scotland attractive places to live, work, bring up families and move to so that Scotland's population profile provides a platform for sustainable and inclusive economic growth and wellbeing.

To support that aim, we have developed five outcomes that are deliberating stretching to drive forward the transformational change that is needed. As you'll see from this slide, those five outcomes are around making Scotland's population sustainable, about Scotland – highlighting Scotland, the best place to raise a family, making sure Scotland's population is healthy and active and able to live longer lives, our population is balanced and we're able to attract people with the skills to make a positive contribution to our economy. Next slide. In order to deliver and achieve that aim and outcomes, we recognise that population change is a national challenge the Scottish Government cannot tackle alone, and I hope today that we can get CoHI endorsement to work with us to address this issue.

The strategy has framed our challenge into four building blocks and as you'll see from this slide, these four building blocks are around being a family-friendly nation. As our birth-rate is falling, we must ensure that Scotland is the best place to – is seen as a great place to raise a family. A healthy living society around supporting people as they get older to live healthier lives for longer. Showing that Scotland is an attractive and welcoming country attracting people with the skills that Scotland needs to be able to drive forward our economy and a more balanced population addressing those rural communities and those west experiencing population decline as well as supporting those in the east that are seeing increased population growth. Can we go to the next slide please.

The strategy identifies 36 individual actions across those four building blocks. I'm not going to go through them all because I know we don't have time, but the main takeaways are that we need a place-based approach to population change. We need to think differently about how and where we are investing our houses, jobs et cetera. As the Cabinet Secretary already touched round rural housing and supporting people to move to our island communities, for example. COVID-19 has impacted in our lives in ways we never expected. It's caused us to reassess how we work and flexible working allows people to think where they want to be. We should explore this but also need to think about potential unintended consequences such as how it may change our town centres and ensure it does not impact our vision to tackle existing inequalities.

The strategy is just the start of the process and further work still needs to be done. As I've already said, the Scottish Government cannot do this alone, and we are committed to engaging with partners from the public to the private sector and UK Government to deliver the strategy's actions. I would just like to say thanks to those of you who've contributed to the population strategy through its development which was much appreciated. While today's meeting is focusing on repopulation zones, myself and the rest of the population team at Scottish Government are happy to pick up with anyone who has comments on the strategy as a whole. Feel free to drop me an email if you wish to discuss that. Happy to have a meeting.



I recognise though that we cannot wait and there is a need for interventions now so I'd like to pass over to Calum Iain from Western Isles Council who will talk you through the concept around repopulation zones. Over to you Calum Iain.

**Calum Iain McIver:** Thank you Liam. Next slide please. Yes, the repopulation zone very much picks up on what Liam ended with. The need for short, rapid interventions. Just as a recap, your members of the Convention will recall that in October 2020 there was a detailed paper on population and it was agreed that we should focus in on the areas of acutest challenge with Argyll and Bute, the Outer Hebrides, Caithness and Sutherland and North Ayrshire in particular, identified as these areas of acutest challenge. The Convention agreed there was a need for a targeted inter-agency policy response and the need for a sub-regional population response to develop a repopulation plan and other appropriate interventions.

That team was therefore established comprising of the four local authorities, Argyll and Bute, Comhairle nan Eilean Siar, Highland Council and North Ayrshire Council along with Highlands and Islands Enterprise. The team considered a range of options and explored a range approaches and have developed this concept of repopulation zones. Next slide please. In many ways the idea of repopulation zones framed around a number of key principles. The first one that the group spoke about was trying to reframe the discussion away from the negative connotations of depopulation onto perhaps a more positive development orientated focus on repopulation.

The group were very much aware that these issues are complex and deep-seated and require ongoing focus and sustained effort – perhaps inter-generational effort if we are to move the population dynamics. We're very clear that interventions had to be place-based and very focused on specific interventions and that these interventions need perhaps to be different for each locality depending on the local circumstances of that particular locality. Therefore, a bit of thinking around a menu of tools that could be available to each zone to drive innovation and perhaps build new approaches.

At the same time, we were very aware that it was based on specific geographies. That there are other areas with similar challenges, and it was very important that any learning from the zones that there is methodology to cascade that learning to make it replicable out into the wider Highlands and Islands and across wider Scotland and very much linking the work to the Government's population programme. Liam and the team have been engaged with the working group on these ideas around repopulation zones. Next slide please. In the repopulation zones, there seem to be three themes in particular that came out that the group were viewing as very important.

These were around jobs and the economy, infrastructure and public services/community. Around jobs and economy, the group were very clear that business interventions, the support of businesses both to nurture existing businesses and to help relocating businesses into the area was critical. Similarly, jobs dispersal

and decentralisation of public sector jobs both out of regional hubs and more nationally were critical to maintaining population. Seeing real opportunities in green economy and transitioning into the green economy and around community wealth-building. Finding methodologies to maintain as much economic activity and wealth within these localities as possible.

Under infrastructure, housing was seen as a critical key building block to retaining population and to grow population. Both new build and looking for policy levers around what may be termed market distortion – the price of housing, the cost of housing on the periphery. Digital connectivity is seen as absolutely critical as were ideas around more localised higher and further education. Ideas around holding young population in their own communities, empowerment of communities and perhaps local governance in the communities helping communities have more choice and impact on their own lives. A discussion as well around health inequalities. What we can do to ensure the population remains healthy as possible going into the upper demographic areas.

Across these themes, digital connectivity was thought as absolutely critical. That in the post-COVID recovery phase, digital will become increasingly important and sometimes some of the areas under discussion can have the weakest digital connectivity. We also thought in certain communities – it would maybe more appropriate than in other communities – there is opportunities for more community-based approaches to Gaelic development and Gaelic faster growth. Next slide please. The group was very much of the opinion that there is a bit a development activity to be done around the development of the zone, but at the same time there are early actions and early activity that the groups appropriate to undertake.

In regard to the development of repopulation zones, we believe that it is going to be important to have a governance structure around them that links the zones and allows learning to be spread out to other areas. We've got to define more exactly what geographies we are talking about and what the characteristics of an individual zone will be. We believe it's important to have discussions and conversations with communities in these zones so that we're understanding exactly what the community requires and the supports that they require to be done to action. Below that, we need to define exactly what actions and activities we are going to be taking within the zones.

Other actions around live local, work global, public sector jobs dispersal, we can believe we can move to make quick interactions around that. We need to influence partners around core infrastructure – digital and housing in particular. Develop the interventions within the zone, grow access to higher education and put in place any additional evidence gathering data gathering that's required and put in place monitoring, evaluation and dissemination frameworks. Critical in all that is collaboration alignment and engagement between the local authorities, between the development agencies, Highlands and Islands Enterprise and with the Scottish Government. Next slide please.

The final slide is bringing to a set of recommendations. In summary, looking for the Convention to endorse the Government's newly published population strategy and to agree an approach around the challenge of population in a collaborative manner. We're looking for the Convention to endorse and support the principles of repopulation zones based around the three themes of economy and jobs, infrastructure and public services. For the Convention to support the action plan and the activity within the plan. To support the deepening of engagement and that alignment between the repopulation activity and the implementation of the national strategy. The Government and the population group to give consideration to the financial implications of repopulation zones and to be given to facilitate some initial budget to support the start-up phase of the repopulation zones. Happy to leave it at that, Cabinet Secretary, but happy to take any questions as they arise.

**Fiona Hyslop:** Thank you very much Calum Iain and also to Liam. Very keen to open this up for discussion or any questions. Clearly this is an opportunity to bring together both national commitment across all the different portfolios. I've had real enthusiasm and support from colleagues from a whole range of areas whether it's health, housing, transport, other areas, so this is a chance to mobilise for local action. The only hand I've got up just now that I can see is Alex Gallagher and unless that's a legacy hand from elsewhere. If not – if also, if I can ask officials on the line if you can maybe help me if I'm missing anybody in terms of contact. I've also got Frank Mitchell. Alex, were you wanting to come back in on this or is that a legacy hand?

**Alex Gallagher:** No, it's not a legacy hand.

**Fiona Hyslop:** Yep.

**Alex Gallagher:** Thanks to Calum Iain for that. I think that was a very good report and I would agree with all of it. I think the one thing – there are two things I would say. The emphasis on digital, I think, is very important and I know that Calum Iain made that, but I would wonder if that should come out from the report and become one of the legs of the supporting themes because I think it really is – for us, it's very important. The other point I would make is they did suggest some start-up funds, but I think we need long – at least medium-term resources for this because if you are going to have start-up activities, development activities to get programmes and projects started, it always takes a lot of hump of resource and money to get over the start of that.

I would ask for some at least medium-term resources to support this programme. The one question I would put in was one we always put in. We have been told about a £30 million fund, it's just we're now waiting to see how that gets dispersed and whether some of that can be put into this repopulation zone programme.

**Fiona Hyslop:** Yeah, I'm going to take a number of points and then come back to Liam and Calum Iain. I might make comment myself as well. Can I move onto Frank Mitchell and then Shona.

**Frank Mitchell:** Thank you. I won't comment on the regional plan which I think was well covered earlier on. I guess that my comment is really about the national plan, Cabinet Secretary. I may be speaking first of all, as somebody who was a migrant. I moved to the USA, lived and worked in the USA and one of the key things that I found from other migrants who worked in the USA was the reason they were there was a strong economy, and it seems not – it seems to be silent on this vision. The strong economy is at the heart of attracting people to any country and I know we talk about sustainable, inclusive economic growth, but I think one of the foundations to be a really strong economy to attract people to come here. Then you want housing and digital and all the other things that are really important, but I think we really need to be focused on building a strong economy first and foremost. Thank you.

**Fiona Hyslop:** Okay. If I can take Shona and then I'll comment and ask the others to come back in and then move onto the next group. Shona.

**Shona MacLennan:** Thank you Cabinet Secretary. It was just to thank the group for taking Gaelic into this conversation. Bord na Gaidhlig presented at CoHI in October and one of our asks was, and still is, that Gaelic is normalised within the CoHI work teams, so we were very reassured to see this included here. In the presentation later we'll talk about some community developments which we are putting in place to address some of the thoughts around that. Thank you.

**Fiona Hyslop:** Okay, thanks very much. I'm going to bring in Liam and Calum in a second just to address some of these points. Absolutely, digital is a critical factor and enablers and I think we have to address what are enablers, what are barriers and therefore systematically overcome them. I think the point about the repopulation zones is immediate almost. How do we do coordinated, immediate action on all of there? Frank, I think your point is absolutely key. We want Scotland as a whole to be a magnet for economic activity and strength and indeed, a strong economy will be attractive.

What we have to identify is if we do that as a national strategy just for Scotland, then we know what's going to happen is we're just going to replicate an overheated, perhaps dare I say, city-centre of Edinburgh economy and the focus on the east, of which – I mean, I'm living in the most populous part of Scotland and growing and therefore the point is how do we make sure that we've got a strong economic base for the Highlands and Islands and for these communities in particular. I think we've got to think about what is the draw and the drive and the attraction, which is most definitely the economy, but we also have to think about some of the enablers issues. Actually, what we tried to do with the strategy is identify the things that we know that we haven't done as well in terms of those coordinated enablers, so that's how I would tackle that, but your point is extremely well made.

I absolutely agree with Shona, is we need to – again, it's a bit like Calum Iain's point about how do we make sure what is seen as a challenge and turn it into a positive in terms of repopulation. Gaelic absolutely is an economic driver, a social driver and being assertive and proactive and it will be interesting, you know, particularly in the

population zones, how we might be able to do that in the repopulation zones as they might develop. Can I ask Calum Iain to come in and then Liam, on those points? Then I'm going to move to somebody called Angus, who I'm afraid I'm not sure who the second name is, James Stockan and then Margaret Davidson. Calum Iain.

**Calum Iain MacIver:** Thank you Cabinet Secretary. Yes, your digital is incredibly important to everything we do. We see it as a cross-cutting theme, if you like within the various elements that we are proposing in the repopulation zones. Roll out of digital and having that strong digital connectivity, I think, is going to be critical to what we want to achieve. Jobs and economy were seen by the group as being, you know, the primary driver, if you like, of retaining population in some of the most challenged communities. There are opportunities out there as we transition into the green economy if we can get the infrastructure in place to allow some of these communities on the periphery to make the best of their resources that are around them.

In the Western Isles, for the last 20-odd years we've been looking to get good infrastructure to the islands to make the best use of the green resources around us. You know, if we had been able to achieve that through OFGEM and the transmission operator, some of our communities and economies within the Western Isles would be significantly different today than they actually are. These ideas of infrastructure, jobs, economy and digital, I think, will be the underpinning of the repopulation zones. Absolutely critical, I think, the group believes for – to get that right in the zones over the next period.

**Fiona Hyslop:** Liam, have you got anything else to add?

**Liam Kearney:** No, nothing to add, Cabinet Secretary. You've covered the point I was going to make around the economy so that's...

**Fiona Hyslop:** Just on the other aspect, we've got the Scottish National Investment Bank and I was quite clear with it in terms of missions. Yes, the net-zero is its primary mission, but also it's got about place-based tackling of inequalities. Now, that will make – and that's the first probably we've deliberately brought a lens on population into what is a national intervention. That's an example of how you can actually ensure that you're building a strong economy. If you think about it in terms of that and [inaudible] particularly for the real job opportunities that there are in the Highlands and Islands in relation to the green infrastructure and also the green exploitation, so that strength, I think, is going to be really important. There's example of already putting population into national decision making. Can I have Angus and then James and then I think I said Margaret, but Margaret's disappeared off there, so I'll still bring in Margaret. Angus.

**Angus Campbell:** Thank you Cabinet Secretary, it's Angus Campbell from NatureScot. Sorry, I didn't have my second name up there. Very much support this paper. I think your own emphasis you said on all sectors working together on this and it has to be right across the piece to make it work is very important. Very much

welcome the fact that in the paper, there's a real recognition of the opportunity for nature-based employment to support population retention and growth. I think the next part of that is growing the skills and developing the workforce that's needed and that that can be done within the region. There's been good learning done already through COVID about how that can be done.

I think a real encouragement to organisations and employers to allow people into the workforce at the time that suits them and provide that training within the locality and within the geography is very important to support these regions, I think, at a time when you see young people taking more and more interest in remaining in the place that they are living in and also the interest in nature and in climate change as a big topic. It would be a bit of shame if, to need to get the skills necessary, they will then have to move away from that geography so a real emphasis on learning I think is important. Thank you, Cabinet Secretary.

**Fiona Hyslop:** James.

**James Stockan:** Yeah, thank you very much Cabinet Secretary. I very much welcome this report as we did at COSLA, but before I go onto my question or anything, I just wanted – since it's the first invention of the day – to thank the Deputy First Minister for his commitment to CoHI and to this region through the whole term of this parliament. I think that is something that we all very much appreciate, and we just would like to make sure it continues into the future because it's a very good forum for us to meet together and just on that basis I'm supporting the recommendations here.

I'm really interested to see how it gets embedded but also that the lines of the areas just outside the ones that you identify aren't disadvantaged or whatever because I think there's some very important principles in here and so embedding this in government and making sure people get incentive to move out is really important because there's areas like my own where population has grown, but the people who have come have been of a demographic that are going to require services. We have the worst aging issues because people have come later in life rather than earlier in life, so we've got to watch as we move people even to come work, it's the right age group that we're working with.

I think there's much work needs to be done and incentive to really rebuild community to make sure – for instance, the town they live in has half the population it had at its height and there are islands in Orkney that are particularly needing support from younger demographic or they will become a huge burden on public services. It's just to make sure – it's even wider than just focusing on the areas or there's recognition so that when – it's not only focused on these places, I think is really important for us going forward. Thank you Cabinet Secretary.

**Fiona Hyslop:** Thank you James. Margaret.

**Margaret Davidson:** Morning Cabinet Secretary and thank you very much for being here today and bringing the paper again because I think it is one we can all get

behind. We all like the focus on repopulation zones and the long-term focus on it although I'm going to be coming round to talking about some of the short-term issues shortly. Yes, we need a strong economic background, but Highland is – we could have the same issue as an overheating Edinburgh.

Highland has a growing population and economy – well, before COVID. Let's just see how it picks up after. You know, the Inner Moray Firth was doing well, but the rest wasn't and so – those are huge pieces of geography – Caithness, Sutherland, Wester Ross, where we need to be really focusing on their economies. That brings me back to what is of vital importance at the top of these lists. It's digital and it's housing. Digital is not just a problem for us, it is actually causing huge inequalities and it's going to persist this depopulation because what young people are going to stay if they've only still got absolutely rubbish digital and they don't know how to overcome it except with very expensive satellite, irregular broadband.

That's going to be so key an issue as we go forward so I would ask yourself and the Deputy Prime Minister to actually really help us get through the next phase which is dragging us down at the moment. BT have still not told us how far they can go. We don't know where we can put the interventions that we can put to make things happen quicker. We have all this talk of [outside in] but we need the UK and Scottish Governments sitting together and helping us achieve that happening because that would make all the difference in the world. We've got money to put on the table, but there's no point in us double funding things so we really do need a push forward. We've got all these mobile masts coming, but that's going to – well, it's okay. It might give us an interim solution, but we all know that fibre to premises is where most people want to go and is deliverable, but we need something to push this through to the next phase of development so that we can get a – here's a three-year plan. This is what will be happening, this is where you can intervene, this is where you need an interim solution. Then we'll be fine. We'll get on with it.

At the moment, we're stymied at every interface we look at and this is of such importance. Housing, thank you. The role of housing grant of the last four years or so has been hugely instrumental in helping extra housing so we would encourage the government to keep that up and also – and I know you do. You recognise the extra costs of building away from the population centres. It just costs more and COVID has had a mixed effect the contractors are telling me, but Brexit is starting to have a really marked effect on material prices. I think we've got to watch that very carefully as we go forward. For me, this is about also spotting the new parts of the economy we can bring on and as fast as possible. When there is economic potential, we need to get behind it because it has such an impact on these depopulation areas, but the new jobs – Angus said it, the nature-based jobs. Why would you not introduce those in Caithness and Sutherland where we've got the best bogs in Europe if not the world? Let's use them and think local when we are finding jobs. Think local when we're dispersing jobs and that applies to us all. Highland Council as well as the Scottish government, I completely accept that. We need to very much think local,

and we have a real opportunity. Our young people – we can either lose them or we can do everything we possibly can over the next year to make sure that we keep them. We need to have the vision of world-class health and social care across our rural areas. We should be leading on that, not trying to desperately recruit because when you put the focus local, it does change the recruitment. I've seen that time and time again. It's up to us to build the vision of what's possible and to get our young people really involved in it because they want to stay. We've got to give them something to stay for and a decent, modern economy. Thank Fiona.

**Fiona Hyslop:** Thanks Margaret. There is a lot in there. [You] can definitely inject that in terms of the impetuous that we need. I think I'm going to let this run and then come back to everybody just at the end. We've got – we're quite tight for time. Alistair Dodds, Michael Foxley and then Rod Mackenzie and then I've got Alastair Cooper, Robin Currie and Graham Leadbitter. I might have to call it at that because there's a lot there, so I think it shows the interest there is in the issue. Alistair.

**Alistair Dodds:** Yeah, thanks Cabinet Secretary. I'll try and be relatively brief. I think I really like the approach, both from the Scottish government and from the population group and I really like the idea that we start to focus in on repopulation zones. I wouldn't like to get caught up in where these should be. You know, I think we should make a decision pretty quickly and try not to argue about it, but picking up James' point, make sure that any actions are transferable. I think that's really important, so people don't feel left out. We've probably speaking on population for about the last 10, 15 years or longer going back to the HIE. I think we now must make sure that we get action.

We've got the policy papers and we need to take this forward, and I think there's – I really like the approach of short-term actions, but it has to be a unified response. That response has to be government, it has to be HIE and the other agencies. It has to be local authorities and we must make sure that we actually respond to what's coming forward from the group. Whether that's about change in policies, new schemes, whether it's support for housing or jobs including jobs dispersal, then really we have to make sure that we get some action. I think it would be terrible if we were here in a couple of years' time and all we've done is continued talking. It's really important that we actually see some early action and early responses.

HIE's operational plan will pick up some of the points that people have been making. Angus knows that we're working on green jobs and the blue economy and there's some real opportunities in the areas that we're talking about today and we must take them forward. What it can't be is, it's all too difficult and the whole thing slows down. We need to put impetuous, and I think it would be useful if the working group comes up with requests for resources – whether that's from agencies or local authorities or from the Scottish government – that we try to respond positively because this can't be done on the back of a fag packet. Thanks Cabinet Secretary.

**Fiona Hyslop:** Thank you. Michael Foxley, then Rod Mackenzie.



**Michael Foxley:** Yeah, thanks very much Cabinet Secretary. Grand discussion. Two points if I may. First of all, the University of the Highlands and Islands has a key role in this. Over 70 learning centres, we're in the middle of a major curriculum review to assess the courses that are required so we'll pick up the points made in the paper. The other point I wanted to make really following on from what Margaret said, that Calum Iain touched briefly on market distortion. The key issue for where I live on the west coast is housing for young people. If you sell a modest semi-detached house in London, you've got £3 million. Every township, every village here, houses are being bought up unseen, over offer. When the person arrives, they then buy an adjoining house so they can – got to have a rental income coming in. They've got £3 million.

Nobody that I know of has remotely that scale of money, so I welcome the idea of the repopulation zones, but we need to get radical about this – really radical. We need to look at taxation. We need to look at limits to numbers. We need to look at the sort of protective policies that they have in parts of rural Europe and in the Channel Islands. We need to think about things that are allocating rented accommodation based on local need not wider need. I know that the Deputy First Minister is listening in to this and he had a very eloquent statement at his first Gaelic Summit from a lady from Lewis whose name I've lost, who was talking about a tidal wave of people coming in doing what I've just described. I welcome the repopulation zones, but we do need to think really radically about this. Thank you very much.

**Fiona Hyslop:** Thank you Michael. Robin, then finally Graham before I come back to Calum Iain, Liam and I'll sum up.

**Robin Currie:** Thanks very much Cabinet Secretary. I agree very much with what Margaret and James and Michael have been saying there, but one thing that's also missing, I think, is transport particularly if you live on the islands. It's transport infrastructure and also the very high cost of transport and of moving because even though you're living locally and working globally, as an islander, you do require to go to the mainland to do various things. You also – when you're here all the time, the cost of freight is just – or the cost of everything on the island is enormous and – you know, just to move from Islay here to Glasgow, a couple of hundred pounds for a 25-minute flight is absolutely crazy.

[Inaudible] some places are benefitting RET – for example, Mull. You know £15 for a single journey – that's absolutely great, but then there's places like Islay and Colonsay where we haven't seen any difference with the introduction of RET for some reason. I basically – transport has to be a consideration and basically the cost of living on the islands.

**Fiona Hyslop:** Okay. Thanks very much Alistair – that was Robin. I was getting – there's lots of hands up there. Rod Mackenzie, I'll come to you next. Rob Mackenzie and then I've got Alistair Cooper and then finally Graham Leadbitter. Rod.

**Rod Mackenzie:** Thanks Cabinet Secretary. Very few quick points about crofting. Loads of things being covered there. I do think that crofting provides multiple repopulation zones in itself. I'm very frightened to see the map that was presented in the presentation there about the rural depopulation and the urbanisation. You know, we can see the clusters in Scotland. Urban areas are becoming bigger. Our rural population is declining. I do think that crofting provides some answers and I just want to use this slot as a wee trailer – a wee advert for our presentation later on after lunch where I think that crofting can provide some solutions and I would like to discuss that later on. That's all I want to say at the moment, thanks.

**Fiona Hyslop:** Thanks Rod. Alistair Cooper, then finally Graham.

**Alistair Cooper:** Morning Cabinet Secretary. This is not a new problem. In the early 60s Shetland's population was declining quite rapidly and we created at that time what was called holding points in various areas of Shetland and I suppose it's what you'd call it in the minor sense, repopulation zones – was called holding points. What we did at that time, the village about 10 mile away from where I live was one of these holding points. The high school, the health centre, the care centre, the police station, the fire station – all these things were put into the holding point in Brae and Brae is now a vibrant economy with shops, social clubs and pharmacy, builders shed and such like.

You ken, it does work, but in the 70s, of course the oil came to Shetland and the population grew by 5,500. Today, the population is declining with the decline in the oil industry, so you ken, jobs is everything. We need housing and I agree that housing is a very important thing. We need transport, but the one thing that's not been today – and I go back to when the oil industry came to Shetland. It's the social and cultural side of things. If you want folk to come and live in a community, you need to create an environment in which they have enjoyable leisure time as well as the job and such like.

I think that whatever we do in repopulation zones, there needs to be some recognition of the cultural and social element to allow folk to enjoy their leisure time. That keeps them in the area. The oil industry in the late 70s, early 80s when folk were coming and going, a lot of them left because they lacked the cultural activities that they were used to.

**Fiona Hyslop:** Okay, thanks very much, and finally, Graham. If you could be brief as well.

**Graham Leadbitter:** Yeah, thank you Cabinet Secretary. Just a – I appreciate this is a paper on repopulation zones and I think it's an excellent paper. I think the focus is really good. I would be remiss not to raise the concern that we have in Moray which is very rapid and very focused population increase which is around RAF Lossiemouth. We have – they announced another aircraft type that will be coming to Lossiemouth over the next couple of years. That's more squadrons then and when that happens we get really big jumps in population in the area. The other

thing that we get with having a military base is that it's not like normal development where you get developer obligation to improve your infrastructure. If it's behind the wire, you can get rapid increase in population, but no developer obligation and that actually takes away from our ability to provide services in other areas.

In maybe more rural areas where there is a risk of depopulation because we have to deal with the immediate need and immediate demand on those critical services and that doesn't – that kind of stymies our ability to invest in other areas. The balance is really tricky for us because of that. You're right, I won't keep [losing] that because it's just – it's fairly unique for Moray. The pace and the very focused nature of that population increases puts a significant demand – and it comes ahead of the taxation income for those population increases so it proves really tricky.

Just on the population decrease though, one thing that I wanted to pick up on about the importance of economic development. I think local development trusts have an absolutely vital role to play in this. We've had some really good work done by [unclear] in the east of Moray and also in Tomintoul and Glen Livet which – and that work's been hugely supported by HIE, but the more that we can invest and support for the development of local development trusts and upskilling the community to be able to run those trusts, is I think, hugely important in developing our local economies.

**Fiona Hyslop:** Okay, thanks very much and reflecting James' comment about Deputy First Minister. If you can maybe give us just a few minutes to close this session, and I would echo his points that the Deputy First Minister has been a great champion of the Convention of the Highlands and Islands. Can I ask Liam and Calum, is there anything final you wanted to come in on? From what you've heard? You can't necessarily address everything, but really vibrant points that will be about driving the momentum for this.

**Liam Kearney:** Thanks Cabinet Secretary. Yeah. No, totally agree. It's been a really good discussion and thanks everyone for the comments. I totally agree we're very keen that we're not kind of robbing Peter to pay Paul with our population work so making sure that aren't any unintended consequences will be key. I totally agree with Margaret's point around young people and kind of the attraction and retention of young people in the area, so definitely keen to pick that up, and Rod as well around the crofting. Happy to pick that offline with him around that and how we can fit that in with the population programme.

**Fiona Hyslop:** We'll follow up on all these points, but...

**Liam Kearney:** Absolutely.

**Fiona Hyslop:** Calum Iain, yep.

**Calum Iain MacIver:** Just very briefly, Cabinet Secretary. The key things I'm taking is the feeling from members that we have to be very action orientated, that we have to move forward with pace and that we shouldn't shy away from taking forward radical solutions if that is what is required.

**Fiona Hyslop:** Okay. I'll just finally say a couple of things. Young people staying is absolutely vital and it's quite clear that we know from the research that's been done on rural housing that young people do want to stay and so our housing colleagues nationally are acutely aware of that. On the economy side as well, what's quite clear from businesses who want to grow and develop in rural and Highland and Island areas are disinhibited because of the housing and potentially of the digital issues, both of which have got a priority in terms of our action. Michael, can I just tell you, Kevin Stewart, the Housing Minister, and Ben Macpherson, who is currently the Rural Minister are very keen to be quite radical. I – maybe a bit [temporary to] what I would say at this point, but I think that's maybe the next iteration of what we do.

Then finally, I think James Stockan's point is really important about how we embed this because there is no point in just focusing on repopulation zones. There's a lot we can do everywhere, but what we do is we really drive action quickly in repopulation zones, but the whole point of this strategy is how we do it across all the areas that these address, but we can have very rapid, quick action on the repopulation zones. We'll take away the comments here [inaudible] hopefully this is an indication that we really want to drive this forward together with you. Deputy First Minister, I tried to be reasonably prompt as requested.

**John Swinney:** As ever Fiona, thank you very much for that. I think the – just a couple of observations for me. First of all, I appreciate James' comments and it is now 14 years in which I have chaired the Convention of the Highlands and Islands so there's – it's a particular privilege, but also it provides a constancy of line of sight of how we can address issues in the Highlands and Islands, which brings me to my point about the significance of this agenda item. If we – you know, we often search for what is the silver bullet in many of the issues that we wrestle with and fundamentally, the silver bullet of many of the challenges that face the Highlands and Islands is population and its density and intensity.

Margaret made the point about the growth of population in the Inner Moray Firth area which has obviously resulted – you know, it brings with it a tremendous uplift in activity, but it then also, as we've found out, nudges the Highlands down the priority list for funding relating to depopulation and deprivation and [morality] because there's such a punch coming from the Inner Moray Firth. Then at the other end of the spectrum, you've got James Stockan's points which are, you can have population growth and there is population growth in Orkney, but it might not be of economically productive individuals.

As we look for solutions in this area, strategic policy interventions like the University of the Highlands and Islands and then out developing its functions for example, in my area of policy just now of delivering initial teacher education remotely so that people can stay in their communities, can train to be teachers and then go on to be teachers in their locality, is a marvellous way of establishing new skills in a community and avoiding rural depopulation. I think there's a – I think what I'm trying to say is that as the Convention takes its steps forward – obviously there's an election to be had and

we'll see whose round the table from the government's perspective after 6th May, but I would – one of my observations on my long association with this grouping is that population has to be viewed as one of the utterly central questions that we wrestle with because it will effect sustainability of health services, sustainability of education services, economic opportunities.

Interestingly, we probably have the best context in which to try to do something about it because of the improvement in digital connectivity which we now have. It's not all difficult – a lot of it is difficult, but it's made more palatable by digital connectivity and what that offers us. Thank you Fiona, that was a fascinating discussion. I think we probably could have spent another hour on that by the number of contributions that were there and so it will be one that we'll have to come back to. If we move onto the next discussion. Again, Fiona is going to lead this on EU exit and the implications for European funding and their equivalent. Fiona, over to you and I think we're going on this until about 11:40 so just – you know we can just work our way through this. Okay, thanks Fiona.

**Fiona Hyslop:** Thanks very much and thank you for that last discussion. We could have gone on and I hope we do have opportunities in the future to address this further. On the EU exit and economic impact, at the last meeting of CoHI we discussed the regional impacts of COVID-19 and plans for economic recovery at that point. Clearly, COVID has impacted on us in a year that we could never have imagined, but clearly a lot of our focus in the last year has been about tackling the mitigation of those impacts, but during the same period we've also experienced the most fundamental change to our trading route and relationships in decades with EU exit.

In contrast to the worldwide pandemic, the impact of EU exit has been largely predicable. After two months of trying to do business under the new UK-EU trade agreement, the nature and the scale of the problems, we are as anticipated, come into sharp focus. We're addressing these new realities. It's made no easier by the worsening relationship between the UK government and the EU that we're observing reducing the likelihood of EU flexibility or significant concessions in important ongoing negotiations. Now, the two papers here are a timely look at what we know about the economic impact of EU exit so far, particularly in the Highlands and Islands.

Since the paper was circulated, official trade statistics for [unclear] 21 have been published and there's no surprise that these figures show a decline in both exports and imports and the impacts of them are quite staggering. We are in the midst of a global pandemic. January is traditionally a slower period for trade and many businesses have been winding down, stockpiles have been built up to tide them through the uncertainties of the UK's exit from the EU. We anticipated that, but the scale of these reductions is staggering and very troubling for our future recovery. Compared to December 2020, UK goods exports to the EU in January were down £5.8 billion – that's 43 per cent. UK goods imports from the EU were down £7.4

billion – that's 33 per cent down on December 2020 and they're the largest monthly fall since records began in 1997.

Precise details of Scottish trade will take a bit longer to emerge, but there's some deeply worrying trends in the UK statistics. Exports of beverages in January – a key sector for the Highlands and Islands - were down [£117 million]. That's down 60 per cent. This includes exports of Scotch Whisky to the EU down 60 per cent lower than in January 2020 over the year. Export of fish – another key sector for the Highlands and Islands – were down £77 million, that's 83 per cent compared to a year ago and that includes exports of salmon which were 98 per cent lower than in January 2020.

The information from EU member states is similarly troubling. Reports that the exports to the UK from France in January were down 13 per cent and imports down 20 per cent. Italy is reporting exports down by 38 per cent and imports down by staggering 70 per cent and Germany reporting exports to the UK down [34 per cent]. These are definitely not teething problems as some have tried to claim. We are seeing an overwhelming real-time evidence of the trade friction that we would expect from replacing the member of the EU with a narrowly drawn deal and we feel there's more bad news to come particularly when we see the impacts on migration, baring in mind the previous discussion we've just had and also on the service sector.

Serious though these immediate impacts are, we're going to have to look at some of the issues around the longer-term supply-side impacts such as diversion of trade, foregone investment productivity, as I mentioned, migration and ultimately growth. Our assessment is and remains that by 2030, we expect a six per cent reduction in terms of the GDP and that that will be six per cent lower in Scotland compared to continuing the EU membership. The evidence is growing that the impact is very grave indeed. As the paper discusses, the issues which are causing delays and costs and losses to businesses include the following – and I can say that on regular correspondence and indeed raise these issues in meetings with the UK government.

Non-tariff barriers such as extensive new customs and export requirements and processes, new financial burdens such as tariffs and VAT, new and complex rules of origin requirements and specific prohibitions are restrictions on some exports, and disruption, capacity shortages and increased costs in haulage, freight and intermediary sectors with particular issues in the groupage aspect. There are things that are short-term in nature. There are things that have been exacerbated and compounded because of COVID, but there are things that are systemic that don't have easy fixes.

Even the short-term issues are adding pressures and they're diverting energies and cash-flows which importantly have already been depleted by COVID-19. These are particularly burdens on small businesses and exposed sectors and fragile communities are grave indeed. I don't need to tell this one so that particularly around the issues around food and drink and textiles and the crucial importance to your areas. A good sector particularly around – if you look at textiles, the rules of origin, the customs and VAT requirements are things that we have emphasised to the UK

government need addressed. There's a – we always knew that there would be difficulties. Some of this quite clearly was predictable and foreseeable.

We've highlighted these issues prior to Brexit. We continue to do that with the UK government to identify what can be done in terms of those areas that can be dealt with and particularly making sure that they acknowledge the scale of the problem. I welcome your insights into the impact of EU exit in particular, but there are two halves to this discussion, and I'd like to hand over now to Hilary Pearce who is Deputy Director of our European Structural Funds and State Aid Division to provide an overview on the second paper which is under the agenda item on Scotland after EU Structural Investment Fund. Hilary, can I bring you in now.

**Hilary Pearce:** Thank you, yep. Thank you very much Cabinet Secretary. Could I ask that the slides are put up by Adam. Thank you very much, that's super. The last update on the replacement for the European Structural Funding, I think, was in October last year so there's been quite a few developments since then and I'll try and be succinct about these. Could we have slide 2 please. The Shared Prosperity Fund was the UK government's announced intended replacement for European Structural Funding that they announced in 2017 and we in Scottish government then did an extensive consultation and published last November, our plan for proposed Scottish element of the Shared Prosperity Fund. On the left-hand side of the slide, you'll see the focus of our consultation and the focus of the plans that we set out.

Firstly, our plans set out that we would focus on reducing economic and social disparity within and between places and people across Scotland and we would do this by improving places, reducing poverty, increasing skills, growing businesses and jobs and have two horizontal themes of wellbeing and tackling climate change. This was a very robust and well-evidenced that was set out. We would also administer it through decentralised arrangements, and we set out that it would require £183 million per years over seven years and would include provision for LEADER and the continued participation in European territorial cooperation programmes if possible.

However, the UK government has announced the Shared Prosperity Fund with certain parameters around it, but without very much detail at all. We expected a greater level of detail in the Budget on 3rd March this year, but that wasn't forthcoming. In fact, very little is still known about the Shared Prosperity Fund other than it's a five-year fund which is going to be developed over the coming months including some level of engagement with devolved administrations, but we're not entirely sure what that will transpire to be. We do know that three other funds were announced in the Budget which are in the same sort of territory of economic development and renewal. There's the one-year Community Renewal Fund. There is the four or possibly five-year Levelling Up Fund and there is the Community Ownership Fund. These three funds were also announced by the UK government at the budget on 3rd March.

Could we move onto the next slide please. Thank you. I'll run through the – what we know of these three funds as they stand at the moment. The UK Community

Renewal Fund is a 12-month fund which runs from April this year until March 2022. We understand that it's going to be competitive across the whole of the UK and therefore, it's possible that Thurso will be in competition with Truro or Brechin in competition with Bristol for funding. It's only £220 million so that spread over the whole of the UK obviously isn't a huge amount and there are 100 top priority areas across Scotland – sorry, across the whole of the UK of which 13 areas are within Scotland. Three of these are within Argyll and Bute, North Ayrshire and Arran and the Western Isles within the Highlands and Islands region.

The UK Levelling Up Fund is a longer-term fund. It's intended to be for visible investment in communities so we understand that it's four or five years and the applications for this will be taken up to 18th June. The Treasury, the Ministry for Housing, Communities and Local Government and the Department for Transport will all be jointly administering the fund and the fund totals £4.8 billion, and Scotland is expected to be allocated around nine per cent of this although the details of how that will actual happen are not clear. It's predominantly a capital fund and again there is a list of 100 top priority areas across the UK of which 13 are in Scotland, but this list of top priority areas is not the same list as for the UK Community Renewal Fund and only one area is in the Highlands and Islands of the top priority areas. That's North Ayrshire and Arran.

The UK Levelling Up Fund is expected to seek endorsements from MPs, and we have rather scant information about that is expected to work and what weighting an MP's endorsement is likely to give, so that's a bit of blank area at the moment. The third new fund that was the UK Community Ownership Fund. Again, the application deadline for this is in June of this year. It's £150 million across the UK and each bid is for up to £250,000. Match funding is expected to be sought by community groups and it is intended to be for assets or facilities that communities want to run and own themselves. That's the third of these new funds.

A particular difficulty that we in Scottish government are having with the Community Renewal Fund and the UK Levelling Up Fund is understanding the basis on which the priority areas have been worked out and we have asked for further information on this on many occasions. What we have discovered so far is that the methodology on the prioritisation of areas doesn't appear to be fully appropriate for Scotland or indeed for Wales. In particular, no metric has been included for Scotland or Wales on transport connectivity. There was an offer by Transport Scotland to put forward our data on transport connectivity, but it was turned down by the UK government. Therefore, no metric on transport connectivity has been included in how the prioritisation of local authorities has been worked out.

Could I have the next slide please. Where does this leave Scottish government? Well, it's not clear exactly whether we will be able to implement our very robust and well evidenced plans for a Scottish Shared Prosperity Fund to any degree, but we will certainly – we are pressing for influence and meaningful, proper engagement in the development of the Shared Prosperity Fund, the five-year fund over the coming



months as are other devolved administrations as well. We are asking for further clarity on the Community Renewal Fund, the Levelling Up Fund, the role of MPs, the Community Ownership Fund, the inclusion of LEADER, the metrics and the methodology that has been used in the prioritisation lists. We are liaising with other devolved administrations and local authorities on how this may work, and it is not clear yet whether there is going to be any interaction with the city and region growth deals areas at all.

That's a summary of where we are at the moment. We are very happy to forward to anyone, the links to the uk.gov website which has the details of the prospectus on these particular funds as they stand at the moment and I'm happy to take questions or comments regarding the proposed replacement for the European [struck] funding. Thank you.

**Fiona Hyslop:** Thanks very much, Hilary and I'm trying to identify my participants listening. Again, if you want to indicate with your hand if you want to come in. I mean, I think I'll just [inaudible] be quite blunt that this is an example – I think both papers have bypassed Britain where you see the trade being bypassed, but you're also necessarily seeing the devolved administrations – not just Scotland, but Wales as well – being bypassed in terms of the funding and it's also more detached. I can bring in James and then I'll bring in Margaret. James.

**James Stockan:** Thank you very much Cabinet Secretary. My first question was to yourself, because we're speaking about the relationship with Europe, but when we come to exports, we've been told – whether it's true or not – there's a big wide world out there beyond and so I'm just interested to know what the Scottish government do about making sure we get new markets or is that something that's completely controlled [at DFT] and how can we influence and how can support where we need to find replacement or opportunities that disperse some of our exports and things like that. That's my first question on that.

Then, with regard to the Shared Prosperity and all these other funds, I'm interested to see that they're coming direct to local government which has kind of surprised me because if they do, local government doesn't pay VAT so therefore we will actually – the Treasury won't be getting their cut back off this. I'm just really interested to see that – I mean, we maybe have a fifth extra value from these funds because in the past, things have gone through other agencies and we don't get the full value into the economy or the money. I'm really keen to know how we can maximise the benefit and it's also a call to the Scottish government to not forget that mechanism to make more of your money if you do your capital.

I see capital to councils go down all the time when we actually can do more for the money and I'm just interested to know if politicians and people can remember that point so that we get more of the value into our remote communities. Thank you.

**Fiona Hyslop:** Okay, thanks James. I'll bring in Margaret, then Graham and the Fergus Ewing. The Cabinet Secretary wants to come in one this as well. Margaret.

**Margaret Davidson:** Okay. Right, hello again. Right, okay. Thank James for bringing up the trading issues. I think that is an important question. It's very hard not to almost panic when you see the figures around our salmon and whisky exports and that's just two areas. Really concerning especially with the huge investment that we've had in both industries. The funds – oh, well I felt like sitting down and crying so thank you for sharing our frustration. I mentioned it in the last item, if you take Highlands as a whole, as they obviously have, they are completely bypassing that we have a huge area of our geography in Caithness and Sutherland where we're looking at up to a 20 per cent decline in population and the rundown of Dounreay – the UK government project really impacting in the next three to four years. I'm appalled at the lack of thought that's gone into this. We are of course, lobbying on every front that we can at the moment to at least understand what the issues are, and just be sure that we're being taken in some sort of seriousness. Good luck to the ones that got in the higher tiers. Absolutely good luck. I don't play dog in a manger, but my goodness, I can not understand how the Highlands has been bypassed like this. It's an absolute mystery to me. Well, I could say something cynical and political. I won't. It's a struggle.

**Fiona Hyslop:** Yep. Graham, can I bring you in? You want to come off mute? If not, Margaret we'll let you make your political comments which I probably shouldn't but Graham, if you can come in and then Fergus.

**Graham Leadbitter:** Yes, thank you. Yeah, like other leaders on the call today, I was in the briefing by DCLG and UK Government on these funds. The questions that were asked by leaders from right across the whole of the UK, but particularly in the southwest of England and Wales and Northern Ireland and Scotland were very much around rural issues around energy poverty, rural poverty which doesn't appear to have been factored in in any significant way in the way that the fund is being divvied up so anything further lobbying that can be done with the Scottish government which we will also be doing from a local government level is very much appreciated.

I think another area that we really need to focus on is chartering infrastructure for electric vehicles. Again, you know, I think at the – if we're going to access any kind of funding from anything, we need to have a lot of flexibility around that and again, any lobbying that can be done to try and get that flexibility is going to be absolutely critical if we want to meet our climate change targets in the coming years. It is incredibly frustrating as others have said, and I think we just need to keep battering away at it to try and figure out what exactly it means.

**Fiona Hyslop:** Okay, and although I'm introducing this section, really Fergus Ewing has been leading so much from the Scottish government on a number of these areas. Fergus.

**Fergus Ewing:** Yes, thanks Fiona. Thanks for all of the participants to the discussion. I guess I wanted just to say a few things particularly in response to James' perfectly fair question about identifying new markets. Just to reassure James

that irrespective of COVID and Brexit, certainly in the food and drink side and the rural economy, we and SDI have been working away for many years to promote our food and drink and we do so for example, through in-market specialists that are based throughout the world – really, a sales force – and through the Showcasing Scotland event in Gleneagles which takes place every two years and local showcasing events. The last Gleneagles event brought in an additional £50 million worth of sales.

In addition to that, James, over the last 12 months during COVID, the Scottish government and – I've led this work, have engaged with all the major retailers to try to boost the UK market for our food and drink. I have just finished actually, just last week, the third round of meetings with nine – so about 30 meetings, 27 meetings anyway, with all the major retailers and they are, to be fair, all doing an awful lot more. I mean, Marks and Spencer buy about 60 per cent of our haddock quota. Morrisons have decided to up their game in purchasing beef and lamb. Aldi and Lidl do a terrific amount in that front so, you know, there's a huge amount going on.

I mean, I'd probably say I'm more of a frustrated sales rep actually than a government minister I spend so much time on this, and rightly so because it – you know, all these companies, they like to be praised. They like to be courted. They like to be loved. They like to be wooed. Not necessarily all in that order of course, and we have had some pretty spectacular results, but there is only so much we can do. My real worry in this – it's slightly negative side – is that the costs of Brexit, particularly from places such as Orkney. A single – a small consignment of fish, that's not profitable because the costs of the pallet. Minimum costs, I heard from Fiona in the Orkney Fisheries Group just last week, are £300.

I mean, you know, the Brexit paperwork is pricing the small guy out of the market. That's a real worry so we have asked the UK government to use one of the funds that's set up to defray some of these costs especially for the islands because the Hebrides and Shetland – and I spoke to all the inshore fisheries groups last week. All were saying the same thing, that the small guy is really being hit hard so it would actually be very helpful to get the full assistance which I'm sure we will get, of all the local authorities here, to press that case perhaps in a letter to George Eustace to press for the needs and realities and difficulties facing the smaller producer and exporter to be recognised. Especially in shellfish, but also in food and drink as well.

The last point I wanted to make is that as well as the Shared Prosperity Fund, there's also the successor of the EMFF – the European Maritime Fisheries Fund. We calculated that if we'd been in the EU we would have received this year, £62 million. From the UK government, we've received an allocation of £14 million and part of that is netted off for costs. That is a matter we're obviously pursuing with the UK government as patently unfair. On the face of it, that money as many council members will well know, goes to places – ports and harbours in the Northern Isles and the Western Isles, in Scrabster, in – around the whole Highlands and Islands coastline. There's hardly a port that hasn't had some assistance from the EU at

some point and we have lost a generous friend and replaced it with sadly, a niggardly neighbour.

**Fiona Hyslop:** Okay Fergus. I mean, I think there was a suggestion there about reflecting from this meeting, the interests of small producers and exporters and perhaps collectively trying to articulate that in terms of the experience. I think that would be a very practical – and again it's the experience of the Highlands and Islands in particular. I'm less familiar with the decision making [unclear] how you'd all agree to do such a thing, but if officials on the line could perhaps try and coordinate how we might do that, because I think it's really important that the quality of the opportunities for our exporters are not lost here and their particular needs are identified. Obviously this is a – the fact that CoHI's meeting today at the time that we're getting the trade figures, is an impetuous and I think a real hook to push that forward. I've now got Charlotte Wright. Do you want to come in Charlotte?

**Charlotte Wright:** Thanks very much. Just quickly on that latter point, Mr Ewing. HIE very keen to help you with any intelligence that we have one the smaller exporters. I just wanted to flag up a point not covered in the paper which is around the current UK government consultation on subsidy control or the replacement for state aid. Just again, really essential that rural disadvantage is recognised alongside urban deprivation, so all of the factors that have been highlighted on some of those funds issues. The difference that we've been able to use in terms of the incentive effect under greater powers under state aid to invest more heavily in some of our rural areas has been really important and there's a danger that we could be disadvantaged if we lose that additional incentive effect.

Just keen to raise that point as something that could cause additional constraints in terms of our business development and indeed, the points that were made about strong economy on the population piece earlier as well.

**Fiona Hyslop:** Thanks Charlotte. Just to say that I'm pulling together with my officials, our response on the subsidy control. Now, clearly we have to issue that before purdah, which is next week, so it would be very helpful if those particular you could feed into my officials as a matter of urgency similar to anybody else on the line interested on the subsidy control issues. Basically, the kind of replacement on state aid rules. Alex and then we might need to call this to halt unless there's any final members that want to come in on this. Alex Gallagher.

**Alex Gallagher:** A very small point. I take Margaret's point that we in North Ayrshire, we've actually been given some sort of priority on this, but we haven't got any money yet. It is competitive and we'll have to compete, and we know that some of the funds are not great and they are spread very thinly, but we will certainly be competing on that. We'll be putting our bids under – you wouldn't be surprised to hear – community wealth building and the green economy so we will be trying to fish money out of these pools with that, but we haven't got it yet. On the Shared Prosperity Fund, we have may have some idea of the shape of that and what the criteria might be, but that's not set in stone yet, so I don't think we should give up.

I think, you know, HIE and the Scottish government and all the other local authorities should be making the case that whatever happens to these interim funds, the big fund – the main fund has to come out on the basis of need and something like the old map that we're working to rather than some new invented and not very well based criteria that someone else has made up in London. We should keep the lobbying up on it is my view.

**Fiona Hyslop:** Okay, that's a clear steer from you Alex. I think there's a point about being smart, that we know that the closer you are to the decision-making, the smarter you can be so even if you are looking our repopulation zones, if you're looking at our wider population work we've just been discussing, if you're smart with what you do and you [inaudible], you can make it work faster. We'll take the point about continuing to put our points across. Again, we can reflect that from CoHI itself. Hilary, do you want to come in just to address any of the points that are there as well?

**Hilary Pearce:** No, I was just going to say to Mr Gallagher, that we're definitely pressing very hard on involvement – proper, meaningful engagement in the development of the Shared Prosperity Fund because there is time to do that and we have – as the Welsh Assembly have as well – developed a very robust and well-evidenced and researched plan for how Shared Prosperity Fund in Scotland would be best administered and used for the benefit of [people and] places in Scotland. We are doing that, thank you.

**Fiona Hyslop:** Okay, thanks very much Hilary. There's obviously kind of actions on that. Two main actions. One to reflect the concerns particularly around small producers, exporters as reflected by Fergus Ewing in some kind of joint letter if that can be drafter. Secondly, the Alex point obviously made by others as well including Margaret, is that, how do we continue to try and influence to make sure that we can get the decision-making of this reflecting need, but also intelligence and to make sure that Highlands and Islands aren't bypassed in how we might approach these funds in future. That's two actions and on that, John, can I hand back to you from that session.

**John Swinney:** Thanks very much Fiona. Again, that's been a very helpful discussion. I think what we – you touched on one point, Fiona, there which was about the, what might be the right representation for CoHI to make and on different occasions in the past, CoHI where we have had issues of – which are political issues, but they are issues that command unanimity across CoHI, we have been prepared to make essentially joint representations as a combination of public authority leaders, specifically local authority elected leaders, and government ministers. We've done that on a number of occasions. I think some of the issues around about the renewables grids and OFGEM for example, and some of those decision-making processes.

I think one thing we might want to take offline is whether we want to formulate a statement which could be signed up to by all of the political leadership of the

Highlands and Islands and the government because I think all of us feel distinctly nervous about the direction of these funds. I think Alex Gallagher made a very fair point which is that whilst North Ayrshire might – well, we'll work very hard to try to secure support, there's – I don't think any of us can be confident at this stage, that this is all going to be based on need and if I can put it as delicately as that, and if it was to be based on need, then I think there'd be many others of the Highlands and Islands that would be strong candidates for financial support as they have been in previous years with European programmes.

I think if we could take that possibility offline as well and [unclear] get to that point of putting together a statement of that type which can be made to the UK government which will, I think, chime with what our colleagues in the Welsh Assembly government and in the Northern Ireland Executive and also in parts of England are actually saying about this as well so if we can add that to the steps there. Okay, thanks very much Fiona for leading that session and for those two this morning. Can we now move onto the discussion on workforce and skills and let me say a few words to open this up before I bring in other colleagues.

I think the – obviously, again, we've discussed the issues of skills within CoHI on an ongoing basis and part of what's been a strength of the position that developed over recent years, has been the emergence of a much stronger employment base within the Highlands and Islands. Indeed, in the last – the post-financial crash downturn, the Highlands and Islands economy performed much better than the rest of Scotland principally because we didn't suffer the effects of depopulation. Population was crucial to that workforce strategy. What we now have to do in the light of COVID, is make sure that we're learning some of those lessons to ensure that we're supporting individuals and economies as they recover from the challenges of COVID.

The Scottish government has set out a number of different measures that will assist in the development of the workforce around, for example, the National Transition Training Fund and the Flexible Workforce Development Fund which are crucial interventions to try to support the development of skills within the area. We also – and Fiona has been instrumental in this work – developed the Young Persons Guarantee which is to ensure that within two years, every person aged between 16 and 24 will have the opportunity to study, take up an apprenticeship or work experience or participate in formal volunteering as part of the COVID recovery strategy. This is crucially about making sure that we all go into this period with the determination to take a, no one left behind approach.

We've been working very closely with the Funding Council who in turn have been working very closely with colleges and universities to make sure that we expand as far as possible the capacity of institutions to be able to provide opportunities for young people to study and for others to be able to develop their skills should they face a period of disruption. What we are trying to do – and colleagues will come on to say a little bit more about this, is ensure that there is a comprehensive offering

available to people should their life chances be disrupted by the economic effect of COVID.

I would have to say, in all honesty, that we expected there to be much more disruption in the labour market than there has been to date. There has been some, but not nearly as much as we feared so we are having to reprogramme and reprioritise expenditure to ensure that we've got in place all the interventions that we require when we require those interventions. We've been greatly helped in that respect by the flexibility offered by the Finance Secretary to make sure that provision that we had in place which could have been used last October/November, for example, when we thought it would be likely to be used – or needed to be used – will in fact be available during the course of this and the next financial year.

We're trying to be adaptable to meet the needs of the disruption in the labour market when it comes, but it's taken longer to materialise than we at first believed would be the case. I'll leave my comments there. I'm going to hand over to Stephen Sheridan from Skills Development Scotland and to Jane Lewis from Shetland College, UHI to talk us through the paper that we've got and we're very much open to views as a consequence. Over to you Stephen.

**Stephen Sheridan:** That's great. Good morning everyone and thanks very much Deputy First Minister. Could we get the first slide please? I really appreciate the opportunity to speak to members today and delighted to be doing so on behalf of the Senior Officers group as well as other members who contributed to today's paper. I'd just like to spend a time giving a short update on the ongoing impact that COVID's had and highlight the collective response that's been so quickly mobilised. You'll see we've been focusing on two key areas. First, responding to the immediacy of the COVID crisis and then at the same time, looking to shape skills provision aligned to future economic growth. Next slide please.

I think an important place to start is to recognise that we're still in a very challenging place in terms of the economy and labour market. The good news is, I think, collectively we've got a good, shared understanding of the current employment and labour market conditions and it's certainly informing our response. We're all familiar with the sectors most impacted, but we're also seeing some initial challenge resulting from Brexit as been set out by the Cabinet Secretary. Certainly, we saw in January, real concern from the fishing industry, ongoing concern from food and drink as we've touched on, on exports and now confidence has been effected by hoteliers and the tourism sector around their ability to access labour and open back up when restrictions are eased. Certainly, this concern is something we're hearing very frequently, and I've heard myself from hoteliers from the likes of Loch Fyne to [Kylesku] in recent weeks as well.

As the Deputy First Minister said, while we haven't seen the expected rise in unemployment yet, we are preparing in a worse case scenario for a rise in redundancies once furlough ends, but I do think there's many communities have already been financially impacted. You just need to look at the large numbers in

furlough, big jumps in universal credit and unfortunately a significant rise in the use of PACE service. We know that our young folk in rural communities are being the hardest hit economically. We've seen large rises in the claimant count right up the west coast and the Western Isles, and parts of Highland. I saw a really good presentation recently from Highland Council showing universal credit. In Skye, the ward there has increased up by 2063 per cent from this time last year so some really worrying statistics there.

Then there's the pipeline of young people in the education system who will require our concerted effort with entering what's going to be a very unstable labour market and coming into that at a challenging time. Next slide please. What's been the response from partners? I think the first point I'd like to make is that the effort has been a collective one and been led by the main by local authorities working with regional partners such as HIE and UHI with the support of the national agencies through SDS including Scottish Funding Council as well. Again, positively I think partners have responded very well to the crisis with an extensive range of localised solutions. We've seen an immediate response that's included mobilising around enhanced PACE offer to help those affected, but as we look to recovery, I think we've also seen an intensification of partnership working and some new partnerships developing as well.

The fresh local employability partnerships will be pivotal in terms of providing an effective response and if you don't mind, I could give a few short examples of progress to date. Last week Moray Council launched their Moray Pathways Hub with funding from the Scottish government but also funding secured from DWP. A great initiative which will physically bring together partners to offer services physically as well as enhance a partner-wide online learning offer. The Highland Employer Recruitment Offer is part of a wider suite of support for individuals and employers so again great to see last week Highland Council allocating – looking at additional funding to support all age customers as well as a step-change in MA] recruitment.

We'll hear from Jane and colleagues in Shetland soon about their partnership and collaboration, so I don't want to steal their thunder, but it's fair to say the focus there is on understanding employer need and what that means to the skills system. Similarly, this is the case with Orkney Islands Council where they've established an Orkney Skills thinktank which is informing service delivery. In Argyll, there's been a real focus on simplifying how individuals navigate what can appear to be, at times a very complex landscape and they're all getting behind the single point of access. Finally, we know that digital delivery has been a real strength for the region and certainly put us in a good position to deal with the crisis of COVID. In the Western Isles, [unclear] have been leading the way through e-Sgoil and this has certainly come in before lockdown.

I think it's worth a mention about the importance of Gaelic as well and how SDS actually has been integrating that into our online digital service offer. Similarly, in North Ayrshire, we've identified there'll be increased demand for additional digital



skills training, and they are looking to ensure that everybody has got equal access by supporting the digitally excluded with IT equipment, training and data packages. Next slide please. I thought it was really fascinating to hear the repopulation proposal from Calum Iain this morning and particularly the pre-requisites for steering our population and I think there's similar preconditions for skills investment I think we've touched on today and Frank mentioned the labour market recovery will need to be underpinned by a clear and compelling economic vision which in turn drives investment and skills.

I think we've got that through the work in HIE in the local authorities and we already know the strengths of our region and our sectors and we're looking to invest in future transformational opportunities. We also need to grow our worker age population and the case for this is well understood so great to see the launch of the population report today by the Cabinet Secretary. Also, good to see the proposed regional repopulation action plan. To support our worker age population, we need the strong infrastructure, accessible housing and digital connectivity as set out in that paper. Otherwise we are potentially denying access to large parts of our population to the skills system.

The range of conversations I'm having with employers around skills and recruitment post-COVID, these reconditions have always been raised but they are certainly coming to the fore again and they're getting raised as barriers to engage with as well as provide opportunities for our young people. Again, really encouraged to see the holistic steps proposed today around repopulation. I'm keen to continue to join up the conversations around skills and the economy while the refreshed [unclear] action plan rightly has a significant focus on skills, it also recognises the importance of attracting and retaining talent and I think that forum has got a role to play in continuing to address them as well. Next slide please.

Despite the exceptional response so far, we still need to build on the support available and look towards recovery. Future workforce and skills provision can be characterised by four broad themes and these are the focus of our planned future activities set out in the paper and we're looking for the Convention to endorse these today. Firstly, embed and refresh [unclear] in scaling up our pay support are essential as we look to recovery. It's important to provide a no wrong door approach to accessing support and make sure it's easily navigated. Secondly, in meeting the challenge of the transition in economy, we need to have a continued focus on evolving our skills provision.

As set out here, we can do this by retaining the best of our academic provision, expanding work-based learning, developing new rapid retraining opportunities and providing support to all workers to upskill through the new provision which we've talked already and that is accessible, localised and available 24/7. I think the innovation shown by e-Sgoil, by UHI and other local authorities in their blended learning digital offers and platforms have been a great example of what we can do in this space. Thirdly, any new provision needs to align with economic growth. We need

local industry leadership to help understand future trends and we need to listen to the views of local industry and employers.

I think HIE deserves some thanks in setting up the local business resilience forums aligned to the area footprint and I've personally found these weekly calls with employers across the Highlands and Islands of real benefit in shaping the SDS response. Finally, I'd like to stress the importance of addressing the critical enabling factors to support effective workforce and skills investment. A clear economic vision, first class physical and digital infrastructure and a commitment to attracting more people of working age to the region are clearly key and I think something that has been well understood today. Next slide please.

Rightly, while there's been a lot of effort focused on the short and then looking into the mid-term, I'd like to highlight the considerable efforts that's gone into the long-term plans to expand quality skills provision across the region. Last year and continuing into this year, SDS, UHI and Scottish Funding Council have spent a lot of time considering direction of travel of the economy and landed on a number of agreed sector opportunities which has been validated by local partnerships. Looking to the long-term, net-zero, the blue economy and nature-based jobs provide new major opportunities for recovery and growth. Alongside this activity, the local authorities as well as other universities including UHI as well as other partners, have been developing the business cases for the numerous growth deals. There's other developments also in the pipeline funded through other sources such as [emness] which you can see on the map as well as being driven by the private sector which is great to see.

The map on this slide is a snapshot of planned investment in skills which have agreed with the total well in excess of £120 million across the Highlands and Islands in the coming years. It's worth reiterating that this is only a snapshot in time as well as it's not an exhaustive list. For example, we're still to agree the heads of terms for the Island Deal albeit that's very imminent and it also doesn't include other significant investment coming from HIE that will directly create employment and lead to demand for skills and training. However, the overall picture of this is the outcome of this planned investment should be significant job creation over the next five years and then in the longer term see a significant enhancement offer in skills training, education and reserved infrastructure in the region which is going to be really great.

Rather than me go into any detail on this, I'd like to pass over to Jane Lewis from Shetland and she can provide a short overview on how Shetland has responded to the crisis and what their future plans are. Move to the next slide please.

**Jane Lewis:** Thank you Stephen. I'm going to provide some examples of what's happening locally around skills development and skills delivery. I guess the first thing

I would like to emphasise is that importance of local delivery but set in wider context. For us, we've been looking at an UHI island strategy and one of the key points of focus in that strategy is the partnership and collaboration that we've heard so much

about already today. Could I have the next slide please. At the start of this very difficult journey, we've had over the last year, some of us were meeting together and we realised that we needed to work closely together to try and mitigate what we felt was going to be a really difficult period for employability across the Isles.

We set up the employability task force and the importance of that has been the ability for us to review our local situation to look at the external schemes that the Deputy First Minister mentioned and to think about how we could really make them work well for us and to agree actions and activities to make things happen, and make things happen easily so that point of [single] access that I think Stephen referred to earlier. Particularly in terms of identifying skills and looking for skills development for the future, we worked with SDS to have a Living Lab which is an opportunity for an in-depth discussion with employers around scenarios. A really wide-ranging discussion and we had our first Living Lab.

I have to say we have a couple of foundation apprenticeships come on stream as a result of that, but it has set us on a journey of wider skills and determination and the development department on SIC is following that up and we have contributed to a questionnaire that will be going out to local businesses very soon. The intention is that we will then use that to inform another Living Lab, another in-depth opportunity to really interrogate the outcomes of that questionnaire and make sure that we can align our college delivery with what employers on the islands are wanting. Could I have the next slide please.

We're really sensitive to understanding that we all need to work together on delivery of skills and this slide is all about apprenticeship offer through Train Shetland. Train Shetland works with a huge number of companies – 70 companies on Shetland, large and small, public and private. They work with the employers, with us as a college and indeed some other colleges as well as the apprentices and they have a brilliant record of 90 per cent completion at present. But what's been really concerning us, obviously, in this last year has been to keep these apprenticeships going. There's been a huge amount of work around our contract for 2021 which was for 100 new places. I think if you'd asked us at the start of the year where we would be, we would have been a lot more pessimistic than the out turn.

I'm delighted to say that we're looking to have 80 starts this year and that I think, is a testament to everybody working together and in particular, our employers seeking that investment in the future, understanding this is really important for our young people and people within the workforce indeed, and we're delighted that we are – we have managed to mitigate at least some of the impact of the current crisis. We will be working really hard to make sure that happens in the next period as well. My final example of us working together – could I have the next slide please – is the creation of the new college in Shetland.

We're bringing together the NEFC Marine Centre, Train Shetland and Shetland College to form a new college – Shetland UHI. On the left-hand side at the bottom there, you can see the proposed sectoral areas of our different sections and on the

right-hand side you can see the growth investment opportunities as outlined in the paper that has been provided. I'm delighted to say that the college is really involved in all of those projects – 25 through 31 – that concern Shetland and we are either working directly on or working with or talking with all of those folk there. We're really focused in the new college on making sure that we've got the correct mix of skills for our local employers and for our young people and we're really excited about the future. Thank you.

**John Swinney:** Jane, thank you very much for that. That was a fabulous summary of the practical steps that've been put in place in Shetland and enormously reassuring about how the issues that I frankly obsess about, about alignment, is actually turned into practical reality. That was really fantastic, thank you very much for sharing that with us. Now, I'm going to open it up for discussion. We've got maybe about 15 to 20 minutes to do this. Can I come first of all to Margaret Davidson and then I'll come to Malcolm Burr. Margaret.

**Margaret Davidson:** Thank you Deputy First Minister. Can I begin by two genuine thank yous. One to Skills Development Scotland for the energy that they've put into the massively improved partnership working we've got working across the Highlands and their vision of moving things forward. I've been really impressed and we are making some real progress. Also, to the Scottish government for the range of supports that you've put in place for employment. Our job now, all of us as leaders, is to make best of that and to make the best of it for our region. The baton now sits with us and I'm very aware of that.

If I could, I'd like to relate this back to the last item on the repopulation and the geography. I need to get some local assurances myself about how what we're doing is going to be there. What we've got to do above all else – my contribution is going to be kept fairly simple. I think this is about communication. Every young person in the Highlands needs to understand they have opportunities that they perhaps didn't think they had, and that they need to be – they need to get some hope. There's never been more a time when we haven't need hope more than we do now and it really is important.

You heard – I think, Stephen gave you the statistics there – the DWP tells us our joblessness is top of the league. Universal credit – we've got some terrifying figures in Skye and Lochaber actually which you'd never expect. This is because a lot of our eggs were in the one basket – tourism. These [unclear], their livelihood has vanished, and they are seriously worried as they go forward. I think all of the effort that we put into reigniting tourism this year is vitally important to help them get through next winter. That could be the realcrippler for many of them. I'm also really that we put energy into small and medium-size businesses. They are the backbone of our economy in the Highlands and elsewhere to, I'm sure.

I think the role for Business Gateway along with all that's going on here, is vitally important. Again, I want them to be visible in every community. They need to know there's help there. There is no wrong door. Ask and we'll help you back into work.

The really important thing is getting people back into work. Now, that doesn't have to be a job for life, it's a job to keep food on your table in the first instance for many people, but then we do need to think about, what about the jobs for life. Where is the growth factors. Now, we've got growth factors in Highland and we'll be working really hard on those. The green port possibilities and the hydrogen in Easter Ross are genuinely exciting. I think I've not seen people as excited about the prospects there as we have since oil and gas in the 70s.

Real opportunities and let's make the best of them. I want every village, every corner of the Highlands to know that there's help there and that there's possibilities there. I didn't see it in your list of investment, but actually the investment in nature-based solutions for climate change, I think is absolutely vital to where we're going, and I think we need to be very clearly thinking about how we support that. We're not looking at just a generation of tree planters, we looking at far more significant world leading opportunities if we get this right. There's that and there needs to be a public sector offer about dispersal of jobs, bringing people on, changing the age profile in our public sector which is very much of an aging profile. We've got opportunities if we grasp them and as a public sector, we've got a duty to do what we need to do here.

I'll go back to where I started communication. Everyone in the Highlands and Islands needs to know all of this work is underway, that it relates to them and our young people need to be hope. Thank you.

**John Swinney:** Thanks very much Margaret. We'll come back to reflect on all these points in due course. Can I come to Malcolm Burr and then I'll come to Todd Walker. Malcolm.

**Malcolm Burr:** Thank you Deputy First Minister. I'll be as brief as I can because my colleagues in Shetland and Highlands have just made many of these points. Integration has been critical to the success, I think, of how Highlands and Islands councils have reacted quickly to the demands and realities of COVID and that's both management and the recovery strategies that we're putting in place. We, the [Comhairle] signed a charter with Skills Development Scotland at this very Convention in Inverness in October 2019 and that's been a fantastic resource for us to measure what we're doing, to agree our outcomes and of course, it's enabled us quickly to do a full refresh of the action plan that we need.

But two things and Margaret's picked them up. It's about developing skills of individuals and quickly and meeting the needs not just of the economy, but of society. For us that includes greater working with Bord na Gaidhlig and you're aware of the work that's going on there, Deputy First Minister through other – through the development of a charter with Bord na Gaidhlig. It's not just skills for skills sake, it's about population retention and growth, developing skills of individuals and as Margaret says, trying to normalise the situation as best we can because we do have some threats.

We still have to measure the impact of lockdown on school attainment and attendance. We have to analyse it for the impact on the quality and diversity of the women in the workplace for younger people of course, and there is the wellbeing issues. I wouldn't call them mental health issues without knowing that, but there are wellbeing issues. There are issues of morale. There's also on the critical social care sector, there's the prospect of a different means of delivery there and we need to make sure that whatever's decided there, is properly integrated into the skills framework because we've seen an increase in apprenticeships at all levels in social care that's been really welcome, and that momentum has to be maintained.

I could say a lot more because it's a – we've done well I think and now we have to keep that momentum going combining our resource and aligning it to the needs of this year and next and beyond. With that, I'll stop there, but thank you for the opportunity to comment.

**John Swinney:** Thanks very much, Malcolm. Todd and then I'll come to Mary MacInnes from Bord na Gaidhlig. Todd.

**Todd Walker:** Thank you Deputy First Minister and for those colleagues – for those who don't know me, I'm Todd Walker, the new Principal and Vice-Chancellor at UHI. Can I also thank Jane and Stephen for their paper. It was really interesting, not in terms of the presentation but the data. I wanted to reassure colleagues that after 10 years of course expansion at UHI, we've just engaged the new process of curriculum review. It's one I'm describing as a T-shaped review. It's going to have both breadth and depth and in part, we will be reviewing our curriculum and linking our course supply with labour force demands. In other words, we want to increase the number of our graduate employment outcomes, and also those employment measures and it was really good to hear Jane's success in this area at Shetland and I'm sure that the association of Shetland UHI will go in part to continuing those employment outcomes.

I just wanted to point out that the challenge to do this is two-fold. One is to have growing and expanding industries and we've just heard a comment in relation to that from Margaret, but the second is – and put this in the chat line about an hour ago – the need to have entry-level jobs. It's one thing to have work-ready graduates, it's another thing altogether to have graduate-ready jobs. In other words, jobs that are at the entry level, so students who are leaving UHI often are coming into their first job and their first job requires them to have an entry-level job to move into. We know from our own data, that 70 per cent of graduates are trained and taught in the region, will stay in the region if employment opportunities exist. It was really interesting to read the population paper that was released today by the government which shows a very important graph there where there is declines of labour force particularly after the effects of COVID.

What we notice is that across the sector – and my colleagues in other universities and colleges have noticed this as well – is that when labour force declines, increases in enrolments in colleges ensue because people are in that reskilling and upskilling

market trying to find an entry-level back into the workforce. In part, UHI – we see our mission in developing mission is to drive and reignite the Scottish economy post-COVID. We have a social contract to our communities, and we will live up to that. Can I thank SDS and the government for leading in this area and ensure that, certainly during my tenure as the vice-chancellor of the university, we'll continue to do all that we can to ensure that our graduates get good employment. Thank you.

**John Swinney:** Thanks very much Todd and a very warm welcome to you and I wish you well in carrying out the role as Principal and vice-chancellor. This forum is a really powerful opportunity for UHI to be aligned with the wider priorities of the community and so your contribution there is very welcome. Thank you for that. I'll come to Mary MacInnes now and then to Mike Cantlay from the Funding Council. Mary.

**Mary MacInnes:** Thank you Deputy First Minister. I'd like to add my own voice to welcoming Todd today as well and I'd like to thank Stephen for mentioning Gaelic in his presentation at the start of this part. Just wanted to add a little bit around that. Bord na Gaidhlig along with others fund up to around 40 Gaelic officer posts, mostly in the Highlands and Islands with a few in Glasgow and Edinburgh. Some of them part-time, some of them full-time. They are generally employed by third sector organisations and work across a whole variety of fields supporting youth, supporting arts, supporting business, supporting the environment and the development of the language across all these areas of community life.

It has become abundantly clear over time that many of these jobs are young people often working in isolation and over recent times, the Bord has led with others, an initiative to support them to have a network set up where there would be a recognised qualification for community Gaelic officers. There would be, sort of, professional development, knowledge exchanged, reduce the isolation because isolation can be a big thing if it's a very small organisation with perhaps one or few people working within it. I'm delighted to say that the Board has been very successful in working with others and we are just about to announce this project working with [unclear], Aberdeen University and other partners and we really look forward to having a stronger, more robust economy and a younger, more confident workforce as a result of this work going forward. Thank you.

**John Swinney:** Thanks Mary. That's brings in important connections with some of the other agendas that we're all discussing in relation to the development of the language and the [unclear]. Mike Cantlay and then I'll come to Alex Gallagher and I thought I saw Michael Foxley, but his raised hand appears to have disappeared. If you are out there Michael, please indicate. Mike Cantlay first please.

**Mike Cantlay:** Good afternoon. Okay, three quick points because we're tight for time I see. First of all, I think we can have real confidence despite the fact we haven't seen the scale of disruption that we all feared yet, the range of initiatives that are in play. The paper, I think, highlights the amount of work that has been done and we are in a really good position considering all the challenges and I take the points

about the structural change in Shetland which obviously the Funding Council is working closely with. That's just the first point. Second point, because we haven't mentioned it. I think it is appropriate just to highlight the enormous amount of effort which is underway in every education institution right now to get as many students through this year as possible and to help those that are going to struggle to do that – to make sure that they're looked after, and that is going well, but it is a huge piece of work. I'm grateful for everyone involved in that.

Finally, just a point, I think, if our direct minister, Richard Lochhead, was here. I think he'd be saying, well this is great, but so what in terms of looking forward. How do we ensure that the world of further and higher education comes out of this stronger than every and of course our ministerial team led by Deputy First Minister, have commissioned Scottish Funding Council to review the coherence and sustainability of further and higher education, very much in line with just the review that Todd has indicated is underway in UHI. We've talked about that before. The concept of a better-connected tertiary system, but perhaps at a future meeting of the convention, that might be a good opportunity to touch base on how all that is coming together. The final phase of our review is due in the next two to three months and maybe by October, we'll see where UHI are. It might be a good point in time just to touch base on that. Thank you.

**John Swinney:** Thanks Mike. I'll come to Alex Gallagher and then Michael Foxley. Alex.

**Alex Gallagher:** Yeah, I'll be as quick as I can. I know we are running short of time. Just to say my comment on what Mike said about the hit not being as hard yet as we thought it might be. My [soundies] on the ground is that it's quite possible that just as we come to the end of the COVID, there'll be a lot of companies that have just run out of resource and that's the thing that they won't be recovering. I hope that's not the case, but that's the sound that I'm getting on the ground. In terms of this paper – yeah, the – just a couple of small points. First of all, most of you will be aware, but maybe some won't be that in North Ayrshire we are working with HIE and the Scottish government on what we are calling, an island recovery and renewal pilot which means that we have been allocated – I think it's a three-year contract for a Senior Islands Officer.

Part of the remit of that new officer – who I believe is attending today – will be certainly to increase skills and education on the islands, to target that as part of what we're calling our 10-year plan for those islands. Once small point, we talk a lot about digital and others, but what we have done this year, we have in our budget just two weeks ago, we allocated £500,000 to the green recovery and part of that will be education. It will be educating our businesses as to what the circular economy is and we do hope that that will lead to them employing people to make projects, to make their processes more green and more circular in that and we intend to subsidise them. Not by large amounts, but by a – a lot of small companies will add up to £500,000 over the next year or two. That's also an area basically of education and



training that we should be thinking about because everything is going to be green in the future as well and we'll need the skills for that.

**John Swinney:** Thanks Alex. Michael Foxley and then I'll come to Frank Mitchell who will be the last person in this section. Michael.

**Michael Foxley:** Yes, thanks very much. I dropped my hand to let our new Principal come in. I thought that was necessary. I just want to make two brief points. I'm not going to cover what he said. First of all, there is a big issue about deferrals in further education students, particularly those on practical courses. There are still people waiting to finish their 19/20 courses and also those who – and interrupted in 20/21. We're talking about significant numbers here and it was to reassure everybody that we're working very hard across the college network and the university to ensure those courses are completed. We've been giving the hard information to Richard Lochhead, but it's going to involve lecturing over very – into the evenings, weekends, over the summer to make sure those cohorts are completed.

The other thing on a more positive note is there's two opportunities. One's in the paper. It mentions about ScotWind. We really should be training much more people for operation and maintenance of offshore wind. The second, it was touched on by Margaret, but it's a positive not a negative. We need to remember forestry. Fergus Ewing has hard targets for woodland and forestry planting, so we definitely need more foresters. Thanks very much.

**John Swinney:** Thanks Michael, and Frank Mitchell.

**Frank Mitchell:** Thank you Deputy First Minister. Just a few comments. I think, first of all, to thank everybody who contributed to the paper. I thought it was a really good paper and a lot of contributions have made that really strong, so thank you to Stephen and Jane for presenting that. I think some really strong stories in there and with the collaboration going across the entire area. I think a couple of comments I would make. [Alasdair] and Charlotte, myself and Damien had a meeting with businesses in January and it was really strong. I thought a really strong meeting we had with all the business representatives right across the whole area of the Highlands and Islands.

What struck me was how dynamic the world they're living in just now and the need for us to be really agile to cope with that going through. That's going to be something that means we need to be able to plan, to change quickly and support these businesses as they emerge out of what's going to be a very difficult time for them. The sum from there I think, working again with Alasdair, we'll be constantly keeping in touch with the businesses about what support they need and how we can help them, particularly in SDS but also with our partners in HIE and what they need at any moment time as they start to emerge through what's going to be a very difficult time for them.

On the positive side, I think we had a Scottish apprentice board meeting last week and the businesses around there, they have a really strongly supporting apprentices and so there's an appetite there for businesses to do more. They want to. They see young people as our future and they really want to get on with it and get moving on it so I'm hoping some of the issues we've had on apprenticeship numbers down this year will bounce back really quickly coming forward. We're going to starting to see a business appetite really going to get young people because they see them as the skills for the future.

One area that's going to be particularly important I think for the Highlands and Islands, is the net-zero agenda. It's huge. I mean, it is a huge agenda out there. It's going to touch about every part of the economy and every community out there about what that means and it's such a huge, ambitious programme we need to all get behind and I think that's going to create a – it's all in future. There's some opportunities right across every community in Scotland so it's important that we really grasp that opportunity and get on with it as quickly as we can because we can create these jobs on the back of that and make sure that young people aren't getting left behind by what's coming out of the COVID situation. That's all I wanted to say. Thank you.

**John Swinney:** Thanks very much Frank. Okay, could I come to Jane and Stephen just for any concluding reflections on the discussion before I sum up.

**Stephen Sheridan:** Yep, thank you Deputy First Minister. If I could go first then. I suppose it's just a reflection and to reassure members. We mentioned the public sector and we talked about care as well, and while that wasn't the focus of this paper, I think it's just to recognise, there's a placement demand there, and the way services are going, it's a key area of focus for us and it's going to create a lot of jobs for our young people as well, so we are working in that area in tandem. Then, the second one just was to touch on the nature-based jobs. NatureScot fed into this paper and have actually developed a nature-based skills assessment, so that work has been really grand and welcome, and it's been feeding into the climate emergency action plan as well as the rural action plan. We're hoping to do as much as we can in the Highlands and Islands around that proposal as well. Thanks.

**John Swinney:** Thanks Stephen. Jane?

**Jane Lewis:** Thank you. I think I would just like to emphasise the importance of local delivery maybe in a networked way across UHI so that we can deliver as much as possible locally. Also, to assure everybody that this way of working in a collaborative and partnership way – everybody talking together to deliver as well as possible is something that I personally and I know colleagues across UHI are really committed to. Thank you.

**John Swinney:** Thanks very much, Jane. Again, that's been another really excellent discussion and there's a couple of themes that I'd like to draw out of it. The first is the point that Alex Gallagher made which is about the fact that there is

disruption to come. We know there is disruption to come and there are a lot of companies who are managing to sustain operations with an awful lot of support around furlough and various other interventions of that type, but there is likely to be a disruption that comes along. We've got to be able to meet the needs of everybody who is on the wrong side of that disruption which means that we have to have good provision of sufficient volume and effectiveness in place in enough localities around the country.

That brings me onto my second point which was the point that Frank Mitchell made about the need for agility. One of the things that I worry about is that we – our provision often reflects what we did last year, and we have to be able to adapt to the new conditions and what new opportunities might emerge from the economy. Maybe people won't be travelling as much in the future. Maybe they will be working from home so maybe the foundation of digital skills will be an even greater part of what people have got to do in the future. What are the implications of that for how we conduct ourselves in the steps that we take forward?

Then, the third observation is the point that Jane just made there which is about the importance of local delivery in a networked way. I thought the example we were given by Shetland was really encouraging about how we can put together collaboration in a focused way and of course the communities of the Highlands and Islands are ideally defined to enable a lot of that to happen. I suppose my plea would be, that we – and I know that Skills Development Scotland are very much encouraging this process – work with local authorities and other bodies to make sure we've got that local provision effective and in place. There's quite a lot in there to be built on. Thank you again for a valuable discussion.

I suppose the sentiment I would leave with it is that we've got to make sure that we turn into a reality, the sense that nobody is left behind by all of us. We have to avoid that at all possible costs. We cannot have people left without a focused purposeful activity in their life, because if they are, then we will suffer greater consequences in the years to come and we have to avoid that. Okay, right. That's been very helpful. A very busy morning, colleagues. We've run on just a little bit later, so we'll reconvene at one o'clock. If colleagues can manage that for the session on crofting. I'll be able to stay for that one and then the session on Gaelic and then I'm unfortunately going to have to leave the conversation and Fergus will close it, but if we could reconvene at one o'clock, that would grand. Okay, thank you very much.

[Break]

**John Swinney:** Right, thank you very much. Welcome back colleagues. We're now going to move onto a session on crofting and then we'll have a session on Gaelic. Can I invite Fergus Ewing, the rural economy secretary to lead this session and Fergus we have up until 1:40 on crofting and if you could – I'll come in then to close things off as I'll need to keep the timings quite tight this afternoon as I need to finish at 2:20 on Gaelic. If you could take us through this one, Fergus please. Thank you.

**Fergus Ewing:** Okay, thanks John. I'll be brief because the time is brief. Plainly, this particular audience doesn't really need to be educated about crofting or why it's so important to the Highlands. We're amongst friends of crofting here and I was pleased to announce an increase in the funding for the Crofting Commission to enable it to expand its developments activities. I'm also pleased to say that the national development plan for crofting will be published very soon and that should be before the end of this parliament. It aims to help protect crofting future generations to come. I should also say that because of Brexit and COVID, we missed the opportunity to do what's called the [Sump Bill] in this parliament, but I know that we are committed to bringing that back early in the next parliament rather than leave it until year four or five.

There's quite a lot more I've got on this note, but I think I won't bother reading it out because time is short and I know that Bill and Rod, the Chief Executive and Chair of the Crofting Commission are going to explain today's paper today starting off with Bill. Over to you Bill, thank you.

**Bill Barron:** Actually, it's starting off with Rod, Fergus, but from that ready to go.

**Fergus Ewing:** All right, okay. My apologies Rod, over to you.

**Rod Mackenzie:** Thanks Deputy First Minister and thanks Cabinet Secretary for the opportunity to present on crofting. Just by short introduction, I'm Rod Mackenzie. I'm the convenor of the Crofting Commission and the elected commissioner for – or from the East Highlands. My colleague, as already explained, is Bill Barron and we're going to do a short double act probably timed about 10 minutes, run through a few slides, but the important thing will be our – the questions that we get and the discussion that will ensue. We'll talk a bit about the history because the context of that is important. It is the past, I believe, that shapes the future and we at the Commission are very much thinking about the future of crofting and what it is going to look like in 30 to 50 years' time. Over to you Bill, and the next few slides please.

**Bill Barron:** Andy, if you can move onto slide four please. That's just introducing Rod and then introducing me and then the next one. Just to remind everybody that at the CoHI meeting in October 2019 when they were in Inverness and we had a full agenda that day and there were two themes that through as really fundamental challenges for CoHI to face up to. They were rural depopulation and that's the one that's obviously been the theme of much of this morning, but also land use to mitigate climate change and there was a presentation from NatureScot that day. What's critical for Rob and me and for our organisation is how crofting faces up to those two challenges and how we contribute to the max to both of them.

These are of course, concerns that we work hand in glove with the Scottish government on and as Fergus mentioned, the national development plan for crofting is about to come out which will have a lot to say about both of these things. Just to go back to basics, how would you do define the crofting system? Our paper describes it as small-scale, land-based enterprise and it really is as simple as that. I

suppose there are other things we could have emphasised like the community nature of it or the agricultural nature of it which is key for many crofters but not all.

Essentially, small-scale which gives you population, and land-based which plays into the environment. Next slide please, Andy, and back to you Rod.

**Rod Mackenzie:** What the system – what crofting has given us in the past and the important legacy it has left are the communities we see around us wherever we go in the Highlands and Islands. As you know, in any rural settlement in the Highlands and Islands where you see a lot of homes loosely linked together in a spread-out community, it's crofting that's basically given us that. The pattern of the Highlands and Islands and the population pattern there, it's largely down to crofting. They resulted from the halting of the clearances and then the land settlements between the wars. Crofting was the mechanism for ensuring people had the right and the ability to remain on the land. Over to you Bill on the next slide.

**Bill Barron:** Just to touch on the environment side of it. As people keep telling, whether it's from RSPB or NatureScot or other land-based environmental organisations, crofting has been very good for land management and for biodiversity over the years. Wherever there are active crofters, we see land being cared for and used in a low intensity way which brings all sorts of benefits for biodiversity. We probably wouldn't have the Corncrake in Scotland without crofting. We wouldn't have much machair either. Low intensity livestock farming doesn't have the pitfalls of the monocultures elsewhere in the world and has been demonstrated to be sustainable. Next slide please.

**Rod Mackenzie:** I suppose we've painted the rosy picture there, but we know it's not all rosy in the crofting – in the field. Crofting is very vulnerable. It's a fragile system, not only economically, but logistically and culturally. To be honest, the extensive regulation that was designed to protect crofters and crofting sometimes does the opposite. On the other hand, we know there are many people who are keen to promote and those who want to join into crofting, and they see the merits, the values, the culture and the approach of crofting. One of the things we don't have though are the tools to crack the problem of entry to crofting by young people.

What we can do is – there are two powerful forces against us. The pricing of crofts. I think Michael Foxley mentioned it earlier about houses in his area down at Ardnamurchan. You know, people coming in with a huge pot of money, buying up houses in a crofting area or in a rural area and basically keeping young local people out. They don't have the wealth; they don't have the connections to get into crofting and it's basically a – it's a market-based approach. The second point is quite delicate because more often than not, the croft is a person's home. As I said, there's a lot of young, energetic people who want to get a foot on the crofting ladder, but we do need to find ways to ensure that more of them can do so. Bill, next slide please.

**Bill Barron:** What we're about as the Commission, is to get the crofting system into good health. Our view is that small-scale and land-based will be increasingly important in the decades to come so it's up to us to get the crofting system in that

shape to enable crofters to play a full part in the future we need to build. We were absolutely delighted when the Scottish government increased our budgets last year to allow us to recruit four or five new posts including that commitment to host four of those posts in the Western Isles, which is our first step in the direction of spreading our jobs around the Highlands and Islands. We're recruiting two development officers to work in the Western Isles and at the same time, we're expanding our residency and land-use enforcement team with another two posts there.

We are already active so in the year before last, we resolved 200 breaches of duty by crofters and in a typical year, there's 400 or 500 new entrant crofters each year, but the question is who are they? Are these young people coming in and bringing in the families and the young people that are going to sustain that culture or are they folk bringing in money from elsewhere who may also be welcome but give a different type of impetus and input to the system. One of the key things we need to look at is that issue of croft turnover. Our residency and land-use people are already working on that, and we will expand that and we're making it a key job for our development officers too, which will mean starting by directly encouraging people to pass on their crofts when they no longer wish to work them. It could mean fairly basic things like encouraging more crofters to make a will so that you get fewer interrupted successions. Next slide please.

**Rod Mackenzie:** We've maybe got the last two slides mixed up. We spoke about good health, but anyway – we are much in good health, the new board of the Crofting Commission. We're not perhaps a new board. We came into existence in 2017 and this board were fully in agreement about the direction we want to take crofting. One of the first things we did was to revitalise the enforcement of duties as Bill has alluded to there. Crofters are required by law to live within 20 miles of their croft and to cultivate it or put it to some purposeful use. Very prescriptive in the Crofting Acts. As Bill said, we're increasing the resourcing for that team that follows up the cases where we know crofters aren't doing that. We need to do it in a proactive way giving them options to resolve the situations for themselves – a carrot approach rather than a stick approach – or arrange for the croft to be passed to someone else as Bill has already said

We determined to build on this work year on year because the needs of it are great. At our last two board meetings, we've agreed priorities for the expansion of this work. It is a huge focus for this board. We'll ensure that [we're only] going to enforce duties by owner/occupiers as well as tenant crofters. Following up crofters who don't reply to the annual census and requiring more of those who own vacant crofts to let them. Bill, and the next slide please.

**Bill Barron:** Just to touch briefly on another aspect of crofting which is the common grazing, so the extensive upland areas in which crofters have collective rights. Much of the debate about peat restoration and tree planting has been focused on some of these extensive areas. From our perspective, almost the first and pre-requisite step is to make sure that there is an active grazing committee able to coordinate the

crofting interest in these lands. There has actually been quite a sustained decline in grazing committees over the last couple of decades. Maybe that's part of a reduction in community-based activity in our society as a whole.

Our grazings team has been very proactively contacting townships, showing them how to organise a committee, showing them what the requirements are, and we did see an increase in the number of grazing committees in 19/20. The last year has been a bit of a challenge for that because the normal way of appointing a grazing committee is to have a public meeting and that's obviously been very hard to do during the pandemic. We've been creative with how we support committees to continue in existence or we can appoint them direct, and we've managed to minimize the reduction in that number that we're very proud to have achieved.

Other complexities about grazing. The funding of peat restoration projects, it's particularly complex. You've got the Scottish government funding through NatureScot on the one hand but also the carbon credit market on the other which I think most people would admit is underdeveloped as yet. When you add into that the fact of having crofters with grazing rights on the same land that's owned by a private or a community or a government landowner, it does get quite complicated to work out how the finances flow and how the land rights flow. We're going to start by encouraging initiatives of that type where there is collaboration between the owner and a grazing committee where everybody is on the same page and everybody is wanting to get something done.

We'll start with that relatively low hanging fruit and we'll be looking to kickstart that in the Western Isles, but also elsewhere. We want to see our development thinking in the Western Isles obviously spearheaded but spread around the rest of the crofting counties. Next slide please.

**Rod Mackenzie:** Okay, one of my top priorities among the others that say, were for the board, but it was one of my very own ones that had been to ensure the Commission is in touch with crofters. Not a remote body behind a wall or in an office someone, but a body that's interested in crofting and wants to help crofters make a success of their crofting enterprises however diverse they might be. We began that by making sure we were frequently present at agricultural shows and gatherings and of course, that was not possible last year, but we will resume this as soon as COVID allows. We were taking part in external meetings around the crofting counties with numerous partner organisations and that had huge benefits to be seen about and to be seen and to be able to talk to crofters on a level.

We have a well-used and evolving website which gives information on the register of crofts which is vitally important to practitioners and recently decrofting directions as well and soon to come apportionment orders. We've developed several short films including one in Gaelic, podcasts and blogs as well. We also regularly use social media platforms. We're interested to take this sort of engagement further and get more routinely involved in providing general and specific information to crofters and

being a signpost for them to where they can go for advice when they need it. Bill, and the next slide please.

**Bill Barron:** We know that there are lots of young people who are interested in taking up a crofting lifestyle. That comes through from all our stakeholders and although, as Rod said, we don't have a solution for that how they get in and that initial pricing and availability at the start, I want to emphasise that some of the infrastructure once you're in, is in place thanks to the Scottish government's Croft House Grant Scheme and Crofting Agricultural Scheme, but also things like the Farm Advisory Service and the information portal that we're going to be creating on our own website. While I'm mentioning housing – I know that came up a lot this morning – can I also mention that releasing land from crofting for housing is something which can be a bit controversial because of restrictions that we have to look after but let me say that we do fast track decrofting when it's for affordable housing schemes and we've done that on a number of occasions. Rod, back to you, and the next slide.

**Rod Mackenzie:** Okay, there's maybe not a next slide is there?

**Bill Barron:** There should be one last one. There's...

**Rod Mackenzie:** Okay. Well, thank you for listening to our whistle stop tour [unclear] crofting. There's a lot there and there's a lot to discuss in a very short time. There's many challenges as there are in any walk of life, but there are also opportunities, I believe, in at least equal measure. Not very much has changed in crofting over the years from the basic tools available such as the land and the climate, the cultures, but the methods and modern-day society have changed passed all recognition to what they were 50 or even 100 years ago. Now, in the past few years, we've all become familiar with phrases like climate emergency, carbon neutrality, food security, location neutral working, biodiversity. I could go on with all these phrases, but all these and other important subjects link in some way to a viable and sustainable crofting system and crofting can make an important contribution to society.

I don't think we need to reinvent the wheel; we just need to see it steered on the correct path. That's just basically from me. Thank you for listening and we look forward to questions and a discussion. Thank you.

**Fergus Ewing:** Thank you to Rod and Bill for their very helpful presentation and for all the work that you and your team at the Commission do. It's great news about the four new posts that will be established, I think, in the Hebrides. I think three of them have just about been recruited and the fourth one is underway so that will be very welcome. I think it did arise actually from an idea at a public meeting at Barvas that I attended ostensibly about another issue back in the autumn of 2019, so that's positive. I would be grateful if those who would like to contribute could raise their hands and if officials could just help ensure that I don't neglect to see any hand still



raised. I can't see any at the moment, but that might be because of my fairly primitive technical skills at using this equipment.

The two questions that members are invited to comment on are to comment on the population-related and environment-related outcomes that they would wish the crofting system to deliver and what changes could bring that about. Secondly, to agree the establishment of a short-life working group to address turnover of crofts and entry into crofting. We'll start off with Robin Currie and if others could indicate please. Over to you Robin.

**Robin Currie:** Thanks very much Cabinet Secretary. A number of years ago, I used to be on the Crofters Commission as it was called then. I was there for nine years and I did a lot of work on the creation of new crofts. I think at one time I was top of the league at getting the most number of new crofts established. I strongly believe that the creation of new crofts can go some way towards the population because it is a base for people. Not necessary – they don't necessarily have to do agricultural work, but it helps, but it's a base. It's a house and I've seen so many of the new crofts that have allowed people to stay locally and do their business and to me it's just a no brainer. The more new crofts we can create the better and I just wonder how that programme is progressing.

**Fergus Ewing:** Okay, thanks Robin. I'll bring Bill or Rod at the end to comment on everything rather than piecemeal. If we go to Alistair and then Shona. Alistair.

**Alistair Dodds:** Thanks Cabinet Secretary. Thanks for the presentation both of you. I'm really keen that HIE continues to work with you because I think there are real benefits just as Robin was saying on the population front, but also in developments in the green economy and heading towards net-zero. I think you can contribute to Scotland's targets on those. I also think, you know, the working group is a good idea in trying to take some of things that you've outlined forward and quite frankly I found the presentation a breath of fresh air, Rod, so it was good to hear all the things that you're trying. My question is in relation to that last comment, are you getting a response from crofters? You know, it's one thing the Commission having these laudable aims, but are you seeing a difference on the ground? Thank Cabinet Secretary.

**Fergus Ewing:** Thanks Alasdair. We've got Shona and then Michael. Shona.

**Shona MacLennan:** Thank you Cabinet Secretary. As both an active crofter and a Gaelic speaker, it was more to add to what you were saying, I think, than to ask questions. In some ways, it crosses over into what we're going to saying shortly, but about the importance of crofting in maintaining traditional cultures and languages and that's not just in Gaelic of course. That's in Orkney, in Shetland, in the North coast, that it's really important that all of these traditions have been in many ways maintained by active crofters and the benefits of that in terms of giving a sense of place, products which have an authenticity which gives a higher value and also creates a diversity of culture not just of biodiversity.

I think crofting is really important in ensuring that those – the diversity of cultures is maintained in the Highlands and Islands and one of the strengths, I think, that we can build on. It was just to add slightly to your presentation and look forward to the lessening of regulation [laughs] as the form filler in.

**Fergus Ewing:** Thank you Shona. I've got Michael and then Alistair Cooper. Michael.

**Michael Foxley:** Yes, thanks very much Fergus. Just really following on from what Shona said because, like her, I'm still an active crofter, but at the wrong end of the age range. I've been working the last three months with fellow crofters who own a woodland here and it's that great sense of community, working together, people who are friends, getting a job done. We put in two kilometres of [unclear]. I wanted to just make three points. There is still the market forces very active on the transfer of owner-occupied crofts in which I understand the Commission has no say. They are just sold, and they are sold clearly to the highest bidder, so I won't repeat what I said earlier.

The second thing is, I absolutely support what Robin said about establishing new crofts and during the first COVID lockdown, I tracked down and bought a copy of the 1892 Royal Commission report which was a battle plan for the new crofts. It showed all the existing crofts, areas for croft extensions, areas for new crofts and areas for new farms. It's a remarkable document. It's very rare and if somebody can help me to get it digitised because I wanted to get it out there, it just transforms the landscape of the Highlands and Islands. The third thing which I know that you are keen on as well, Fergus, is in terms of woodland planting.

I've had – I'm in my second bout of help from the Woodland Trust to build – plant I should say, it would be better – my fifth woodland on the hill grazings. They deal with the paperwork which is onerous, and you have to pay 20 per cent of the agent's cost. They are a very friendly organisation, and they are very active across the Highlands and Islands, particularly the Western Isles, but also up in the Northern Isles as well so it's just to give a plug to them. Thanks very much.

**Fergus Ewing:** Sorry. Thanks Michael. I do remember actually reading the 1892 Commission document and my recollection is that there was handpicked commission of establishment types, but they turned out to be surprisingly bolshie...

**Michael Foxley:** Yes.

**Fergus Ewing:** ...which left a beneficial legacy, but there we are. I think we've got Alistair Cooper and I can't see any other yellow hands, so please deploy one. Alistair.

**Alistair Cooper:** Thank you Cabinet Secretary. In Shetland, we have very few absentee tenants, but what we do have is a lot of folk not actually using their share in the common grazing. There's so many in the common grazing and there's some of the common grazing where there's very few active crofters working in that area and I wondered to what extent could a – something in the common grazing be an entry for

a new crofter, shall we say. It's not a system which I understand exists at the moment, but I wondered to what extent it could be developed.

**Fergus Ewing:** Another very practical point from Alistair. I think the last yellow hand I've got is from Garry Coutts. On you go, Garry.

**Garry Coutts:** Thanks Cab Sec. Just a quick point. The link between housing and crofting is always very close and strong and access to a croft often allowed a young person to get access to housing within their community. That's becoming harder in a lot of areas for a lot of reasons. I'm just wondering if as part of the working group that you're proposing, if you would consider engaging with people like the Highland Housing Alliance who have innovative ways of being able to provide housing in areas which is not owner-occupied, and it's not socially rented. They have got innovative ways they provided literally 100s of houses across the Highlands for mid-market rent and allowing people to go on and purchase those houses if they have rented them for a period of time.

I just think that it's difficult to ignore that link between housing and crofting and looking at any way that we can look to provide opportunities for getting the house as well as the croft might well be something we could do. I chair the Highland Housing Alliance and would be quite happy to make an introduction to our chief executive if you think there might be value there on your working group.

**Fergus Ewing:** Thank you Garry. That's another of several useful suggestions that we've had. I can't see any other yellow hands, so I'll maybe just make a couple of points and then pass back to Bill and Rod to reply to the suggestions we've had. First of all, as Michael said, I'm very keen that crofting should benefit and benefit substantially from creation of woodlands as has been referred to. Quite a lot of work is going on to develop crofting woodlands, woodland crofts and much of that is at grassroots level, but very keen to see that furthered and sort of deepened in the next session of parliament.

Secondly I think the roll out of R100, and broadband would perhaps lead to attracting a different, broader range of people who might see themselves as bringing families to live in crofting lands but use the R100 to use their brain to carry out various work which hitherto is associated with living in a metropolis. Thirdly, as many have alluded to, the new opportunities from environmental work and peatland restoration. I would be very sad if the money from that went to large estates and large bodies that own estates, and there's a real danger that that could happen, so I did wonder whether a sort of peatland restoration roadshow might be something that could be part of the way in which we engage with communities over the next wee while.

After lockdown obviously, so that the opportunities in that particular area, but also in other areas could perhaps be presented by leading members of the Commission and staff to crofters themselves to get out there and present what might be the coming opportunities. Just those – I wanted to add those three points. I'm just going to check

and see – while I've been chuntering on – if any yellow hands have appeared, and yes one has from Angus Campbell. Angus.

**Angus Campbell:** Thank you Cabinet Secretary. Just to follow up on your own point there about peatland restoration. I think there is great opportunity for individual crofters to get benefit for that, just as there is from woodland. I'm sure NatureScot will be happy to take part in any of that activity. A sort of roadshow event that you talked about, I think would be really useful as would combining that with the environmental benefits that crofting can do for community as a whole, but just want to be supportive of that.

**Fergus Ewing:** I think that's a good suggestion and I'm sure the chair of NatureScot, who I think is on the line and I suppose is not far away from being a humble crofter himself, Mike, would be keen for NatureScot to support that. Are you going to come in and endorse...

**Mike Cantlay:** Yes, of course. Absolutely. It's the first time I've ever heard you call me humble, but there we are.

**Fergus Ewing:** [Laughs] Okay. Listen, thanks very much Mike and to be serious, I think NatureScot do have a big role to play here with the peatland restoration, so plainly as Angus has said, their cooperation – as Mike has now offered and confirmed – will be extremely important. Could I pass back then to Rod and Bill just to comment on the discussion please. Thank you.

**Rod Mackenzie:** Okay thank you. Thanks to all the contributors who made largely – or all positive points about crofting and what we can do in conjunction with other organisations. I'll get specifically to Alistair Dodds' point about the response from crofters. Excellent point. The response from crofters on giving up crofts and getting new crofters in, has been slow. Absolutely, it's a slow burn thing, but it goes back to engagement and it goes back to engagement with people on the ground. There was a scheme that some of my commissioners – I think one commissioner in particular, Billy Neilson, was part of. It was a HICES scheme and I believe it's H-I-C-E-S. Highlands and Islands Croft Entrance Scheme.

The success of that scheme was the people on the ground and the people on the ground are going to be similar to – or exactly the same as the development officers we have appointed in the Western Isles. People who are approachable can get out there, can speak to crofters about what their options are. Especially somebody in their 70s or 80s who is perhaps frightened they will lose their house, they'll lose their croft, but there are options out there where they can pass the croft onto somebody else and then keep their house and also let the new entrant have a house. Another house in the community, a young family in. You're taking people in at a young age to stay there.

Connectivity as well, absolutely essential. People will – now with COVID, the result of COVID, people are looking to work from home, and they haven't got the tools to do so. They are looking at areas where connectivity is good, but they might look at

other areas where the connectivity, the infrastructure – you know, the old cliches like, doctor's surgeries and shops and facilities are there to allow them to live remotely. It's actually not living remotely, it's living 100 miles away from a population centre, but they are not remote because they are connected all the time. The other thing I wanted to – and it's a very contentious thing. Michael Foxley had mentioned it, about market forces on owner-occupied crofts. It's not only on owner-occupied crofts, it's on croft tenancies.

The old double-edged sword where a croft tenancy could be worth £100,000, but you belong to the Royal Bank of Scotland, the Bank of Scotland or whichever bank you have, and they won't give you security on it. It doesn't exist. It's a tenancy. It's not like buying a piece of land. There's no title to it other than you can be a tenant. How do we combat that? Partly – it's not all with the Commission, but with our duties which are very prescriptive. Living within 20 miles, not misusing or neglecting the croft and putting to a purposeful use. It's out there, the Commission needs to be – to say to people, look, you haven't used your croft. There is a way.

Don't chase them with a stick. Have our development officers, have the culture within crofting that you must do something with your croft. It doesn't need to be market leading. It doesn't need to be at the forefront of everything. Do something with it. We know from the crofting census that there are people who do not live in their crofts and never have for 20 or 30 years. That's the people we need to engage with, so I suppose what I'm trying to say is, engagement on all fronts. I'll pass to Bill answer any of the other points that were made.

**Fergus Ewing:** Thanks Rod.

**Bill Barron:** Thanks Rod. Well, just to say that we welcome all the points that have been made and there's obviously a lot of folk round the table who are keen to work with us and that's mutual so on things like woodland, on things like peatland, on things like croft turnover, we will contact you. We know we need to work hand-in-hand with other organisations on that. Really just to welcome all the suggestions. I mean, the point about new crofts. We don't do a huge number of those at the moment, but we absolutely get the value when we can. It's driven by the owner of the land, but we're certainly very much in favour of that.

Likewise, the suggestion from Shetland about whether it's possible to take unused common grazings and create new opportunities out of those. We'll have a good look at that and certainly we want to produce – to pursue anything that works for the locations in which crofting is present and is strong such as Shetland. Likewise, housing. There are always issues where crofting butts against housing and so, yes, we'll pick up the phone to the Highland Housing Alliance as well. Yeah, just thank you very much everybody for your contribution and it's clear we are among friends.

**Fergus Ewing:** Okay, I'll just pass back in just a few moments to the Deputy First Minister who I see is back on his screen. Could I thank everybody for the contributions to the debate. I think there is support for the recommendations and in

particular the establishment of a working group and I think some people by their contributions have probably just volunteered themselves onto it. If I could add to those conscripted volunteers as well as NatureScot, the Forestry Commission who I think obviously are already heavily involved in taking forward the expansion of forestry and woodland activities in crofting lands. I know they are already doing a power of work, but I think on the working group, they would wish to be involved as well.

Possibly others from the land use side. There is a farming-led group chaired by [Martin Kennedy] and Joyce Campbell who are doing work which transects Rod on this area and which it might be useful to contribute to and work alongside. Finally, could I just say that the Scottish government has, I think, provided the financial supports of £22 million to enable the building and improvement of 1030 croft houses since 2007 and I've certainly been very keen to maximise the uptake of that and it maybe that members of CoHI would wish to express the view that that and the other support for crofting should continue in terms of the support for housing, but also the [CAGS] grants which Bill, you alluded to and also consider what further funding might be available for the national development plan in order to make it work.

Discussions about the Crofting Commission having a development function have in the past, foundered because you may have had a duty, but not a budget. Therefore, its – I'm not promising huge [largess] here, but it might be something that would be subject of comment by CoHI members at least who, I imagine, will be supportive of further support being given to crofting. I just wanted to add those points in, in the hope that in the summing up part of the session, if members are supportive of them, that will allow us to reach a fairly meaty set of conclusions that will help take us forward to the next stage. Is that okay with you Bill and Rod? You are all happy with that before we move on?

**Rod Mackenzie:** Yes, thank you very much.

**Fergus Ewing:** Okay. Thanks again. I'll pass back to the DFM.

**John Swinney:** Thanks very much Fergus and thank you to colleagues for your contribution in that session. If we now move on to the next session which is on Gaelic and the recovery from COVID. I'm glad that we've got an opportunity at this forum to discuss many of these issues. The promotion of Gaelic has been a priority for the Scottish government and our aim has been to increase the numbers speaking, learning and using the Gaelic language in Scotland. I think there's been a number of events and developments that have challenged some of that policy direction which is very much supported by all political parties and by a range of public authorities in Scotland.

Some of the changes to population that were talked about earlier on – Michael Foxley made reference to one of the comments made to discussion on Gaelic that I chaired which talked about the fact that communities because of the change in population, resulted in there being fewer Gaelic speakers in the community by virtue

of the changes in the population that had taken place. That's one factor. A second is the impact of COVID and the fact that many opportunities to continue to promote the use of the language were lost in terms of human interactions so schools not meetings, Gaelic medium education not taking place in that context makes it more difficult for that to be achieved although that is compensated for by the significant upsurge in digital activity.

Thirdly, was the recent report undertaken by the UHI on the position or the crisis of Gaelic in the vernacular communities and that's prompted me to look very hard at a lot of the work that we have underway. As colleagues will know, over the last five years in the – maybe working on a sustained agenda in supporting Gaelic intensified after the publication of the five-year national Gaelic plan by Bord na Gaidhlig and taken forward by the various discussions that I've chaired on an annual basis to make faster progress in supporting Gaelic. We've seen good progress in recent years in the education, in broadcasting, in arts, publishing, community initiatives and also in public life. Gaelic-medium education has grown.

The media output from MG ALBA, the success of initiatives such as Duolingo or FilmG or [Speak Gaelic] or Learn Gaelic or the work of [Fishdon] and [Gale] or [Strolan] has helped to intensify the activity around about Gaelic. But we have to accept there remain significant challenges around the development of use of the language and the faster rate of progress gatherings were all focused on trying to intensify that activity. Now, we've seen some really welcome spin offs in terms of the impacts on the economy and jobs and skills in the creative industries, but I think what I was struck by, by the discussions that I've had with a range of community representatives – and I'm grateful to a lot of public bodies for taking part in these discussions – has been the need to intensify support on the ground.

The key piece of learning that I think that I've taken from these discussions, is the need to strengthen the network of support that is in place in communities to encourage and motivate use of the Gaelic language. That is, I think, the principal observation I have to add to what I think has been a really strong set of investments and commitments made by public bodies. The purpose of this discussion today is to look at how we can ensure that the development and the support of the Gaelic language is not taken forward just in a Gaelic compartment, if I can put it that way. That essentially, the nurturing and support of the Gaelic language becomes part of the mission of the many organisations represented around this table and that's what the focus of the paper is all about.

Could I hand over to Shona MacLennan, the chief executive of Bord na Gaidhlig to talk us through the paper and then we'll open it up for discussion thereafter. Shona, over to you.

**Shona MacLennan:** [Spoken in a foreign language] and if I may, could I ask Mary to see a few words of introduction first. A slight change to the agenda so apologies for that.

**John Swinney:** Please do Mary. On you go.

**Mary MacInnes:** [Spoken in a foreign language]. Deputy First Minister, before I go further, I would just like to record on behalf of the board and the Gaelic communities, our appreciation of the valued support that you have given to us over recent times and particularly in these unprecedented times. The faster rate of progress has become a household phrase and indeed, we have been seeing that across many areas of Gaelic development work. One of the things that at the Bord have done over recent times is to try and just set a context particularly as we are moving into election preparation and so on. We basically listed some key messages which we passed to all the political parties and I'll run through these very quickly.

It's to recognise that the health and vitality of Scotland's indigenous cultures enriches the country. Support for continuing implementation of our rolling national Gaelic plan – a new plan is due within the next couple of years. Seek a review of the Gaelic Language Act which was passed in 2005 to explore how it might be strengthened to reflect progress and to better equip it for future challenges. Seek to ensure that all Scottish government policy proposals recognise and include reference to Scotland's Gaelic culture. Support the vital Gaelic communities of the islands and the rural areas and also support the further development of Gaelic medium education and recognise the advantages of LearnGaelic across all of Scotland. Support the Gaelic language as an economic asset for Scotland attracting tourism, stimulating employment and offering young people opportunities to build careers around using the language.

When presenting policies relating to diversity and equality, ensure that the Gaelic language and culture are always included and indeed, we are very mindful of the hard work that goes on within the Government to normalise Gaelic and we as Bord na Gaidhlig contribute to that. The most recent examples I have are the national taskforce for human rights leadership and the new digital strategy for Scotland. Also contributing to the adoption on the UN convention on the rights of the child. These are all very important new policies, and we feel – and everyone would agree I hope – that Gaelic is critical to be spread across all of Scotland's policies and I really thank you for the opportunity for putting Gaelic on the agenda today. Shona.

**Shona MacLennan:** [Spoken in a foreign language]. Before discussing the regional level, I'd like to first refer to some of the messages in the third national plan. It was published in 2018 and a number of the messages in that document. The plan is developed through extensive consultation and the responses to it provided clear direction. I think the key message that came through was that we – and by we, I don't just mean Bord na Gaidhlig, I mean all of the authorities, organisations, communities and individuals need to increase the use of Gaelic. There are many people with Gaelic skills but opportunities and confidence to use them are at times limited. Increasing the use of Gaelic is the key message.

Another message is that there are three main kinds of Gaelic communities. Those in the island and rural areas where Gaelic is still the majority language, growing



communities in urban areas usually focused around the growth in Gaelic education and the third is one which became significantly more important over the last year and that's the online digital community. The area covered by the Convention of the Highlands and Islands includes all three types of communities and the national plan recognises that those different communities need different strategies. For island and rural communities, there is a need to ensure that employment, housing, transport and connectivity to enable communities to survive and grow and we've heard a lot today about that and I very much welcome CoHI's focus in their workstreams now on how this might impact on Gaelic and how it can support Gaelic.

There are also urban communities which require facilities and resources to support their growing communities and that's in places like Inverness and Oban. Then the online community which has been critical in supporting Gaelic speakers and learners since COVID began. It requires skills, software and infrastructure as the digital strategy describes which support people, places and economy. Unless the latter specifically ensures that Gaelic and other indigenous languages and dialects are considered, we know from experience that despite the best of intentions, they can be marginalised, side-lined or forgotten.

There are of course, benefits and opportunities. The growing demand for Gaelic medium education can support a growth in the number of speakers and it is well-demonstrated that those people who participate in GME gain benefits in terms of attainment. The re-establishment of the roll-out of the 1140 hours for early years education should prioritise Gaelic provision when it recommences as it is recognised that children who enter emersion earlier and more successful learners, transition to primary more successfully and embed the language more strongly. Since some 600,000 are engaged with Gaelic learning – a phenomenal number – and this is September, sees the launch of the exciting new Gaelic learning programme, *Speak Gaelic*, on BBC ALBA which will have a whole range of associated resources for tutors, for learners, there'll be online materials, there'll be programmes so really once in a generation opportunity for Gaelic learning.

Gaelic culture is recognised and valued throughout the world. It contributes to Scotland's identity, its attractiveness and to its economy. It is also valued at home. During the past year, there have been hundreds of events livestreamed and later available online from ceilidhs, concerts, conversations which have drawn together individuals, families and communities at home and internationally providing a sense of belonging and wellbeing in what at times have been isolated and fearful experiences. However, the challenges particularly for the traditional communities are stark.

I think the combination of opportunity and challenge are well illustrated by a documentary which was released recently called [spoken in a foreign language]. It's a portrait of the Gaelic speaking fishing community of the Western Isles and its relationship with the sea. It's the first ever theatrical documentary entirely in Gaelic and blends archive recording of voices, stories and songs from the past with visuals

of island life today and a contemporary folk score. It takes the audience on a moving journey into the heart of a community struggling to preserve its identity in the modern globalised world.

This was discussed earlier this morning, Brexit has caused a collapse in exports of seafood, effecting fishermen, processors, transporters, suppliers, and their families. Critically to this, about 75 per cent of the fishermen in the Western Isles are Gaelic speakers, a higher percentage than the general population, so if these people have to leave the islands to find alternative employment, their departure would have a significant detrimental effect on Gaelic as a community language as well as a detrimental economic impact. The fishermen, as the documentary describes, also contribute to the sustainability of the sea through their knowledge, which is described in Gaelic terms, in their terminology of the spawning grounds, the feeding habits and sustaining the marine environment so that it sustains them and their families.

This is where the opportunity comes. That's the challenge, how do we support those communities, their stories and that of their language is also creating economic activity. The creation of the documentary has an economic benefit, employing creative artists as well as technical skills just as it has a cultural benefit. The film has gone on UK national release this month and will have an international release this summer. I think that single example illustrates the many facets which must be engaged in order to support growth for Gaelic to maintain the island and rural communities.

The Cabinet Secretary referenced community support and I'm pleased to say that we at Bord na Gaidhlig are recommending to our board this week, two developments which we think will support the traditional communities in particular at this time. One is the expansion of the number of officers working primarily with young people to strengthen confidence and motivation and use of Gaelic in a wide range of activities as well as creating greater links between the existing community groups and young people as part of the post-COVID recovery. The second is the establishment of a pilot funding programme to be delivered by Community Land Scotland as part of the community empowerment agenda, engaging with community trusts of different types in the islands to boost the social and economic use of Gaelic. That would implement one of the commitments from the national plan I mentioned earlier.

We of course also need to build on existing developments in urban areas and online. Educational policies such as Gaelic First as in the Comhairle nan Eilean Siar supports growth of Gaelic medium education, Gaelic usage and Gaelic learning at all ages. We need economic policies which ensure that island and rural areas are included and that maximise the opportunity to continue with the traditional and innovate with the new. We also need workforce development strategies that take account of the needs of Gaelic speakers, the wide range of workforces in which they participate and activate the benefits that bilingualism bring.

We've talked earlier about housing and transport which impact on population retention in Gaelic speaking areas and support the use of Gaelic. Today, at a virtual

meeting, almost every organisation present has a Gaelic language plan from the Crofting Commission to the Scottish Government. Through those plans, I believe that we can take forward a faster route of growth for Gaelic and not only strengthen our Gaelic culture but also ensure that the other indigenous cultures that exist in the CoHI area are strengthened alongside that. I think there's opportunity for cross-working and collaboration as we go forward and our ask today is that CoHI considers this, considers the approaches and continues to normalise Gaelic within its workstreams. Thank you.

**John Swinney:** Thanks very much, Shona and thank you Mary for your contributions. The point that Shona concluded on is really the fundamental point that we want to consider today, is how do we take the most significant steps to normalise the presence of Gaelic and the support for Gaelic within the work of a range of different organisations. Now, these issues have been considered and developed as part of the faster rate of progress work and the dialogue with community organisations, but I'm keen to ensure that that discussion can be had across a wider range of organisations today. Can I invite contributions from colleagues as part of the discussion this afternoon. I'm not seeing – now, who am I seeing? I think I'm seeing Alistair Dodds first of all – Alistair, would you like to come in, then I'll come to Roddie Mackay. Alistair.

**Alistair Dodds:** I should have let Roddie speak first, but John, I think in HIE we're really keen to see a continued progress and as we've just heard about normalising Gaelic. We have a plan, and we intend to use that and to be a significant part of the Bord's activities and HIE's general activities. I think – I mean, it's really interesting actually to see today's agenda and I'm sure it's no coincidence, but the whole thing is linked up. You know, you've got population, you've got the effect of Brexit, skills, crofting and Gaelic. Now, the whole lot are inter-related, and I think that's part of the normalising and really pleased to see – and I'm sure Shona is as well that Gaelic is mentioned in most of these papers.

We have Rachel Mackenzie who is our area manager in the Western Isles, and I know she's been part of the group that's been looking at things recently. I'm really keen and I know the Bord are keen and Charlotte as well – she'll correct me if it's not the case – that we pick up, certainly, areas round about the economy and the community because I think we can do a lot in that particular area. I'd quite like to continue working with the Bord round the role of the Gaelic development officers to see how they can link up more closely with HIE going forward because a huge part of this is finding jobs and having successful communities. Now, I think I'll shut up there because I'm not a Gaelic speaker and I see Boyd and I see Roddie there who are much qualified than I, but I can assure you of our commitment. I think it's really important to say that.

**John Swinney:** Thank you Alistair, and it is very important to hear that from bodies like HIE and I know it comes with a huge personal commitment from you Alistair and as also a non-Gaelic speaker, I bring the same degree of commitment

and enthusiasm to it as you do. Can I come to Roddie and then I'll come to Boyd Robertson. Roddie.

**Roddie Mackay:** Thanks John. I won't say too much either because I don't want to say anything that Boyd would contradict. He's the guru in the corner on my screen at the minute. I think one thing I would want to say is that your own initial comments when you were introducing this particular paper chimed with the way we think here which is you did mention intensifying support on the ground. I think we mustn't lose sight of that. I think that's the real key to it all. I mean, here at the Comhairle we recognise that – we would say that ultimately the solution to preserving the language and developing it rests with communities and the best action that the public bodies can take is to align all their work, all their outcomes and all their resources supporting community-based initiatives and strategies.

It's like these – what we call the [pbaf] principles. You know, it's like place-based action focused and I think that's what we must embrace here. Place-based action focused work and I think that's a good way that progress can be measured, and good work can be quickly identified. We know ourselves here, we've done some leading work on the GME and with your own total support and with e-Sgoil, and the relationship with our own community I think places us in a really good position to work with Bord na Gaidhlig to deliver national objectives and in a way that's community-based and likely to be most effective on the ground.

Place-based action focused, and I think the emphasis too often with Gaelic over the years, we've been focusing on – we've tried to delay decay and I think we need to move our emphasis to galvanising growth rather than delay decay and I think the way we can do that, as I say, going back to where you started – intensify support on the ground. That's my comment on it.

**John Swinney:** Thanks Robbie. I think there's a rather sharp point in there that you closed on about the approach about galvanising growth or delaying decay and I think there's quite a – there's a lot to think about in there which I think merits further exploration in this conversation. Okay, well you've had a colossal build-up Boyd Robertson, so over to you.

**Boyd Robertson:** [Spoken in a foreign language]. I'm not sure that I'm going to be able to live up to that build-up, Mr Swinney, but I just wanted to thank Mary and Shona for their presentation and to welcome this paper and also to welcome your continuing support for the language which I've known in my previous capacity in education roles and no more so than in one of the pioneers of Gaelic medium education. It's great to see the way in which that has grown and that we're now talking about a fourth Gaelic school in Glasgow slightly outwith the area of CoHI.

I notice in the paper that there's reference to the fact that 50 per cent of Gaelic speakers in Scotland reside within the CoHI area and we as a board – NHS Highland board, we cover over 40 per cent of the landmass of Scotland and we embrace 25 per cent of the Gaelic speakers in our area. We feel we have a duty to support the

language in any way we can, and we are in negotiations currently with Bord na Gaidhlig about ways in which we can do more as a board to promote the language, bearing that mind that health and social care are at the heart of our communities and we should always remember that health effects everybody.

Health and social care, these effect every member of our society. They are a part of the fabric of our society, and I think when we're talking about restoring the language or reviving the language in our traditional communities, we should bear in mind, the roll of community nurses and health workers of all kinds and what can be achieved though our health and social care workers. I certainly will welcome future collaboration with the Bord in taking forward Gaelic promotion in our particular sphere of operations.

**John Swinney:** Thank you very much Boyd and I think the point you made there about the need for public services to properly reflect the outlook and the perspective of members of the public in meeting their needs is an important point in relation to what public bodies have got to do to make sure that Gaelic speakers feel they are able to interact and engage with public services on a sustained basis on their own terms. It's a really significant point. Okay, I'll come to Councillor Alex Gallagher and then to Malcolm Burr. Alex.

**Alex Gallagher:** Thanks Deputy First Minister. I'm not a Gaelic speaker either, but we did have – down this way, we had [Brian Millstone] for a long time and his wife [unclear 216:14] really very big supporters of the Gaelic language so he sort of infected us with it down here. The point I would make is slightly tangential but it's just about this statement about galvanising growth versus delaying decay. It's exactly the same point of view where we are taking on repopulation versus depopulation. It's turning the thing round in language and therefore it's reorientating our thinking, I think. I think that's been a significant in this meeting both of these long-term problems have got different language and therefore a different way of looking at them.

**John Swinney:** Thanks Alex. Again, an important point about whether we are talking about essentially on a negative proposition or whether we are going for an expansionist, growing, more optimistic agenda which I think is a strong point. Okay, thank you for that Alex. Malcolm Burr.

**Malcolm Burr:** Thanks, Deputy First Minister. Just a very quick word on the education point because we've covered the community element and that's absolutely the priority. Just on the education side, we are focusing more and more on nursery, on early years and primary 1 and that's with Bord na Gaidhlig, that's with NHS, that's through health visitors and others just to ensure that as early as possible, there is introduction to Gaelic at that stage because that is what the evidence shows is pretty critical. If that's not even there at primary school, there's a risk so in additional to all the other work we're doing of which you are well aware, right up to apprenticeship level and all of that.

We've got a particular focus just now through early years and we're working with Bord na Gaidhlig on that because that – there is very clear evidence that that is effective and that's the time it's good to convince parents because there's plenty of evidence of the benefits of bilingualism.

**John Swinney:** Thanks Malcolm. Any other colleagues wish to make – now James Stockan.

**James Stockan:** Thank you very much. I don't usually comment on the Gaelic stuff but I'm totally supportive from one of these other indigenous cultures as Shona finished her thing and how it informs this, and I think that's really important. Supporting something that's very much a focus for parts of Scotland and looking at the opportunities. Just when we speak about post-Covid recovery as we're looking at post-Brexit recovery or the future, I'm just really interested to make sure that the culture we have in the Northern Isles and the connections we have with Scandinavia over the times are actually able to be supported through this because I think we've got a link that we could do in a post-COVID world because low infection rates, but yet a market and being able to make sure that we build on these things to get the best value back for our area.

Whatever we can do in the Gaelic arena, if we can support each other with our own indigenous opportunities, I think that's a very good thing and that segue was just given to me to feed in something that I always want to speak about too, so thank you very much, Shona.

**John Swinney:** Never one to miss an opportunity, Councillor Stockan. Right, lets – anyone else want to contribution. I don't see anyone else in the list there. Robin Currie.

**Robin Currie:** Just very briefly, Deputy First Minister, and that's really just to say it's a – I see Gaelic as a tremendous – it can give areas a tremendous economic boost because we are unique, but it's only Scotland that has Scottish Gaelic. I think we should be doing more with the language because when people come to Scotland in an ordinary, not maybe last year, but hopefully in years to come, they want to hear Gaelic spoken, even if just saying hello to them in Gaelic. I believe strongly that businesses and tourist businesses in particular could do an awful lot more because we know with the likes – you know, when the [unclear] comes to a local area, it injects nearly £3 million into the local economy, but why should it just be one week in four years? We could be doing that continuously and I think it's a great opportunity out there that Gaelic can help the economy recovery.

**John Swinney:** Thanks very much, Robin. I'm struck by some data that Visit Scotland shared with us which was that two-thirds of international visitors that come to Scotland indicate that they wish to have some experience of indigenous Gaelic culture as part of their visit to Scotland. There is absolute – now okay, we're in a disrupted world just now and at some stage in the future it will come back to something resembling normality, but that's an astonishing level of awareness by

international visitors of what they are looking for in their connection with Scotland and that obviously has significant benefit for a range of the communities represented on this call today in how that all fits together.

Okay, any other contributions? Right, I'm going to come back to Shona and Mary before I draw things to a close. Shona and Mary.

**Shona MacLennan:** Thank you Deputy First Minister. Very much welcome the positive approaches and the commitment from the organisations to working with us and to working for their own constituents and making sure that the Gaelic speakers and the Gaelic learners have services which meet their needs as well, so at all times, we very much welcome that collaboration because it is the only way, I think, that we will achieve progress for Gaelic if we do it in collaboration. As an organisation, we're too small, but working with these larger organisations, we can have a much greater reach and impact and I think, very much welcome the positive thoughts and also the links with Orkney and Shetland as well, because we create a much more interesting country because of our diversity. Thank you.

**John Swinney:** Thanks, Shona. Mary? Okay, let me just draw things to a close then on this item. Again, it's been a really helpful discussion. Let me come back to one of the points that Alistair Dodds made because Alistair talked about the inter-relationship of the different agenda items that we've looked at here. Not the inter-relationship, the inter-connectedness of all of those items. I think that's actually a fundamental point that strong, well-populated communities of Gaelic speakers will enable greater prosperity for the Gaelic language if they exist. If they are becoming more diffuse, if they are becoming – if Gaelic speakers becoming thinner on the ground, if we are not doing enough to encourage and motivate expansion of the use of the language, then we will suffer accordingly.

I think that point of inter-connectedness is the central point that I would want to make today. I think there's a lot of really good activity underway to support the development of the language. I talked through a number of the cultural initiatives such as the work of Fishner and Gale, the education work whether it's [Sgoil Mhoir] or Gaelic medium education or the expansion of early years education or the broadcasting through MG ALBA and FilmG or whether it's about the learning of the language through Duolingo or LearnGaelic or Speak Gaelic. There's a whole host of really good work underway there with great, committed professionals involved in it, but I think there are some weaknesses in all of this.

I think Boyd puts his finger on the challenge for public authorities that if they are properly to fulfil their obligations towards the Gaelic language, they have to look at how that can be done practically and plausibly for individuals. I'm struck about that within government. We face some of those challenges as well and all organisations represented are very much – share and appreciate those challenges. If we go into this with the right mindset, and I suppose the mindset issues were characterised by what Alex Gallagher and Roddie Mackay said about whether we're delaying decay or we're galvanising growth.

It is about a mindset and an agenda and I think it's a pretty timely point to close what I think has been a reasonably strong period of expansion of the language, certainly educationally and in broadcast, but where we appreciate probably the biggest deficiency is in community utilisation and expression of the language. That's where we need to concentrate our efforts to boost the capacity on the ground for that activity. I think that's the point I've taken out of the dialogue I've been involved in of recent months, that that community footprint needs to be strengthened and that will very much be at the heart of what will be taken forward as part of our priorities.

Lastly, from me, Robin Currie's point about economic opportunity. We really can't lose sight of the fact that there is an economic connection here which will help us to tackle – back to Alistair Dodds' contribution – the depopulation issues, the housing issues and some of the initiatives that the [unclear] has taken around apprenticeships and housing and the connection between the two are really substantial, practical ways which other authorities could look at to find out if there are ways in which those routes could be applied more broadly within our society. That's my phone going, so that will have to wait. [Unclear]. Mary, do you want to come in?

**Mary MacInnes:** Thank you Deputy First Minister. I just want to thank everyone for their interest and particularly that this is a very important thing for us to be able to be part of the CoHI agenda and promoting the Gaelic language. As you said, the communities in this area are particularly important and we welcome ongoing discussion. Before too long, we'll be preparing the new Gaelic plan so that's a change for everyone to have their say, help us shape how that's going to look and among that will be many opportunities for every community in Scotland and particularly for the local and the communities of the Highlands and Islands. I just want to thank you for everything. [Spoken in a foreign language].

**John Swinney:** Thanks very much Mary. That was – it's been a really useful discussion and I think it helps to cement a lot of the agenda we're taking forward in relation the development of Gaelic. I'm – as I said to colleagues earlier on, I'm going to have to drop out from the rest of today to take part in other government discussions in connection with tomorrow's cabinet. Can I express my thanks to everyone for their participation. I'm going to leave you in the hands of Fergus Ewing, if that's not too reckless an initiative for me to take. Can I thank colleagues – as I indicated, this is the last meeting of the Convention prior to the election. I've had the privilege of chairing this body for the last 14 years. Who knows what lies ahead, so thank you to one and all and Fergus will close the discussion with the outcomes that have got to be agreed as a consequence. Okay, over to you Fergus.

**Fergus Ewing:** Thanks very much John and if we can move on to looking at the outcomes of today's discussions please. I think the drill is that we're going to see the drafts presented on the screen in front of us. That's the usual format. I can say that the agreed outcomes will be shared with members after the meeting for any further comments before they are finalised so don't worry if you are not able, through other commitments, to devote your attention to this. We do make sure that the details are



agreed before they are published on the website. I'm kind of in the hands of my officials here so I don't know if I could perhaps ask them to one-by-one show the discussions. I think first discussion was Fiona Hyslop's paper which was on population. I can maybe pass to an official to guide us through this process if that would be in order, since I haven't seen any apart from the crofting outcomes which I've commented on internally, separately offline. Is it Laura?

**Female Official:** Yes, hello Cabinet Secretary. Unfortunately, we were – there was a break built into the agenda, just to allow us to get the draft outcomes over to Andy and his colleagues who will then be able to show them on the screen for you. If people round the table would mind giving us five minutes just to get them across, we can do that if that's all right.

**Fergus Ewing:** Oh right, okay. Well, look it's 2:21 now. I mean, why don't we make it – would 2:30 be enough time for them all, Laura?

**Female Official:** Two thirty would be perfect.

**Fergus Ewing:** Right, we'll reconvene at 2:30 then. Thanks to everybody.

**Female Official:** Thank you.

[Break]

**Fergus Ewing:** Right, I think everybody is probably here. I wonder if officials are – could officials just confirm if they're ready to go with the outcomes papers? Right, do you want just to talk us through the – is it [Richie] is it – the first one? Right, okay. Look, I'll just allow a few minutes for everybody to read the first page of that outcome. Well, why not. Yes. Okay, I was present during much of it but not all of the conversation, but if anybody has any comments if they could indicate. Yes, I've got Alex Gallagher. Alex.

**Alex Gallagher:** Yeah, on point five I suggested that we widen it to go past the start-up phase for projects and developments to support the repopulation so that we had a medium-term stream of income rather than just an amount of money to kickstart.

**Fergus Ewing:** Right. I'm not – I mean, I appreciate that...

**Alex Gallagher:** I'm not suggesting that that should be there. I'm just reminding just in case it's been forgotten.

**Fergus Ewing:** No, I heard you say that, and I thought it was a perfectly reasonable point. I think the purpose of what we're doing now is suggesting that there be an identified budget provision to get it going, Alex, and once it is going obviously, we would do so with the intent of following through and moreover I imagine that in doing so we will wish to engage private sector partners in order to ensure that it's largely their capital that is deployed in, for example, building housing, not our own to maximise the benefit of our input. I entirely take your point, but I don't think that it would be possible for us perhaps to commit future funding to a scheme

that hasn't yet got going in this way without more advice and input from housing and finance officials, but I'm very happy to note that point, Alex, and acknowledge it, but I'm not sure it will just – for the purposes...

**Alex Gallagher:** Well, I take your point Minister. I've made the point and...

**Fergus Ewing:** Okay.

**Alex Gallagher:** You know, this is not the end of it anyway.

**Fergus Ewing:** No, it's a very fair point. I mean, obviously the purpose of doing this is to make a real difference so obviously there'll be a price tag, but I don't think we're really in a position to start to pin down that price tag yet. I don't say that in a negative way, it's just seems to me that what we're doing today is trying to get something going. I've got two more hands up. Firstly, Angus Campbell, then Michael Foxley. Angus.

**Angus Campbell:** Thank you Cabinet Secretary. Just a little bit surprised that the opportunities attached to climate change from the green and blue economy aren't included in that given the priority that's given in all the work of all of us. I wondered was there scope for including that in part of our themes and priorities.

**Fergus Ewing:** Yep. Was it referred to? Can we go back to the first page please, Richie? Yeah, I mean perhaps it should be, Richie, inserted somewhere in the first – in orders to meet the complex and urgent population challenges. These include detailed discussion on issues such as economy, tackling climate change or economy, jobs and put tackling climate change in amongst those challenges somewhere because plainly Angus is correct. I don't think anyone would dispute that. I think actually it would perhaps – I mean the first group are sort of the same category of things. Economy, jobs dispersal then put and tackling climate change between jobs dispersal and digital infrastructure. Would that work for you, Angus?

**Angus Campbell:** Yes, minister I think it's just so important that we should have something in there referring to it.

**Fergus Ewing:** Okay. No, you're quite right. I think, you know, it's a heading that should be in. Michael, do you want to come in and then Carolyn Caddick?

**Michael Foxley:** Yes, I wonder if you'd give consideration to including a phrase like – in terms of this paragraph in front of us, the words radical and innovative, because the current situation is not going to assist housing young people in rural, remote rural and island communities. To my mind, we need quite radical and very different approaches. Thank you.

**Fergus Ewing:** Yeah, I mean, in what particular way though because radical in itself doesn't really define anything. It just is a way of mind. I mean, you know, it did occur to me that there was specific reference to the constraints of planning policy, for example, but I don't know – the use of radical and innovative wouldn't of themselves commit us to anything specific, Michael, so I don't know if there were particular obstacles or barriers that you feel – I mean, for example, we could put in a sentence

saying that in order to achieve the repopulation objectives it will be necessary to question existing approaches which may create barriers to the achieve of these areas by taking a fresh approach to consider them or something like that. Namely, the addition of a sentence which might do a little bit more than just a couple of adjectives. What do you think?

**Michael Foxley:** Yes, Fergus. I'm very happy with that, thank you.

**Fergus Ewing:** Okay, so Richie, we'll add a sentence somewhere – I think really at the end after to be established. Something like, CoHI members recognised that in order to achieve these objectives in practice, it will be necessary to reconsider and reappraise existing approaches in order to adopt the necessary innovative and radical – should I utter the word, Michael – approaches seen as required.

**Michael Foxley:** It's getting better by the moment, Fergus.

[Over speaking]

**Fergus Ewing:** Really, oh well. I'm in danger of becoming an aging Young Turk, heaven for fend. Right, Carolyn, do you want to in.

**Carolyn Caddick:** Yes, thank you minister. It's the first time I've been to this meeting. I'm here as the deputy convenor of the National Park so forgive me if I'm overstepping the mark slightly, but I found it really interesting today particularly when it comes to jobs and all the discussions around that. I really wanted to talk about the next – the second slide.

**Fergus Ewing:** Okay.

**Carolyn Caddick:** As Angus was talking about only committing to the first – I think the start-up phase or the initiation phase. I'm just aware there are no timelines. There are no measurable outcomes there. There don't seem to be any targets. It's a good mission statement, but I'm not sure what we're committing to, I suppose, in terms of what do we expect the outcome to be. Do we expect there to be clear projects that are identified by a certain stage as part of this process. It's just, I'm not quite sure what the outcome is, I suppose, is what I'm asking.

**Fergus Ewing:** Okay, thanks Carolyn. Fair point. Can we go back to page two, Richie, please just to see what we can see here. I mean, would it be in order, Carolyn, if we were to put a sentence at the end which – bearing in mind that the next Convention of the Highlands and Islands is in October, I wonder if it might sort of focus the mind in the way that you rightly say may be required, if we added a sentence to the end to put a sort of deadline on. It could read, CoHI members urged the Scottish government to produce a detailed set of proposals to be brought back to the next session of CoHI which is to take place on the – I think it's 23rd October this year.

**Carolyn Caddick:** I think that's probably what I'm after. I'm after what are we actually going to do and what is the outcome going to be by the time we get to the

next step, so yes, that would be great. I just wasn't sure when it talks about the start-up phase in item five, whether that is how long we envisage the start-up phase to be.

**Fergus Ewing:** Mm, well I imagine that will be set out in the paper which would probably focus largely on paragraph five, but not exclusively. It would take forward the whole thing, but it would put a very useful form of pressure on the incoming government whoever that may be in order not to kick it into the long grass, but to come back with something a bit more meaty.

**Carolyn Caddick:** Sounds good.

**Fergus Ewing:** I can see why Mr Swinney left this session to me [laughs]. Right, I think we've just about got there. Is everybody happy with those revisions subject to caveat that the amended text will be circulated for final approval before it is put on the website. If there is any absolutely gut-wrenching changes that need to be made, then no doubt that can be done. Shall we move onto – if we could take that as agreed. The next outcome – EU exit and ESIF. Do you want to read that out for us please, Richie?

**Male Official:** EU exit. CoHI members noted the substantial impact of EU exit on the economy of the Highlands and Islands evidenced by the latest UK government trade statistics published on 12th March. The impact of EU exit on the food and drink sector was noted as particularly concerning, especially on the shellfish, salmon and whisky trade with continued viability of smaller business under considerable threat. The Scottish government will continue to work with CoHI partners to assess and mitigate the impact of EU exit including assisting with the identification of new markets. CoHI members agreed to pursue the possibility of sending a joint letter to the UK government Secretary of State for Environment, Food and Rural Affairs, the RT Honourable George Eustace highlighting in particular, the needs of smaller producers and exporters.

ESIF. CoHI members recognised the importance of the larger Shared Prosperity Fund and note that particulars are still being developed. CoHI is a keen influence at decision making at the UK government level to ensure the Highlands and Islands are included within this fund given they have largely been excluded from both the Community Renewal and Levelling Up funds. As such, the Scottish government will continue to press UK government hard for the decision-making of all funds to properly reflect the need and intelligence across the whole of Scotland. The formulation of a shared statement which acknowledges that the funds must consider a wider range of factors than just need will be drafted and signed by all political leaders of CoHI. That's it for outcomes two.

**Fergus Ewing:** Okay, thanks Richie. Are there any comments on this paper? I did think that in the page one, the reference to new markets could be extended so that it makes clear that the work we do is not solely designed to identify and help secure new markets for producers but also extend existing markets ie, for example,

the UK regional markets. We could have new markets as well as build on existing markets, please. I've got Alex Gallagher. Alex.

**Alex Gallagher:** Yes, Cabinet Secretary. Sorry for bringing this up, but after our discussion, it occurred to me that if we wish to send a letter to the relevant departments – I think it is departments – in Westminster and to have influence on that, then it would be good – and I don't know whether this is practical – if the signatories were the Welsh government as well, perhaps southeast [sic] Cornwall and Devon and the North of England because these are the areas that if we don't adhere to the requirements of the previous poverty maps, these are areas that could potentially like ourselves be left out of any – or lose out on any distribution. I know it's a bit late in the day, but it just occurred to me.

**Fergus Ewing:** Yeah. Well, it's a very fair point and it's a point well made. Obviously, we are here as a group of elected people and appointed people, leaders of public agencies representing collectively the Highlands and Islands and the Scottish government. We haven't had any input from Wales or Northern Ireland. I mean, I can say that we routinely do, and we have over the past five years, in practice, worked with Lesley Griffiths and Edwin Poots who are my two counterparts. We routinely do a sort of, three musketeers' approach of putting pressure on the UK government.

I think, Alex, that's a point well made, but I don't think that – you know, given that they're not represented in CoHI, we can't really speak for them in that regard. What we can do, and what I undertake we will explore, is that once the shared statement referred to in the last bullet point there is agreed, we could then put out soundings informally, Alex, if that would satisfy your point, to Welsh and Northern Irish. I think we're pushing at an open door because, as I say, we already have worked together on these things. Is that an acceptable way, Alex, of dealing with everything?

**Alex Gallagher:** You're dead right, and you're right about this being a forum with a restricted boundary. It just...

**Fergus Ewing:** No, I'm grateful for you...

**Alex Gallagher:** Three or four letters that would probably have the same effect.

**Fergus Ewing:** Well, you know, I think you've made a very good point and thank you for making it. We will pursue it once we've got to the stage of reaching a shared statement. I did wonder, just looking at this, if the wording is quite right there. What I'm thinking of, it says, a shared statement acknowledges that the funds must consider a wider range of factors than just need. I wasn't quite sure what that really means. What other factors are we consider and the wording there of just need suggests that need as a factor is somehow open to criticism which I'm not sure is what we intend allow to be inferred from that. I don't know if officials can ponder that whilst I bring in James Stockan. James.

**James Stockan:** Yeah, thank you very much Cabinet Secretary. The interest I had on this was the fact that we were promised to get more and we are a concession

area, the Highlands and Islands, so we've got to absolutely ensure that when we take all the funds together that were delivered to the area, that this statement makes sure that we are pushing the Westminster government to give us at least if not more considering the last fund was based 2013, so there's inflation to added as well. That needs to be factored in so that we get the very best push, and we make sure that we don't go back the way because they are working on a different metric now of areas and have need. Highlands and Islands in totality must make sure that we still punch above our weight because we were seen by Europe as a transition area, and we've got to make sure that intervention stays at that level.

**Fergus Ewing:** Yeah, I totally agree. I think that point should be made, and I think the last bullet point, or last paragraph should be extended. I think it should be extended so that the first sentence reads that there shall be formulated a shared statement signed by all political leaders of CoHI and that the second sentence should be, that shared statement should express the view shared by all, that the particular financial needs of the Highlands and Islands considered as a whole as an area of sparse population and considerable disadvantage in terms of GDP and all other economic indicators mean that the gross financial funding overall available to the Highlands and Islands must be at least as much as was enjoyed in the EU under comparable funds. Or something to that effect.

That's – I mean, it's an idea that I've kind of expressed quite frequently, that the need is for at least what we had when we were the EU which was I think in the view of most, or if not all of us here, quite a good financial friend to the Highlands and Islands. A bit pernickety maybe when it came to the auditing, but a good financial friend so set it in context of particular needs of Highlands and Islands, sparse population, huge geographical area, low GDP, low other economic indicators, higher costs of doing everything including transportation. I mean, all these points are ones that are well trodden for all of us on this call, I suspect, over decades of public speaking, but all just absolutely true.

I think, you know, the shared statement would quite easily encompass all these points and should amended. I hope officials have been able to take a bit of steer from what I said and maybe we could – Richie, shall I leave that with you guys and maybe come back to it, or what? I think so, and we can circulate a draft, but before we leave this one, can I ask Margaret Davidson.

**Margaret Davidson:** Yeah, it was just a small addition, but maybe it isn't a very important one. I'm pretty sure we were promised an equivalency to what we had from Europe. There was actually a promise in there and I don't think it was on the side of a red bus. I think we were actually promised that we would get funds equivalent to what we had Europe at least, but it doesn't look like it.

**Fergus Ewing:** No, I think you are right. I don't think the red bus ever actually got anywhere near Drumochter. I mean, I don't know if it got further than St James' Park actually and maybe they could have disgorged the new species of lynx and the wolf in St James' Park incidentally just whilst they were there and do us all a favour.

Anyway, moving on from that [inaudible] absolutely right and I was going to make that point, but I didn't want to be too political, Margaret. I think we – there's no doubt that we were by various individuals promised that the EU funding would be at least matched. That was a phrase that George Eustace and Michael Gove both deployed...

**Margaret Davidson:** There you go.

**Fergus Ewing:** As I've told them [laughs] several times. Okay, so we'll come back with our reformulated statement of outcome two. Shall we move onto – I don't think there's anybody else, so we'll move onto item three, Richie please. If you could put it up.

**Male Official:** Workforce and skills. This is just one slide. The Convention recognised the central importance of enabling factors for effective skills investment including a clear and compelling economic visions, physical and digital infrastructure and growing our working age population. Through the Highlands and Island skills leadership forum, continue to identify the skill needs of the region providing a clear understanding of the challenges and the opportunities emerging with a focus on the drive to net-zero through the delivery of the CESAP. Continue to strengthen and support for those facing redundancy locally through the scale of PACE, working closely with local employability partnerships to ensure coherent and effective response, recognising the importance of responding with flexibility and agility to challenges and opportunities of the post-COVID recovery. CoHI members recognised that the progress made and importance of partnership working on skills. They're the out...

**Fergus Ewing:** Okay, thanks very much Richie. Have I got any – I'm sorry, I wasn't in on this session at all so, I can't really comment. I've got Jane Lewis. Jane, do you want to come in please.

**Jane Lewis:** Thank you. I'm not sure I see here the importance of local delivery of skills being reflected in this piece and I'm not quite sure which bullet is the best for it to go in, but if that could be – that local deliver point.

**Fergus Ewing:** Right, okay. Well, that's absolutely a very practical point for the delivery of any skills in an area such as the Highlands obviously and is a constant challenge actually so it should be injected somewhere. I think if we are going to that, then in line one, I think we should change central to critical or pivotal because otherwise it might send a slightly ambiguous message about central versus local. I'm sure it's not intended to do that, but if that could be changed. Would it be sensible if at the end of bullet point three, we add something like CoHI also recognises the importance of meeting the challenges of local delivery of training and skills opportunities given the geographical and limited transport opportunities for many people wishing to access them locally.

Something like that at the end of bullet point three. Or it could in fact, Jane, just be a bullet point on its own I think. Yeah, we'll do it as a bullet point on its own – that CoHI

recognises the importance of delivery of skills at a local level particularly in view of the large geographical and limited transport opportunities especially for some of those wishing and requiring to participate in upskilling or training. Is that okay? I've got Margaret and then Malcolm and then Alex Gallagher.

**Margaret Davidson:** Yeah, I was just thinking – it's probably inappropriate, but there was a lot of discussion about how important the nature-based solutions and green jobs coming forward was, but that's probably secondary and SDS can just add it to their list of really important factors to be taken into account in Highland so I'm content with that on reflection, thank you.

**Fergus Ewing:** I think is in there – bullet two, it does refer to net-zero specifically.

**Margaret Davidson:** Yes.

**Fergus Ewing:** Yep, Malcolm.

**Malcolm Burr:** Thanks Cabinet Secretary. It was just to suggest we add the work integrated to what you summarised at the end of the last point because I think that that was the strong point that was made, that it needed to be integrated and aligned local partnerships working. I think that was enough of a key feature to merit its inclusion. Thank you.

**Fergus Ewing:** Okay, we'll add that in. Alex.

**Alex Gallagher:** Yeah, making the same point as Margaret, but I would make it a bit stronger. Net-zero doesn't...

**Margaret Davidson:** It doesn't crack it.

**Alex Gallagher:** It doesn't crack it. It doesn't imply green training or green business projects. The other point I would make was the one that Carolyn made and maybe I'm aiming at the wrong target. Maybe this meeting is at the wrong level, but almost everything we've said today doesn't promote action. It recognises strategy and it aims at high level, but when the various people, various components to this meeting leave, it doesn't say that when you come back in six months' time, you will have done this, or we will have done this, or this is what we would expect to see. That's a point I made at my first CoHI meeting four and a half years ago so it was just Carolyn prompted me on that again. I don't know, minister, what you do about that. I recognise that these are very high-level outcomes. I'm just wondering what it does in terms of action.

**Fergus Ewing:** Okay, well just taking the first point first. I think we could amend to strengthen it up a wee bit in the light of what Margaret and Alex have said so we replace with a focus on the drive to net-zero delivered through the delivery of CESAP. I think we could probably just put a full stop after emerging and then have a new sentence saying that CoHI recognises the critical importance of promoting the green economic recovery and ensuring that the necessary skills and training to drive



to net-zero are available for the citizens of the Highlands and Islands or something along those lines so that it's a separate sentence and it expands a little.

As far as the second point goes, I mean, I think you are absolutely right, Alex, but horses for courses. You know, the delivery agents are in some cases, with us – local government deliver services. This is an advisory body so we're providing advice effectively to the Scottish government sometimes, to local authorities sometimes, to quangos if I'm allowed to still call them quangos without people getting all upset, and of course, to our beloved friends in the UK government. We are an advisory body. We are not an executive body, so I think that – I mean, it's a fair point you make Alex, and there we are, but I mean, the whole point of CoHI is really to come together, to work together, to understand each other better, and to get things done as a result of better collaboration and cooperation, but not really to go away and do things as a committee ourselves.

**Alex Gallagher:** [Unclear]

**Fergus Ewing:** I don't know if that sounds a bit namby pamby, but it's not...

**Alex Gallagher:** No. I mean, at the expense of maybe sounding a bit obsessed or geekish, maybe that means that there needs to be something in-between that the component parts take away, that they say, we're going to do this. Now, that might mean a restructure, but you know, there's an election coming and all of that. I think I've made my point and as I say, I've made it in the past. I could be wrong, and I'll just...

**Fergus Ewing:** Well, there's lots of people that are involved in the actual delivery of skills, but many of them are paid for by the Scottish government or by local government and many of them are voluntary groups and so on and so forth. My point is that CoHI is not an executive body. It's really an advisory body, but I think if we're trying to abolish it, people would demand that we invent it. Now, have we got – we've got another two papers, I think, so let's move on to crofting.

**Male Official:** Members acknowledged that crofting plays an important part in protecting remote, rural populations throughout the Highlands and Islands and that low-impact, high-nature value agricultural activity supports biodiversity and helps mitigate climate change impacts. The Scottish government will work with Crofting Commission and other CoHI partners to implement the actions in the soon to be published national development plan for crofting. Amongst other things, this will include the establishment of [short-supply] working group to identify actions required to deal with absenteeism, bring crofts and common grazings back into active use, explore opportunities for new crofts and create more opportunities for young, new entrant crofters in terms of direct enabling action to reduce barriers and create further opportunities for new entrants.

The Scottish government reiterates its commitment to review crofting legislation in the next parliament. The Scottish government will in collaboration with its delivery partners including NatureScot and Forestry explore the benefits of introducing a

peatland restoration and forestry roadshow to promote the opportunities that will be made available. The Scottish government will continue to provide support to crofters through the Croft House Grant, the Crofting Agricultural Grant scheme, the Bull Hire scheme and its operations from [unclear] and other supporting mechanisms. That's the outcomes for section four.

**Fergus Ewing:** Okay, is that agreeable to everybody? Good. I think that one's agreed. Now, next one. Final one please, Richie.

**Male Official:** Gaelic and post-COVID recovery. CoHI members were encouraged to view Gaelic not as an isolated task, but as a shared by, connected with, and integrated into the varied work of CoHI bodies and authorities. In line with this, CoHI members supported the request to increasingly include Gaelic in their work in particular, in education and in community-based initiatives but also being mindful of wider economic and infrastructural opportunities. CoHI members recognised that there were a number of excellent opportunities where authorities have the potential to increase the rate and growth and process of Gaelic. These include their Gaelic language plans, commitments in the National Islands Plan, faster rate of progress, initiative and more.

Along with these opportunities, there are significant public authority and Gaelic organisation networks for the promotion of Gaelic and learning in media and in arts. CoHI members also agreed that there were significant benefits in the promotion of Gaelic and these benefits were in education, in cultural life, in the economy and in identity. CoHI will continue to look to the public sector to ensure the continuing positive support for Gaelic to maintain growth and momentum in order to address the challenges that exist for Gaelic in Scotland.

**Fergus Ewing:** Okay, is everybody happy with that? Good. I don't see any hands up so that's great. Well, look we've run a bit over time and I'm a bit late for my next meeting so could I just finish by thanking everybody for taking part today in what's been another extremely useful session. The next meeting of CoHI will be held – I think it's towards the end of October this year and the incoming government will of course, continue to work as well with you as I hope we have sought to do over these past few years. Can I thank everybody very sincerely for attendance and bring this meeting to a close. Thank you very much indeed.

**Margaret Davidson:** Thank you Fergus.

**Multiple Speakers:** Thank you, bye.

**End of Transcription**