

**Islands Strategic Group
 Rothesay Joint Campus, Isle of Bute
 Monday, 19 December 2016**

Paper	Agenda item	Introduced by
	Welcome & Introductions	Chair
Paper 19/12/16/02	Draft Minutes of Meeting on 28 September 2016	Chair
Paper 19/12/16/03	Terms of Reference	Chair
Paper 19/12/16/04	Renewables	Cllr Angus Campbell/ Minister for Business, Innovation and Energy
Paper 19/12/16/05	Scottish Energy Efficiency Scheme	Minister for Local Government and Housing/ Cllr Steven Heddle
	Planning Reform	Minister for Local Government and Housing
	Social Enterprise Strategy	Minister for Local Government and Housing
Paper 19/12/16/06	Islands Bill	Chair
Paper 19/12/16/07	Depopulation	Chair
Paper 19/12/16/08	Consideration of Group Work Programme	Chair
	National Basic Payment Support Scheme	Chair
	Any Other Business	Chair

THE ISLANDS STRATEGIC GROUP DRAFT TERMS OF REFERENCE

PURPOSE AND REMIT

1. The Islands Strategic Group is being facilitated by the Scottish Government and chaired by the Minister for Transport and the Islands.
2. The group will seek to build on the work of the previous Island Areas Ministerial Working Group, including the Empowering Scotland's Island Communities prospectus, which was published in June 2014.
3. The remit of the group will be to consider strategic issues affecting the inhabited island communities of Scotland and to ensure greater involvement of the relevant Councils in helping identify and designing solutions to the unique needs and challenges these communities face. The Group will agree a formal programme of work, which will in broad terms focus on the following areas:
 - Assist with the development of provisions for the forthcoming Islands Bill and supporting statutory guidance that will underpin it;
 - Assist with the development and implementation of a National Islands Plan;
 - Consider how the Islands Councils and Councils with responsibilities for Island Communities are and can be supported to exploit existing and future powers available to them to engage and empower their communities to better deliver efficient, improved and more responsive public services, and better outcomes; and
 - Consider strategic policy issues/challenges to ensure proper solutions, fit for purpose are being considered to allow greater sustainable economic growth, community development and equality within island communities.

MEMBERSHIP

4. Membership of the group is by invitation only. Members will be as follows:

Minister for Transport and the Islands
Minister for Local Government and Housing
Minister for Business, Innovation and Energy
Leader and Chief Executive of Argyll & Bute Council
Leader and Chief Executive of Comhairle nan Eilean Siar
Leader and Chief Executive of The Highland Council
Leader and Chief Executive of North Ayrshire Council
Leader and Chief Executive of Orkney Islands Council
Leader and Chief Executive of Shetland Islands Council

5. The Scottish Government's Location Directors for each of the Councils can attend meetings as observers if they wish. Officers from each of the Councils can also attend meetings as observers.

6. The group will be supported by an officers group consisting of lead officials from the Scottish Government and the 6 Councils. This group will meet on a regular basis to take forward the different strands of the Strategic Group's agreed work programme.

FREQUENCY OF MEETINGS AND REPORTING

7. It is envisaged that the Group should meet on a quarterly basis, with the flexibility to meet more often as circumstances require. Dates for future meetings will be fixed as far in advance as possible and members are asked to protect these slots in their diaries, where possible. Members should inform the ISG Secretariat if a substitute is to represent a member.

8. Every effort will be made to circulate papers for meetings as far in advance as possible, however time constraints may occasionally prevent early circulation. A draft record of discussions will be circulated for comment/clearance, where possible within two weeks of each meeting taking place.

9. It is envisaged that agendas and minutes of meetings will be made publically available through the Scottish Government's website.

REVIEW

10. The group will review the relevance and value of its work, including its work programme and terms of reference on an annual basis, or earlier should it decide to do so.

**ISG Secretariat
September 2016**

CONTRACTS FOR DIFFERENCE: CONSULTATION ON TREATMENT OF NON-MAINLAND GB ONSHORE WIND PROJECTS

Paper by Comhairle nan Eilean Siar

CONSULTATION QUESTION 1 – Should non-mainland GB Onshore Wind be considered a separate technology from Onshore Wind more generally?

Non-mainland GB Onshore Wind is effectively Offshore Wind in an Onshore Wind environment. The following table demonstrates that Non-mainland GB Onshore Wind has more in common with Offshore Wind than with conventional mainland Onshore Wind.

OFFSHORE WIND	NON-MAINLAND GB ONSHORE WIND	ONSHORE WIND
Connected directly to National Grid by subsea HVDC	Connected directly to National Grid by subsea HVDC	Connected to local infrastructure
Requires AC/DC Converter Stations	Requires AC/DC Converter Stations	No DC conversion required
Generators pay entire cost of Transmission connection from generation to National Grid	Generators pay entire cost of Transmission connection from generation to National Grid	Generator pays nominal Connection Fee
Generator liable for Deposits and Securities for Transmission connection from generation to National Grid	Generator liable for Deposits and Securities for Transmission connection from generation to National Grid	No comparable Deposits and Securities required
The required 'Separable and high value Transmission assets' (as defined by OFGEM) can be competitively tendered	The required 'Separable and high value Transmission assets' (as defined by OFGEM) can be competitively tendered	Grid connection provided only by incumbent Distribution Network Owner
Connection to Grid authorised by OFGEM	Connection to Grid authorised by OFGEM	Connection to Grid authorised by Distribution Network Owner
'Pull through' for Marine Energy technologies	'Pull through' for Marine Energy technologies	No 'pull through' for other technologies
Major (local) Supply Chain benefits	Major (local) Supply Chain benefits	Minor (local) Supply Chain benefits
Scale of deployment produces UK wide industrial strategy impacts *	Scale of deployment produces UK wide industrial strategy impacts *	Little appreciable UK wide industrial strategy impact
Deployment fully supported by local community	Deployment fully supported by local community	Deployment often resisted by local community
Single deployments of 1GW possible, contributing to UK Security of Energy Supply	Single deployments of 1GW possible, contributing to UK Security of Energy Supply	Deployments in tens of Megawatts typical
Wind Capacity Factors of 45% to 55%	Wind Capacity Factors of 45% to 55%	Wind Capacity Factors of 20% to 30%

* Two reports - 'Scottish Islands Renewable Project' (DECC / Scottish Government, May 2013) and 'Economic Opportunities of Renewable Energy for Scottish Island Communities' (The Scottish Government, March 2016) – confirm the following UK Industrial Strategy impacts arising from the planned deployment of Non-mainland GB Onshore Wind:

- £725 million Gross Value Added from 2020 to 2040 across the Scottish Islands;
- up to 1,000 new on-island jobs created during peak development phase (central scenario);
- up to 900 new on-island jobs created over deployment lifetime (central scenario);
- during the construction of a conservative total connection volume of 1.230MW, 2,489 jobs created in the rest of Scotland and 447 jobs created in the rest of the UK;
- the resilience of electricity supply in the islands strengthened: the current 22MW AC link to the Western Isles was considerably 'over capacity' when it was built in 1990; island demand is now 29MW and growing and is set to increase exponentially as policies around the decarbonisation of heat and transport in the islands;
- Community ownership of land and self-determination increased as the generation of Renewable Energy provides the means to run Community Estates and target community priorities;
- an additional 479MW (central scenario) of community owned Renewable Energy generation enabled (Island Grids are currently closed to new community connections due to Grid constraints);
- the worst Fuel Poverty rates in the UK directly addressed through community ownership revenues of £390 million by 2040 and direct Community Benefit payments of £230 million per annum;
- rural housing shortages addressed through these ownership revenues and Community Benefit payments;
- 'last step' High Speed Broadband provision ensured through these ownership revenues and Community Benefit payments;
- employment opportunities increased as these ownership revenues and Community Benefit payments are sunk into community designed economic development initiatives; and,
- over 1GW of clean, green electricity from Europe's windiest area contributing to UK Security of Energy Supply and will reduce UK carbon emissions by 2,780 kilotonnes by 2040.

Non-mainland GB Onshore Wind at scale will also deliver the following benefits unique to island deployment:

- enables a true Local Energy Economy with on-island generation supplying all on-island demand through a virtual parallel network;
- enables community owned Renewable Energy generation to supply all island electricity demand, reducing the cost of electricity and combatting Fuel Poverty;
- drives decarbonisation of heat and transport as an abundant renewable resource is locally available to the community;
- enables billions of pounds of private investment into island projects with a significant share retained locally; and,
- Islands' economic output boosted by £83 million per annum during peak development phase.

CONSULTATION QUESTION 2 – We would be interested to hear if you believe there are specific barriers / costs / issues associated with non-mainland GB Onshore Wind? If you believe there are, please provide evidence.

The principal barrier presented to Non-mainland GB Onshore Wind is the requirement for a high capacity HVDC Radial Connector to be provided to the island group in question. This radial link is referred to by Ofgem as a 'separable and high value Transmission asset' and the cost of its provision has prompted Ofgem to make provision for Competitively Appointed Transmission Owners (CATO) in respect of these links. Ofgem is therefore already treating Non-mainland GB Onshore Wind as Offshore Wind with (potentially) a competitively tendered Grid connection and full cost recovery of that connection from connected generators through very high Transmission Network Use of System (TNUoS) charges.

Because the full cost of connecting the islands to the National Grid must be recovered from the handful of generators who will use the HVDC cable, the lifetime TNUoS charges are prohibitive and, unmitigated by Government support, render deployment in the islands non-viable. The Western Isles Radial Connector will cost circa £800m and National Grid have estimated that the appropriate TNUoS charge to service this cable will be between five and seven times the TNUoS charge for the North of Scotland mainland, only 30 miles away and within sight across the Minch. Closer to demand, generators are actually subsidised to generate.

This additional cost burden – wholly resulting from the need for subsea / underground HVDC connection to Grid – is insurmountable without an underpinning support regime. Access to a specific Non-mainland GB Onshore Wind 'Strike Price' through the CfD Auction regime will enable the Scottish Islands to produce Offshore quantities of Renewable Energy at a cost that closer to Onshore levels because the Onshore technology is fully commercialised and all within an environment of social acceptance.

CONSULTATION QUESTION 3 – If you have set out any specific challenges for non-mainland GB Onshore Wind projects, do you consider there to be other measures outside of the CfD scheme that could be adopted by the Government, or others, to remedy those challenges? What would these measures be?

It is ten years since an HVDC Radial Connector was first proposed for the Scottish Islands. All consents, Grid contracts and cable underwritings are now in place and both HVDC projects (Western Isles and Shetland) are 'shovel ready'. All that is required is Government confirmation that Non-mainland GB Onshore Wind can access 'Strike Price' support through the CfD regime and construction can start on both projects. Current estimated completion dates for these contracts are around 2021 / 2022.

To abandon the current regime in favour of some Third Way for cable delivery will introduce further delays and increased uncertainty as funding packages are hurriedly put together in a very challenging financial climate and new State Aid implications are worked through from first principles. The preference for all involved parties – developers and local agencies – is a robust and enduring Price Support mechanism (Contract for Difference Strike Price) which provides island generators with a level playing field.

The existing situation where forecast TNUoS charges in the Scottish Islands are between five and seven times higher than the North of Scotland mainland TNUoS charge is grossly unfair and contravenes EC Directive 2009/28, Article 16(7) which states: *"Member States shall ensure that the charging of transmission and distribution tariffs does not discriminate against electricity from renewable energy sources, including in particular electricity from renewable energy sources produced in peripheral regions, such as island regions, and in regions of low population density"*. However, we are where we are and the Scottish Islands have worked patiently over many years with generators, regulators and both Governments to find a solution within the framework of the UK's current energy regime. To step away from this regime and start work from first principles on third party funding of the Radial Connectors would probably lead to unacceptable delay and uncertainty.

Having said that, the Scottish Islands have always held that radial links to the Scottish Islands to capture Gigawatts of generation in the interests of UK Security of Energy Supply and industrial strategy should be provided by the Government as items of National Infrastructure. It should not be left to the whim of a poorly regulated Monopoly Transmission Owner whether the islands are connected to the National Grid. The Scottish Islands will therefore engage meaningfully with any unavoidable proposal to fund third party delivery of the Radial Connectors. This could come in the form of an 'Island Deal' uplift or partial debt funding through the European Investment Bank. Maintaining the viability of island generators must be absolutely central to any developments in this area.

ISLANDS STRATEGIC GROUP**SCOTLAND'S ENERGY EFFICIENCY PROGRAMME****Introduction**

During a visit to Orkney Islands Council in October by the Minister for Local Government and Housing, Councillor Heddle raised some issues in connection with the flexibility of Scotland's Energy Efficiency Programme (SEEP) and it was suggested that SEEP be included on the agenda for the next Islands Strategic Group meeting.

This paper sets out the background to SEEP and the work currently underway, including stakeholder engagement.

Background

Improving the energy efficiency of buildings is key to reducing greenhouse gas emissions, tackling fuel poverty, improving energy security and making Scotland's economy more competitive. In response to calls from energy experts, environmental NGOs and the Committee on Climate Change, the Scottish Government designated energy efficiency as a National Infrastructure Priority.

The cornerstone of this will be SEEP which will provide an offer of support to buildings across Scotland to improve their energy efficiency rating over a 15-20 year period. SEEP will commence in 2018 with substantial annual public funding coupled with new powers for the Scottish Parliament over the regulated energy suppliers. It will be a coordinated programme to improve the energy efficiency of homes and buildings in the commercial, public and industrial sectors and decarbonising heat provision over the long term. The programme has multiple benefits, including:

- measures to make our homes warmer and places of work more comfortable, promoting more affordable energy for consumers, helping to tackle poverty and improving the competitiveness of the Scottish economy;
- the opportunity to create a substantial Scottish market and supply chain for energy efficiency services and technologies, with an estimated 4,000 jobs per annum across Scotland, including in remote areas, based on an initial estimated overall investment of around £10 billion from a range of public and private sources (the draft Climate Change Plan in early 2017 will update this figure);
- measurable health and early years improvements through people living in warmer homes;
- regeneration of communities through upgraded building stock; and
- substantially reduced greenhouse gas emissions contributing to meeting our ambitious climate change targets.

SEEP will build on our current activity, including our Home Energy Efficiency Programmes for Scotland. We recognise the challenges of delivering such schemes in island areas and have established steps to address this. Funding to councils to

deliver HEEPS: Area-Based Schemes is distributed based on an assessment of need, meaning that areas with higher levels of fuel poverty receive more per head of population. Our Warmer Homes Scotland scheme is delivered on a regional basis (including a separate island region) to ensure all households, including those living in more remote parts of the country get the same level of service to those in urban areas.

The Scottish Government is listening to a wide range of stakeholders as the new programme is designed and developed, to ensure that it is inclusive and flexible.

Pilot projects

The Programme for Government 2016-17 committed over £0.5 billion to SEEP over the next four years. During the first phase of the Programme, focus is on delivering existing programmes more effectively and piloting different approaches to improving the energy efficiency of Scotland's buildings. The Scottish Government is making over £9 million available to 11 local authorities to support pilot projects in 2016-17. This includes over £383,000 grant for Shetland Islands Council for the provision of:

- insulation in 30 privately owned properties currently connected to the Lerwick District Heating System plus, where necessary, the replacement of old inefficient heat exchangers and the installation of adequate controls to better operate radiators or heating systems;
- installation of energy demand reduction measures in 10 non-domestic properties; and
- trial of solar PV panels as a supplement to district heating in a care home.

Depending on the outcome of the budget, further funding will be made available next year to support a second round of pilots. Feedback on the first round of pilots indicated that councils would welcome more flexibility around projects and funding and it is our intention to build this in to the second phase.

Modelling

In parallel to this development work during the first phase, the Scottish Government is also undertaking new modelling and appraisal of different scenarios through the new 'TIMES' integrated energy system model, as part of the preparation of the new Energy Strategy and the Climate Change Plan. This modelling will help to inform the overall level of ambition for improvement in energy performance and heat demand reduction that we can expect to see across domestic and non-domestic buildings during the second phase.

Stakeholder Engagement

Expert input and securing support are fundamental to the design and development of SEEP. An initial stakeholder event took place in December 2015 with representatives from a range of sectors including local authorities, retrofit industry, energy companies, NGOs (including Energy Action Scotland and the Existing Homes Alliance), landlords, consumer interests and financial institutions.

A cross-government Programme Board was subsequently established to oversee the development of the Programme. It includes external representatives from local government, NGOs and finance interests.

In January 2016, a workshop was held for local authorities and other key stakeholders to raise awareness of the financial support available for pilot projects. Over the summer, the Scottish Government has been liaising with the 11 local authorities successful in applying for funding for integrated and innovative projects, including Shetland Islands Council.

Last month, a number of events were held to which external stakeholders were invited, (including the nominated SEEP contacts within each local authority) to help with the design of the Programme. At these events, stakeholders were encouraged to share their views in respect of the scope and nature of the Programme, the delivery mechanisms and milestones, taking into account their experience of national, regional and local priorities, resources and needs. The Scottish Government is currently in the process of arranging a bespoke event for Argyll and Bute, Shetland Islands, Orkney Isles and Western Isles Councils. The outputs of these events will inform the draft Energy Strategy and Climate Change Plan and will be subject to wider public consultation in the first quarter of 2017.

Scottish Government
December 2016

ISLANDS BILL

PROGRAMME FOR GOVERNMENT

The Minister for Transport and the Islands announced the intention to introduce an Islands Bill in the first parliamentary year on 24 August in the Western Isles.

<http://news.gov.scot/news/empowering-our-islands-2>

The Bill also formed part of Programme for Government.

The Bill will build on the work of the Island Areas Ministerial Working Group and last year's consultation. It will reflect the unique needs of Scotland's islands and include measures such as:

- provision for island-proofing future legislation and policies
- creation of a National Islands Plan
- statutory protection for the Na h-Eileanan an Iar Scottish parliamentary constituency boundary
- greater flexibility around councillor representation (ward sizes) within island communities
- extension of powers to island councils

SUMMARY OF BILL CONTENTS AND DEVELOPMENT

The Bill is on course to be introduced in late spring 2017. There is still a good deal of work to do including drafting the accompanying documents, analysing the costs of the Bill and undertaking a Business and Regulatory Impact Assessment. The Islands Bill Team are currently working with solicitors and drafters to develop the draft sections of the Bill. This is done through an iterative process which inevitably leads to questions and discussions on how substantive legal propositions can be formed from the policy intent.

There are five key areas under development and we would welcome discussion on these and if there are any other proposals which members believe would merit consideration.

(1) Island-Proofing – The principle of island-proofing is one of building a broad-based islands awareness into the legislative and policy development process from the outset. This would seek to ensure equitable treatment of inhabited island areas when new or revised legislation and polices are being considered.

The concept of island proofing covers:

- identifying the potential direct or indirect consequences of new or revised legislation, policies, strategies or plans might have on the inhabited islands of Scotland;
- ensuring a proper assessment of those consequences if likely to be significant is undertaken; and

- adjusting legislative and policy proposals to ensure they meet the needs of the islands.

The intention is that the provision would place a duty on Scottish public authorities to have regard to improving outcomes for island communities when developing, adopting, implementing or revising legislation, policies, strategies and plans; and when designing and delivering public services. This should encapsulate the concept of island- proofing the functions and activities of public authorities.

(2) A National Islands Plan – This provision would place a duty on the Scottish Ministers to prepare, lay before the Scottish Parliament and publish an Islands Plan. An Islands Plan would set out the strategy of the Scottish Ministers to improve outcomes for island communities across Scotland. This is in relation to supporting, promoting and empowering Scotland’s island communities. It would be the intention that the first Islands Plan would be laid before the Scottish Parliament within 12 months from the date on which the Act comes into force and reviewed within a 5 year period.

It would be the intention that Scottish Ministers would be to review the Islands Plan at any time but they must have to begin a review of the Plan before the end of 5 years from the date the last Plan was published.

(3) Scottish Parliamentary constituency protection for the Western Isles – Based on a commitment from the *Empowering Scotland’s Island Communities* prospectus, this provision would seek to ensure that Scottish parliamentary constituency boundary of the Western Isles was provided with the same protection that is currently afforded to Orkney and Shetland. This is currently a reserved matter and is dependent on the necessary provisions of the Scotland Act 2016 being brought into force before introduction.

(4) Greater Flexibility in Electoral Ward design within Island Communities – The Local Governance (Scotland) Act 2004 requires that each electoral ward in Scotland has to return 3 or 4 councillors. When designing wards, the Local Government Boundary Commission for Scotland (LGBCS) is required to make recommendations in accordance with that section and other rules which include matters such as electoral parity, local ties, identifiable boundaries and any special geographic considerations.

The aim is for the Bill to give the LGBCS the flexibility to recommend wards of 1 or 2 councillors to be created covering populated islands. The intention would that any changes as a result of any review would come into effect for the 2022 Scottish Local Government Elections.

(5) Extension of Powers to island councils in relation to the Zetland and Orkney County Council Acts of 1974

In broad terms, the Zetland and Orkney County Council Acts give those councils more powers and control over developments in the seas surrounding their islands. Again stemming from a commitment in the Empowering Scotland 's Island Communities prospectus, we're currently looking at how the Islands Bill can extend the powers contained in those Acts to the other island councils – Comhairle Nan Eilean Siar, Highland, Argyll and Bute and North Ayrshire. There was broad support for the proposal in the consultation.

The 1974 Acts were private Acts put in place to deal with the discovery and exploitation of oil in the area surrounding Shetland and Orkney. Translating and updating them in the context of the current legal landscape is not the most straightforward of tasks. A wholesale extension of the Acts to be able to cover the other island authorities does not look legally possible. We are looking at how we can use the powers within the Acts, in particular on works licences, and apply them more broadly to the other island councils.

We have started discussions with Shetland and Orkney Council officials how they use the Acts in practice. We will continue these discussions as we develop the provisions.

Conclusion

The work to develop the draft provisions for introduction in late spring 2017 is on-going. We will continue to discuss the development of the Bill with officials. The Strategic Group will be kept informed of progress and have the opportunity to discuss the direction of the Bill both before and after introduction.

Islands Bills Team
December 2016

Islands Strategic Group: Summary of demographic trends in Scotland's Island Communities

Key points

- At the time of the 2011 Census there were **93 inhabited islands** in Scotland, with a total population of 103,700, 2% of the population of Scotland.
- **Scotland's population is projected to rise by 7%** from 5.35 million in 2014 to 5.70 million in 2039.
- **Many of the Local Authority Areas which include Scotland's Islands are expected to experience population decline over the next 25 years.** Na h-Eileanan Siar is projected to experience the largest relative population decrease (-13.7%), followed by Argyll and Bute (-8.0%), North Ayrshire (-7.5%) and Shetland Islands (-0.7%).
- In most council areas projected to experience a decrease in population, this is largely due to negative natural change (more deaths than births).
- Shetland Islands is the only area of projected population decrease that is projected to experience more births than deaths. The populations of North Ayrshire, Argyll and Bute, and Na h-Eileanan Siar are projected to decline despite net migration gains.
- **The Orkney Islands and Highland are projected to see 2.4% and 3.4% increases in population** respectively. Although this is still well below the Scottish average. Highland and the Orkney Islands are projected to experience population increase attributable to gains from migration alone.
- **The island populations have an older age structure than Scotland** as a whole. At the time of the 2011 Census the median age for island residents was 45, compared to 41 for Scotland. In 2011, 21% of island residents were aged 65 and over, compared to 17% nationally.
- **Scotland's population is projected to age** and this is true for all administrative areas to a greater or lesser extent.
- The number of people of pensionable age and over in Scotland is projected to increase by 28% over the next 25 years, compared to 1% projected increases in the population of working age and the population of children aged 0-15.
- Na h-Eileanan Siar (- 21%), Argyll and Bute (-18%) and North Ayrshire (-17%) are projected to experience **some of the largest declines in the population of working age.**
- Na h-Eileanan Siar (- 28%), North Ayrshire (-14%) and Argyll and Bute (-13%) are also projected to experience **some of the largest decreases in population of children** aged 0 to 15, as areas with projected decreases in population of working age are typically projected to experience a decrease in numbers of children.
- As the population of Scotland ages, **larger increases are projected for older age groups.** The number of people aged 75 and over in Scotland is projected to increase by 85% over the 25 year period.

- The Shetland Islands (+108%), Highland (+105%) and the Orkney Islands (+101%) are projected to have **some of the largest increases in population aged 75 and over.**

Table of Contents

Projected population change	18
Projections for the 6 member areas of the Islands Strategic Group	24
1.1 Council area projections	24
1.1.1 Orkney Islands	25
1.1.2 Shetland Islands	26
1.1.3 Na h-Eileanan Siar	27
1.1.4 Argyll & Bute	28
1.1.5 Highland	29
1.1.6 North Ayrshire	30
1.2 Sub-council area projections	31
1.2.1 Background information	31
1.2.2 Orkney Islands	32
1.2.3 Shetland Islands	32
1.2.4 Na h-Eileanan Siar	34
1.2.5 Argyll & Bute	35
1.2.6 Highland	36
1.2.7 North Ayrshire	37

Demographic trends on Scotland's inhabited islands

At the time of the 2011 Census there were 93 inhabited islands in Scotland. The total population living on Scottish islands was 103,700, which was 2% of the population of Scotland. The population of the islands increased by 4% between 2001 and 2011, more than reversing the 3% decrease recorded between the 1991 and 2001 Censuses.

Most of this increase was driven by increases in the populations of the four largest islands: Lewis and Harris (6% increase), Mainland of Shetland (7% increase), Mainland of Orkney (12% increase) and Skye (8% increase). The combined population of all islands outwith these four decreased by 3%.

50 islands saw an increase in population between 2001 and 2011 (including 3 which had been zero in 2001), 43 islands saw a decrease over this period (including 7 which are believed to have been uninhabited in 2011) whilst 7 islands had no change in their recorded population.

More demographic information about the population of Scotland's islands and a comparison with Scotland as a whole from the 2011 Census can be found in the [Inhabited Islands report¹](#).

Over the last 10 years, many of the council areas containing inhabited islands have experienced negative natural change (more deaths than births). Most have experienced net in-migration. Table 1 shows the rates of natural change and net migration for Scottish council areas between 2005 and 2015.

Table 1: Components of population change for council areas, mid-2005 to mid-2015

	Natural change ¹	Net civilian migration and other changes ¹	Percentage population change ²
Scotland	0.5	4.6	5.1
Council areas			
Inverclyde	-2.3	-1.5	-3.8
Argyll & Bute	-3.6	-0.3	-3.8
West Dunbartonshire	-0.5	-1.7	-2.1
North Ayrshire	-1.3	0.9	-0.4
Dumfries & Galloway	-2.8	2.9	0.0
South Ayrshire	-3.3	3.7	0.3
Eilean Siar	-4.4	4.9	0.5
East Dunbartonshire	-0.5	1.4	0.9
East Ayrshire	-0.3	1.8	1.5
Renfrewshire	-0.3	2.1	1.8
South Lanarkshire	0.4	2.7	3.1
Dundee City	0.2	3.1	3.2
North Lanarkshire	1.5	1.9	3.4
East Renfrewshire	0.0	3.4	3.4
Scottish Borders	-1.5	4.9	3.4
Fife	0.7	2.8	3.6
Shetland Islands	2.1	2.1	4.3
Clackmannanshire	1.7	2.8	4.5
Angus	-1.2	6.2	5.0
Falkirk	1.5	4.0	5.5
Moray	-0.1	6.1	6.0
Stirling	-0.1	6.2	6.1
Glasgow City	1.2	5.3	6.5
Highland	-0.1	7.5	7.4
Orkney Islands	-1.2	9.2	8.0
West Lothian	4.4	3.8	8.2
Perth & Kinross	-1.3	9.9	8.6
Midlothian	2.0	7.2	9.2
Aberdeenshire	2.1	8.1	10.3
Aberdeen City	2.0	8.4	10.4
Edinburgh, City of	2.5	8.5	11.0
East Lothian	0.8	10.4	11.1

Footnotes

- 1) Change per 100 population at mid-2015. The underlying data used to produce these figures can be found in Table 6 of this publication.
 2) Ordered by percentage population change.

¹ http://www.scotlandscensus.gov.uk/documents/analytical_reports/Inhabited_islands_report.pdf

[Table 2](#) shows the detailed components of population change for Scottish council areas over the last 10 years, and includes a further breakdown of the migration component into migration from the rest of Scotland (internal), rest of UK or overseas.

Over this time period, many council areas that include islands have experienced net loss of population to the rest of Scotland, and most of the population increase attributed to migration has been the result of net gains from the rest of the UK.

Table 2: Detailed components of population change for council areas, mid-2005 to mid-2015

	Estimated population 30 June 2005	Births	Deaths	Natural change	Estimated total net civilian migration ¹	Estimated net internal migration	Estimated net overseas migration	Estimated net migration with rest of UK	Other changes ²	Estimated population 30 June 2015	Population change	
											Number	%
Scotland	5,110,200	575,171	549,242	25,929	227,239	N/A	158,800	68,439	9,632	5,373,000	262,800	5.1
Council areas												
Aberdeen City	208,690	25,044	20,946	4,098	20,556	-11,158	29,019	2,695	-2,994	230,350	21,660	10.4
Aberdeenshire	237,570	27,436	22,336	5,100	18,292	10,723	4,648	2,921	998	261,960	24,390	10.3
Angus	111,340	11,388	12,772	-1,384	4,534	2,745	985	804	2,410	116,900	5,560	5.0
Argyll & Bute	90,350	7,597	10,811	-3,214	343	-2,650	-811	3,804	-589	86,890	-3,460	-3.8
Clackmannanshire	49,160	5,870	5,024	846	1,136	399	85	652	218	51,360	2,200	4.5
Dumfries & Galloway	149,620	14,125	18,362	-4,237	3,321	-1,112	-1,531	5,964	966	149,670	50	0.0
Dundee City	143,600	16,829	16,611	218	5,089	-3,156	8,379	-134	-697	148,210	4,610	3.2
East Ayrshire	120,280	13,285	13,670	-385	1,184	1,190	-1,216	1,210	981	122,060	1,780	1.5
East Dunbartonshire	106,040	9,258	9,806	-548	637	2,097	-908	-552	831	106,960	920	0.9
East Lothian	92,730	10,837	10,138	699	8,845	6,161	1,257	1,427	776	103,050	10,320	11.1
East Renfrewshire	89,880	8,575	8,579	-4	2,716	4,066	-642	-708	348	92,940	3,060	3.4
Edinburgh, City of	449,480	53,736	42,508	11,228	50,182	-12,574	51,198	11,558	-12,080	498,810	49,330	11.0
Eilean Siar	26,930	2,422	3,599	-1,177	389	-426	-169	984	928	27,070	140	0.5
Falkirk	150,130	17,961	15,698	2,263	6,463	4,438	1,040	985	-396	158,460	8,330	5.5
Fife	355,450	40,563	37,924	2,639	13,317	2,786	6,521	4,010	-3,326	368,080	12,630	3.6
Glasgow City	569,240	72,912	66,070	6,842	25,125	-21,198	44,622	1,701	5,133	606,340	37,100	6.5
Highland	218,060	23,272	23,516	-244	11,285	-494	2,533	9,246	5,009	234,110	16,050	7.4
Inverclyde	82,680	8,053	9,954	-1,901	-2,619	-2,397	-245	23	1,340	79,500	-3,180	-3.8
Midlothian	80,050	9,780	8,172	1,608	4,643	4,285	152	206	1,089	87,390	7,340	9.2
Moray	90,100	9,379	9,494	-115	3,346	259	-160	3,247	2,179	95,510	5,410	6.0
North Ayrshire	136,690	14,190	15,951	-1,761	-192	-334	-1,293	1,435	1,393	136,130	-560	-0.4
North Lanarkshire	327,140	39,199	34,283	4,916	691	-187	203	675	5,513	338,260	11,120	3.4
Orkney Islands	20,070	1,977	2,217	-240	1,141	-41	-113	1,295	699	21,670	1,600	8.0
Perth & Kinross	138,060	13,787	15,553	-1,766	16,377	4,304	8,567	3,506	-2,741	149,930	11,870	8.6
Renfrewshire	171,430	18,789	19,254	-465	1,736	320	1,591	-175	1,859	174,560	3,130	1.8
Scottish Borders	110,250	11,234	12,882	-1,648	5,892	1,686	-124	4,330	-464	114,030	3,780	3.4
Shetland Islands	22,250	2,592	2,116	476	179	-627	75	731	295	23,200	950	4.3
South Ayrshire	112,030	10,299	14,048	-3,749	3,732	2,110	-593	2,215	387	112,400	370	0.3
South Lanarkshire	306,850	34,401	33,260	1,141	8,287	8,746	-1,695	1,236	-48	316,230	9,380	3.1
Stirling	87,510	8,457	8,564	-107	6,665	376	3,959	2,330	-1,238	92,830	5,320	6.1
West Dunbartonshire	91,530	10,423	10,852	-429	-1,588	-1,326	-302	40	77	89,590	-1,940	-2.1
West Lothian	165,010	21,501	14,272	7,229	5,535	989	3,768	778	776	178,550	13,540	8.2

Footnotes

1) Estimated net civilian migration includes movements within Scotland, the rest of the UK and overseas. Moves to and from armed forces are now included in 'other changes'.

2) Includes changes in the number of prisoners, armed forces stationed in Scotland, unattributable changes between mid 2005 and mid 2011 and a rounding adjustment.

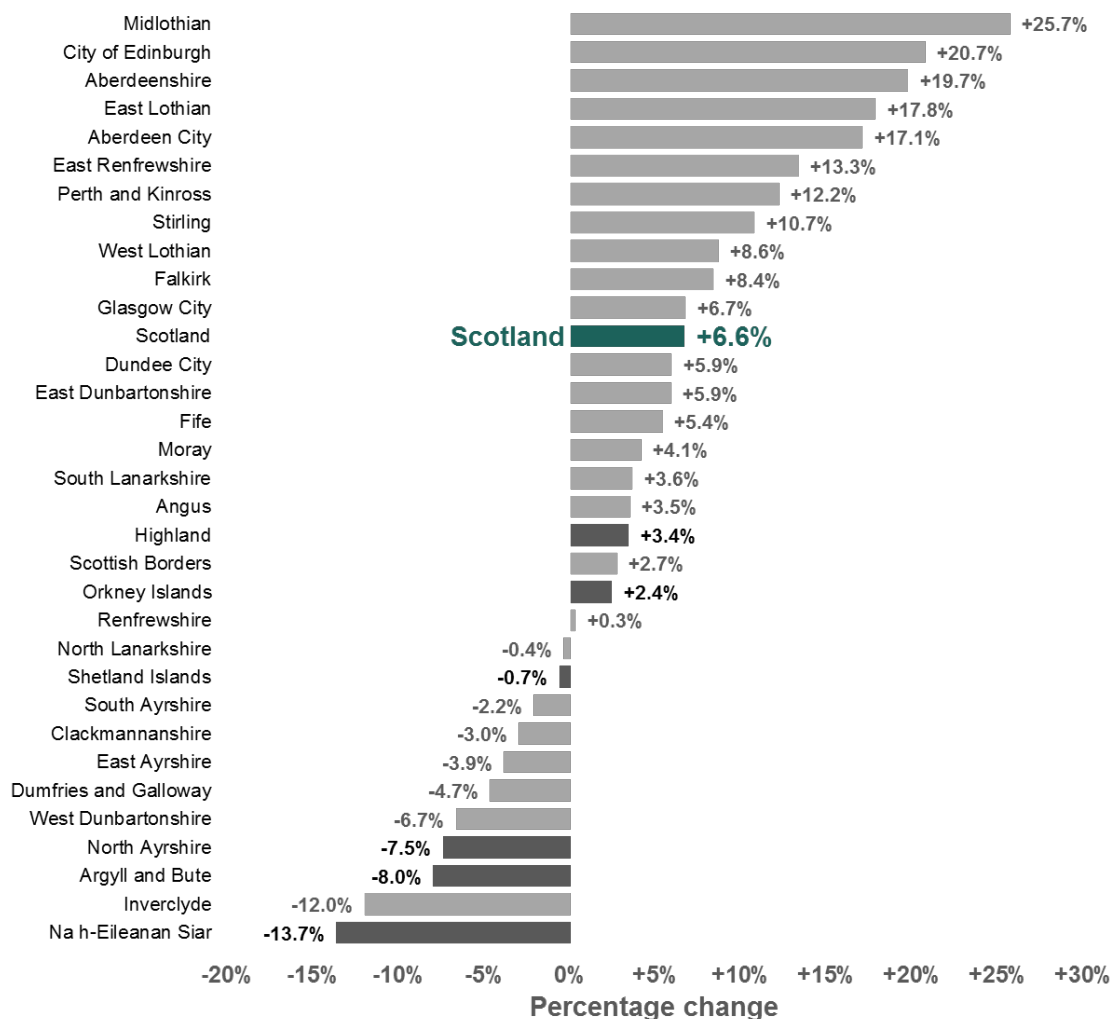
Projected population change

Population projections are calculations showing what happens under certain assumptions about future fertility, mortality and migration. Household projections also incorporate information on trends of household formation. These assumptions are based on past trends, and do not take account of any future changes that may occur as a result of policy initiatives, social or economic change.

Scotland's population is projected to rise by 7% from 5.35 million in 2014 to 5.70 million in 2039.

Many of the Local Authority Areas which include Scotland's Islands are expected to experience population decline over the next 25 years. Na h-Eileanan Siar is projected to experience the largest relative population decrease (-13.7%), followed by Argyll and Bute (-8.0%), North Ayrshire (-7.5%) and Shetland Islands (-0.7%). The Orkney Islands and Highland are projected to see 2.4% and 3.4% increases in population respectively. Figure 1 shows these projected changes relative to the rest of Scotland.

Figure 1: Projected percentage change in population, by council area, 2014 to 2039



Projections are based on past trends. The projected population change is the result of a combination of natural change (the difference between the number of births and deaths) and net migration.

Highland and the Orkney Islands are projected to experience population increase attributable to gains from migration alone. In most council areas projected to experience a decrease in population, this is largely due to negative natural change (more deaths than births). Shetland Islands is the only area of projected population decrease that is projected to experience more births than deaths. The populations of North Ayrshire, Argyll and Bute, and Na h-Eileanan Siar are projected to decline despite net migration gains. Table 3 compares the projected rates of natural change and net migration across council areas between 2014 and 2039.

Table 3: Components of projected population change for council areas, 2014 to 2039

Area	Projected		
	Natural change (per thousand people)	Net migration (per thousand people)	Population change (percentage)
Scotland	-4.3	70.5	6.6
Council areas (ordered by projected population change)			
Na h-Eileanan Siar	-134.2	10.3	-13.7
Inverclyde	-83.3	-34.0	-12.0
Argyll and Bute	-122.6	46.3	-8.0
North Ayrshire	-77.9	3.8	-7.5
West Dunbartonshire	-37.6	-29.4	-6.7
Dumfries and Galloway	-102.8	55.6	-4.7
East Ayrshire	-41.5	0.8	-3.9
Clackmannanshire	-14.6	-11.9	-3.0
South Ayrshire	-112.2	94.2	-2.2
Shetland Islands	12.4	-5.0	-0.7
North Lanarkshire	-11.6	4.0	-0.4
Renfrewshire	-27.8	27.5	0.3
Orkney Islands	-57.1	97.5	2.4
Scottish Borders	-61.5	89.4	2.7
Highland	-37.2	73.2	3.4
Angus	-55.5	93.7	3.5
South Lanarkshire	-32.2	66.5	3.6
Moray	-40.2	84.8	4.1
Fife	-12.4	67.1	5.4
East Dunbartonshire	-29.5	95.8	5.9
Dundee City	27.7	31.2	5.9
Glasgow City	50.4	13.3	6.7
Falkirk	-0.7	82.0	8.4
West Lothian	44.8	38.0	8.6
Stirling	-12.2	125.6	10.7
Perth and Kinross	-39.5	164.2	12.2
East Renfrewshire	7.3	134.2	13.3
Aberdeen City	70.4	97.1	17.1
East Lothian	7.5	171.4	17.8
Aberdeenshire	34.2	162.6	19.7
City of Edinburgh	68.5	137.8	20.7
Midlothian	49.3	209.1	25.7

Note

Projected natural change and net migration are not the only components of change. Other changes that are not included in this table include changes in armed forces and prisoner populations and changes due to constraining to the National Population Projections for Scotland.

The projected changes in the number of births, deaths and migrants are based on past trends and influenced by the current age structure of the population.

The population in nearly all areas of Scotland is projected to age by 2039, and the existing age structure of the area has an effect on the age structure for future years.

The island populations have an older age structure than Scotland as a whole. At the time of the 2011 Census the median age for island residents was 45, compared to 41 for Scotland. In 2011, 21% of island residents were aged 65 and over, compared to 17% nationally.

The number of people of pensionable age and over in Scotland is projected to increase from 1.06 million in 2014 to 1.36 million by 2039 (an increase of around 28%). However, this is not a steady increase, and is projected to be slightly mitigated over this time period by changes in state pension age.

The population of working age in Scotland is projected to increase from 3.38 million in 2014 to 3.51 million in 2021 (an increase of 4%). It is then projected to decrease to 3.49 million by 2025, before rising to peak at 3.54 million in 2028. After this the working population is projected to decline, to 3.42 million in 2039. Overall there is a 1% projected increase over the 25 year period.

The number of children aged under 16 is projected to increase by 2% from 0.91 to 0.93 million in 2024. The number of children is then projected to decrease to 0.92 million by 2039, resulting in an overall increase of only 1% over the 25 year period from 2014 to 2039.

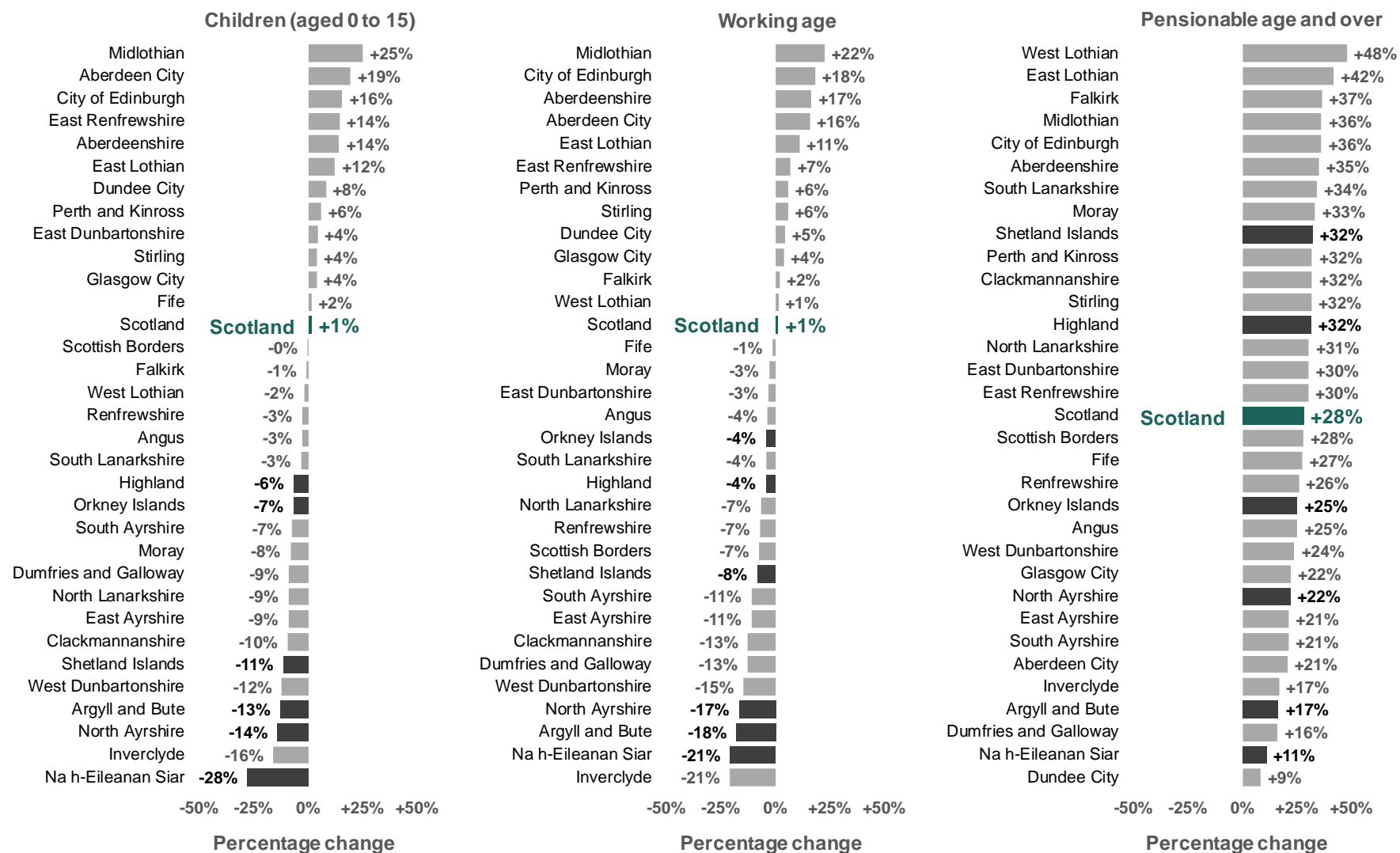
The number of people of pensionable age is projected to increase in all council areas, as shown in [Figure 2](#). Na h-Eileanan Siar (-21%), Argyll and Bute (-18%) and North Ayrshire (-17%) are projected to experience some of the largest declines in the population of working age.

The trend across council areas in projected populations of working age and of children are similar; areas with projected increases in the population of working age are also typically projected to experience an increase in numbers of children, and areas with projected decreases in population of working age are typically projected to experience a decrease in numbers of children. As such, Na h-Eileanan Siar (-28%), North Ayrshire (-14%) and Argyll and Bute (-13%) are also projected to experience some of the largest decreases in population of children aged 0 to 15.

As the population of Scotland ages, larger increases are projected for older age groups. The number of people aged 75 and over in Scotland is projected to increase by 85% over the 25 year period.

The population aged 75 and over is projected to increase in all council areas across Scotland between 2014 and 2039, as shown in [Figure 3](#). The largest increase is projected for West Lothian (+131%). The Shetland Islands (+108%), Highland (+105%) and the Orkney Islands (+101%) are projected to have some of the largest increases in population aged 75 and over.

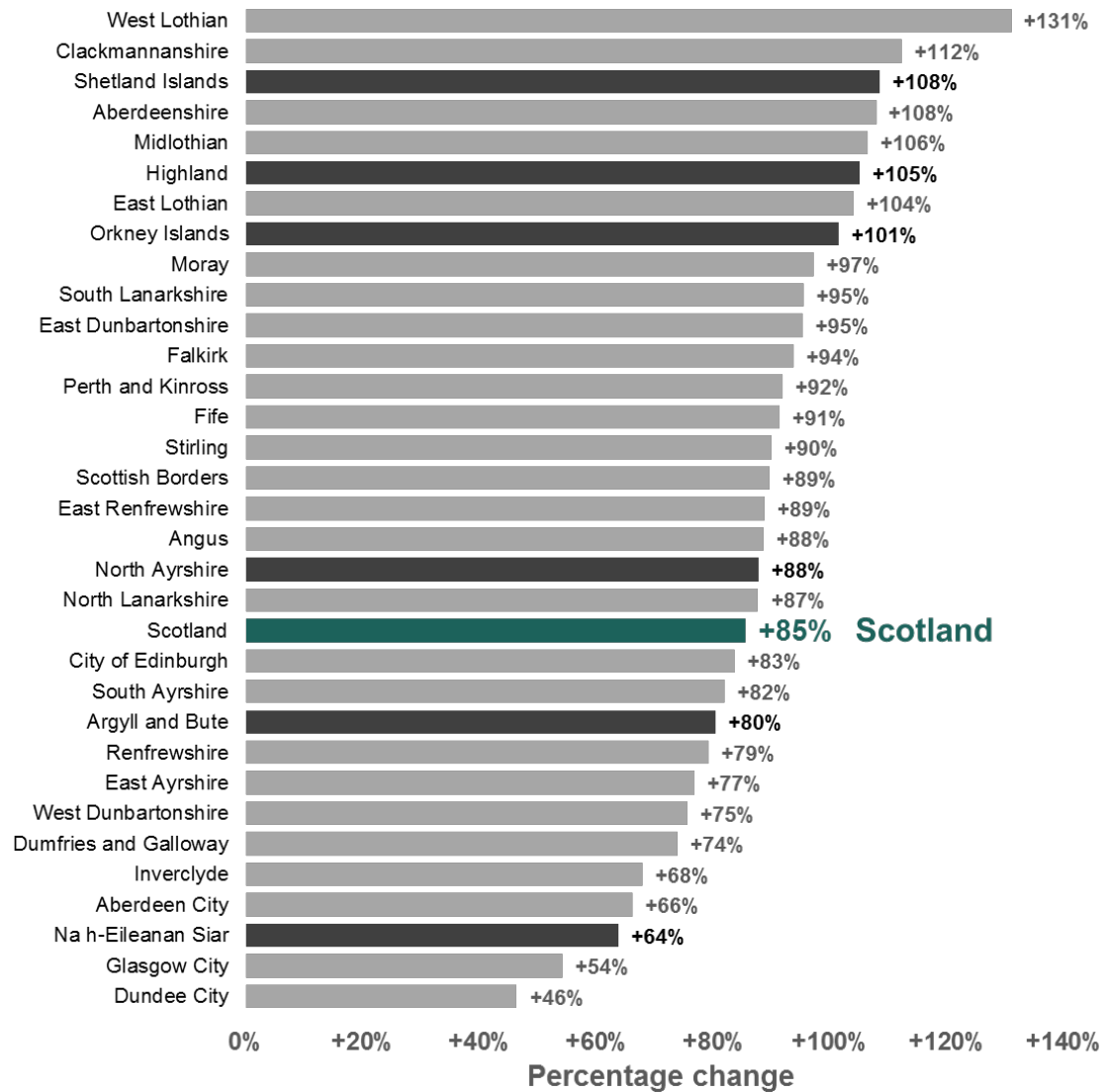
Figure 2: Projected percentage change in population, by age structure, council area, 2014 to 2039



Note

Estimates based on State Pension Age. As set out in the 2014 Pensions Act, between 2014 and 2018, the state pension age will rise from 62 to 65 for women. Then between 2019 and 2020, it will rise from 65 years to 66 years for both men and women. A further rise in state pension age to 67 will take place between 2026 and 2028. Between 2044 and 2046, state pension age will increase from 67 to 68. The UK Government plan to review state pension age every five years in line with life expectancy and other factors.

Figure 3: Projected percentage change in population aged 75 and over, by council area, 2014 to 2039



Projections for the 6 member areas of the Islands Strategic Group

1.1 Council area projections

This section contains line graphs selected from our [interactive variants visualisation](#), available on the [NRS website](#), of the projected population for each area between 2014 and 2039. The principal projection is shown alongside the migration variants that indicate what might happen under higher or lower plausible rates of migration. The zero outwith Scotland migration is illustrative of what might happen if no in or out migration occurs with areas outside of Scotland, as is a special case scenario showing what might happen under the consequences of particular, but not necessarily a realistic set of assumptions.

Also included are population pyramids showing the current age and sex structure (2014, solid bars) and the projected age and sex structure (2039, lines). These have been selected from our [interactive population pyramids visualisation](#), available on the [NRS website](#). The population structure for each area is compared to Scotland as a whole, please note that the scales can be very different.

1.1.1 Orkney Islands

Figure 4: Projected population of Orkney Islands under the principal and migration variant projections, 2014 to 2039

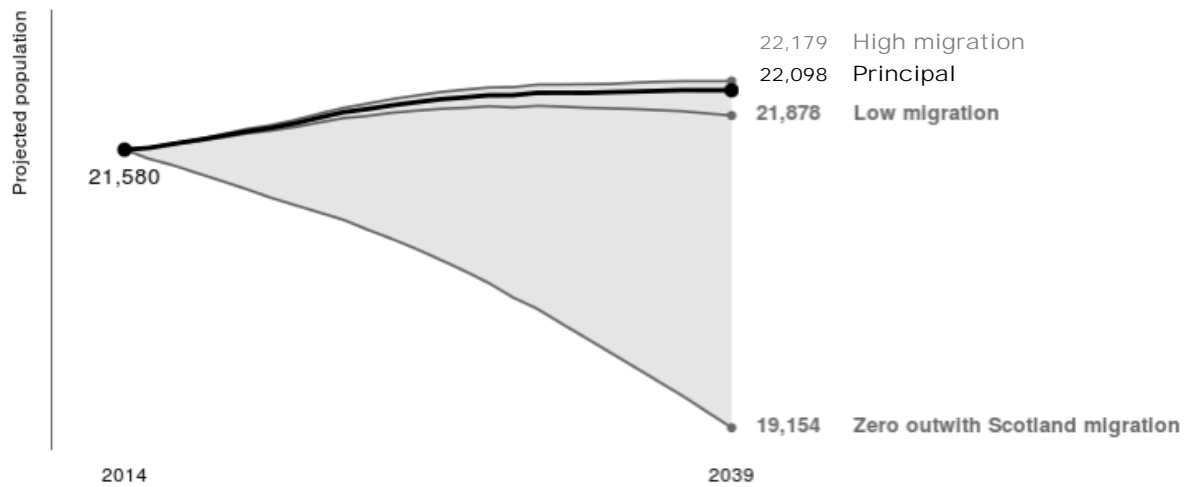
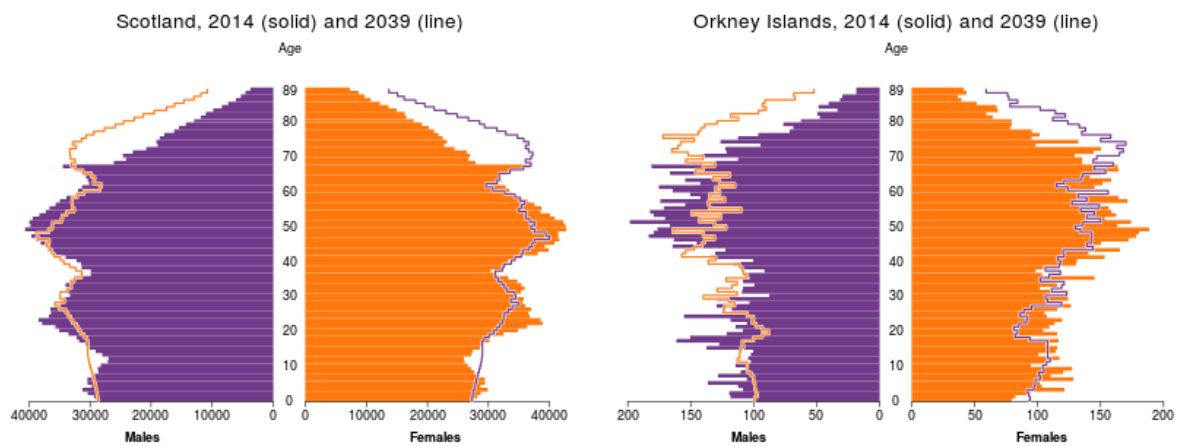


Figure 5: Population pyramids. Estimated (2014, solid bars) and projected (2039, lines) population of Scotland and Orkney Islands council area by single year of age and sex.



1.1.2 Shetland Islands

Figure 6: Projected population of Shetland Islands under the principal and migration variant projections, 2014 to 2039

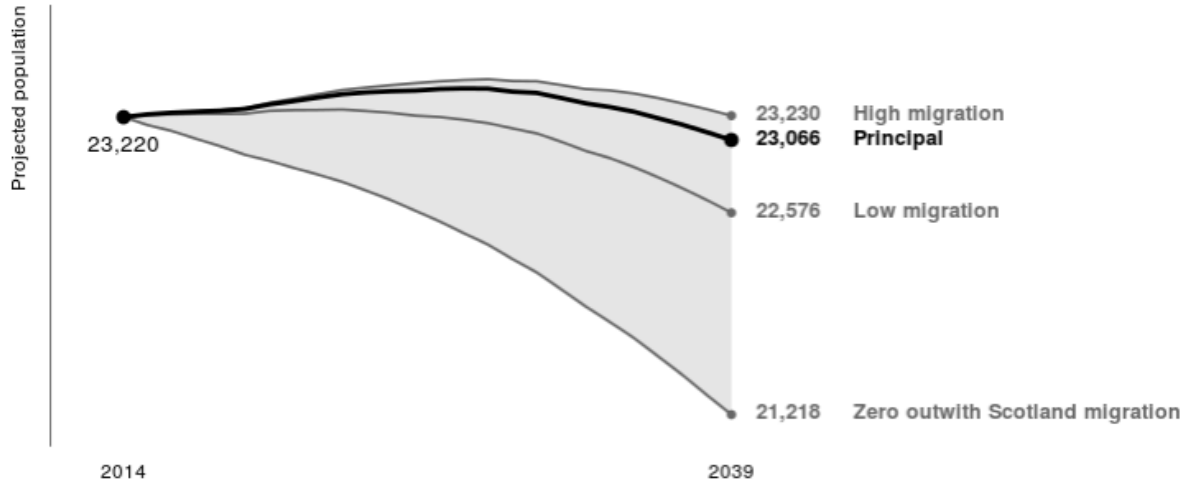
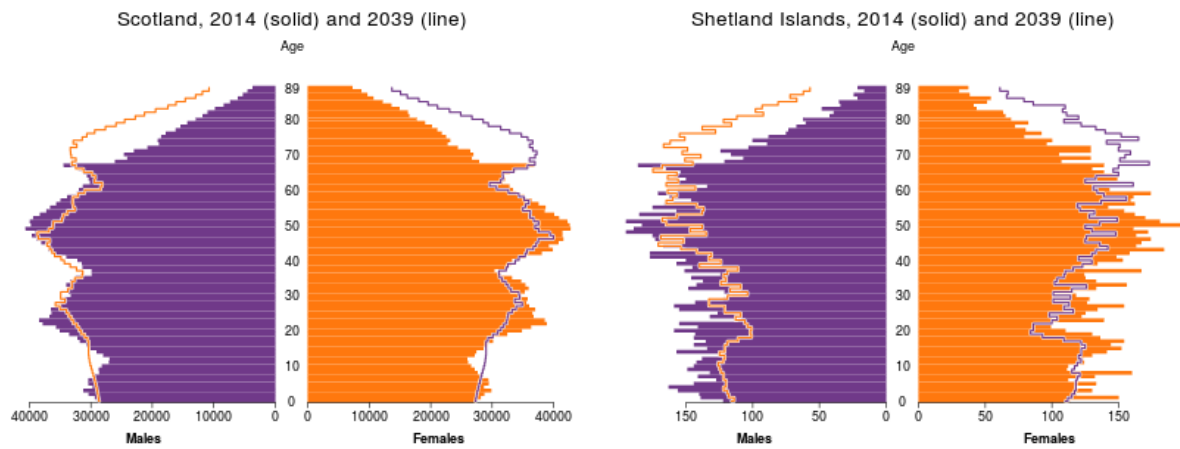


Figure 7: Population pyramids. Estimated (2014, solid bars) and projected (2039, lines) population of Scotland and Shetland Islands council area by single year of age and sex.



1.1.3 Na h-Eileanan Siar

Figure 8: Projected population of Na h-Eileanan Siar under the principal and migration variant projections, 2014 to 2039

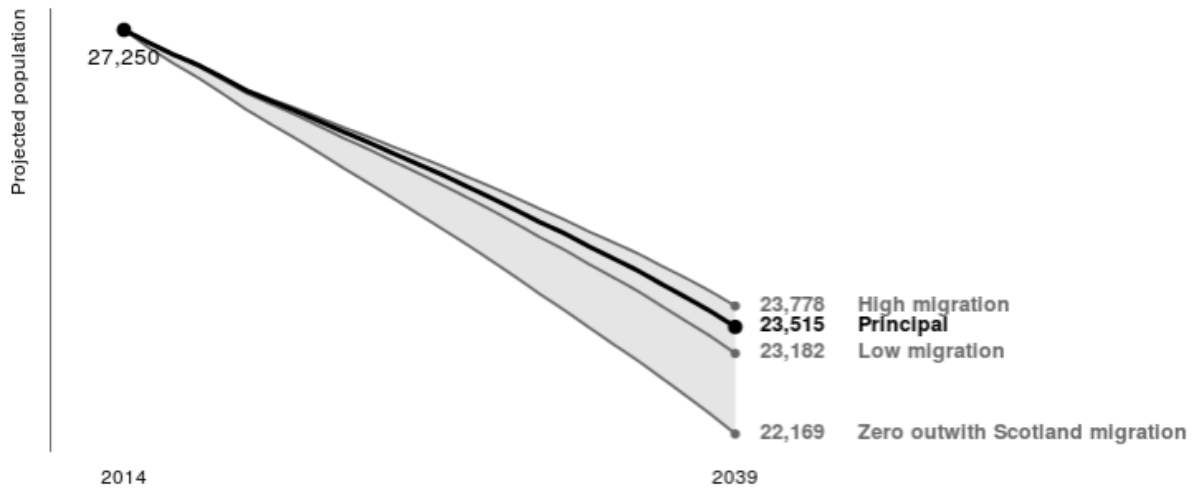
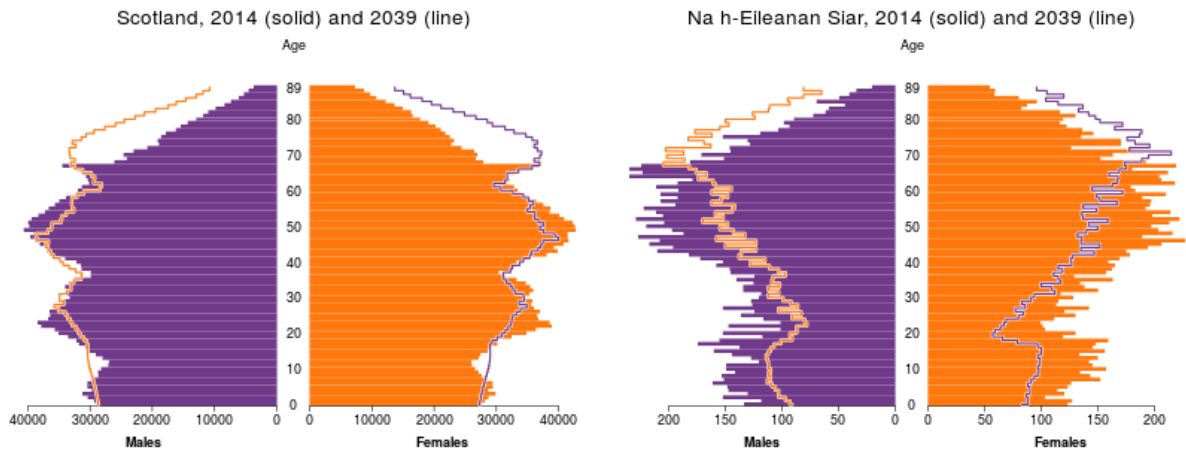


Figure 9: Population pyramids. Estimated (2014, solid bars) and projected (2039, lines) population of Scotland and Na h-Eileanan Siar council area by single year of age and sex.



1.1.4 Argyll & Bute

Figure 10: Projected population of Argyll and Bute under the principal and migration variant projections, 2014 to 2039

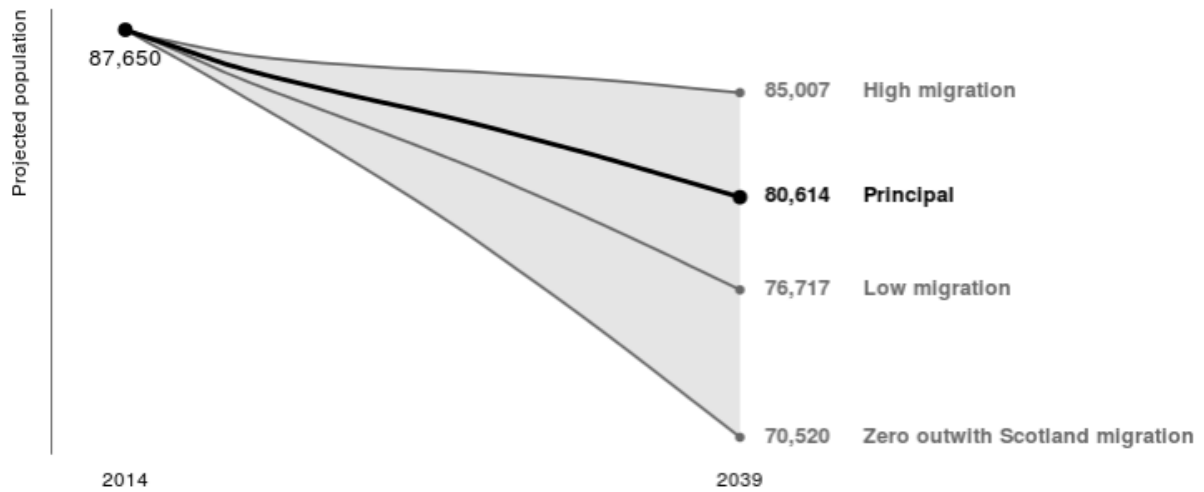
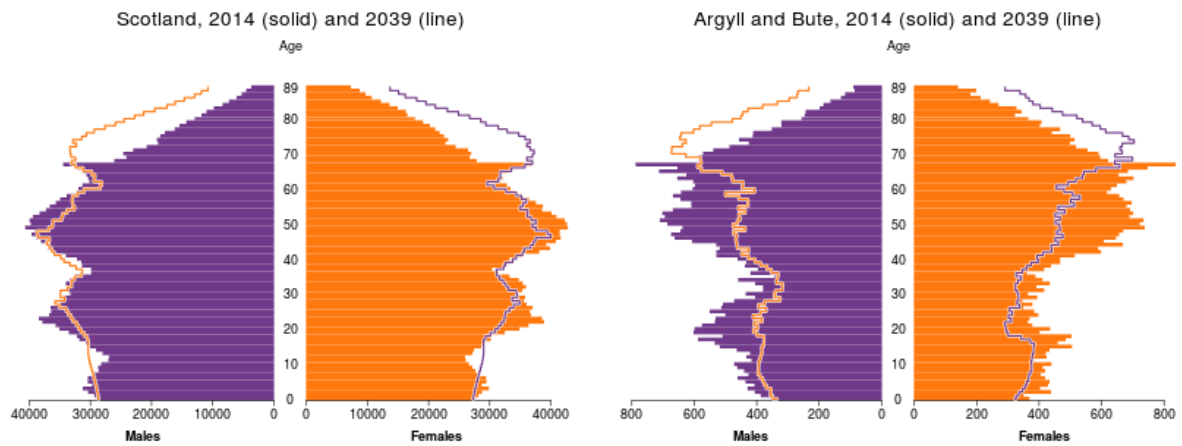


Figure 11: Population pyramids. Estimated (2014, solid bars) and projected (2039, lines) population of Scotland and Argyll and Bute council area by single year of age and sex.



1.1.5 Highland

Figure 12: Projected population of Highland under the principal and migration variant projections, 2014 to 2039

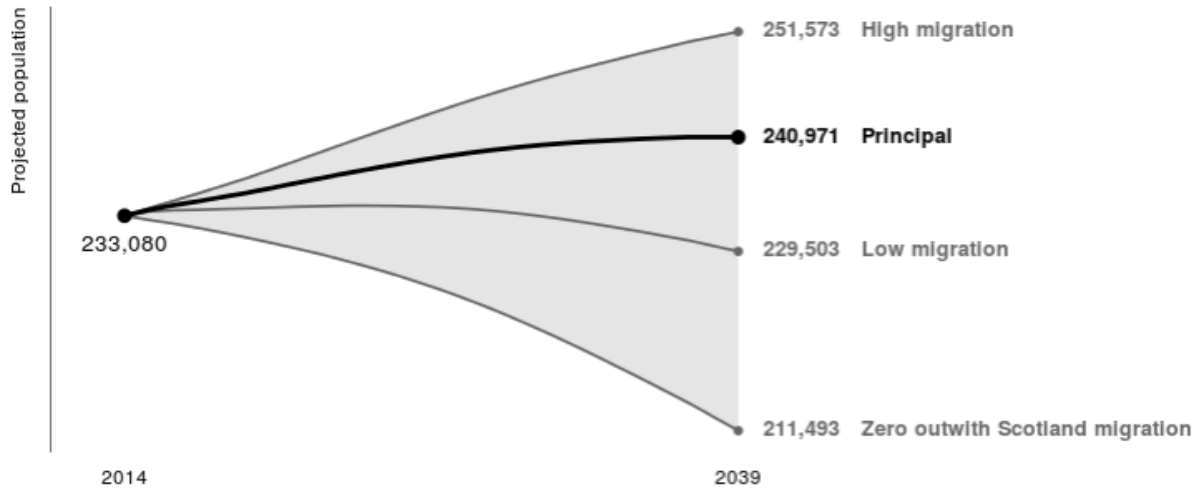
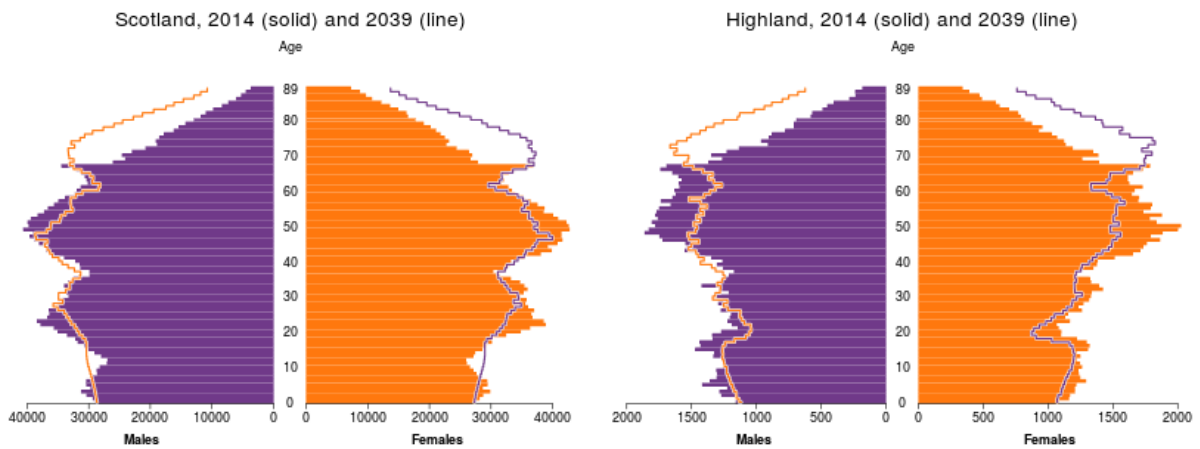


Figure 13: Population pyramids. Estimated (2014, solid bars) and projected (2039, lines) population of Scotland and Highland council area by single year of age and sex.



1.1.6 North Ayrshire

Figure 14: Projected population of North Ayrshire under the principal and migration variant projections, 2014 to 2039

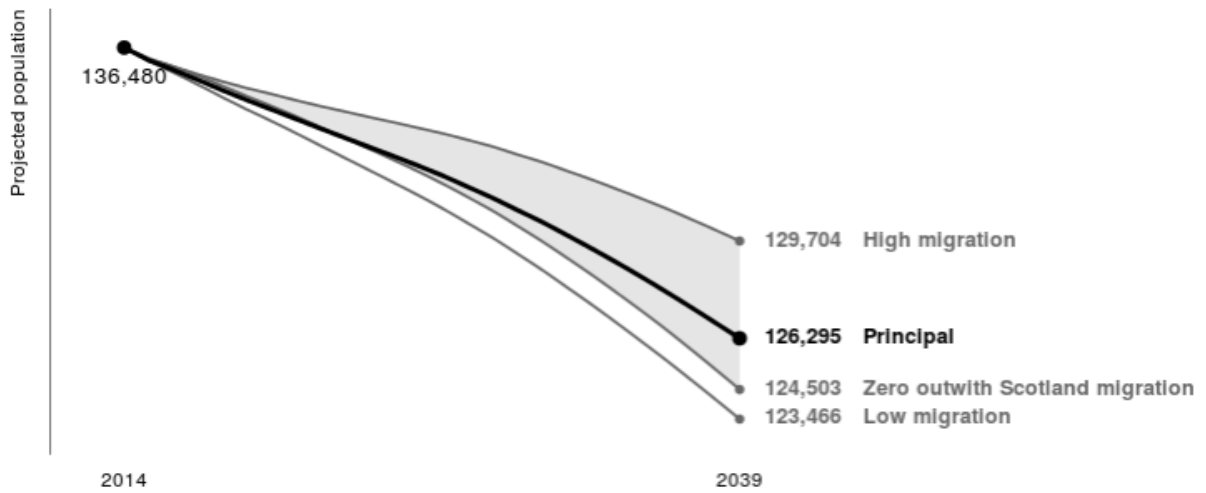
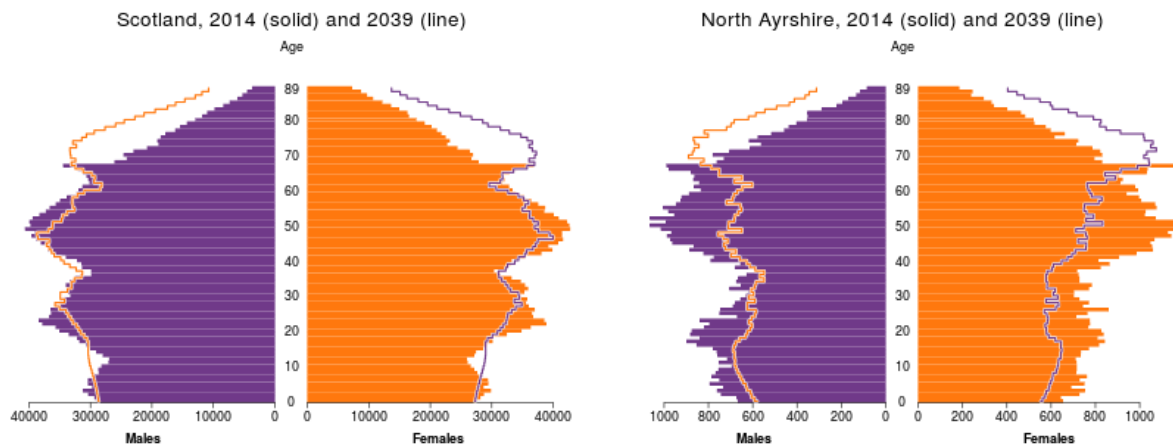


Figure 15: Population pyramids. Estimated (2014, solid bars) and projected (2039, lines) population of Scotland and North Ayrshire council area by single year of age and sex.



1.2 Sub-council area projections

1.2.1 Background information

Population projections are calculations showing what happens under certain assumptions about future fertility, mortality and migration. These assumptions are based on past trends, and do not take account of any future changes that may occur as a result of policy initiatives, social or economic change.

National Records of Scotland publish population projections for Scottish council areas every two years, the most recent were based on past trends up to 2014 (2014-based projections). Projections are not regularly produced for smaller areas. However, [experimental 2012-based sub-council area projections](#)² were published by National Records of Scotland in March 2016 as part of a one-off project.

These projections are consistent with the 2012-based sub-national projections. However, they are classified as experimental and should be treated with additional caution as smaller areas show more unstable short-term change than larger areas. In particular, the island areas of Scotland have some of the smallest populations. Although the methodology has been undertaken with a degree of consistency, assumptions have been refined in some areas to reflect local circumstances (these are set out in the [notes and caveats workbook](#)³ on the NRS website). For example, the method used could be considered consistent within a council area but sub-area results may not necessarily be comparable between sub-areas in different council areas.

The sub-council areas within Scotland are not consistent in size, varying from base populations of 2,100 in Stromness, Orkney to 79,000 in Inverness, Highland; with the average area having a population at mid-2012 of 17,700. The larger areas tend to be in urban areas and the smallest in rural areas.

Councils were consulted on their preferred geography for this project. The majority of councils opted to use ward boundaries, and custom geographies were chosen by 11 of the 32 council areas. NRS did not set a minimum population threshold for the sub-council area geography. Rather than a threshold of population size, it is the instability of fertility, mortality and migration that complicates small area projections that use components of change. As a general rule of thumb, projections for populations of fewer than ten thousand could be considered more prone to errors. However, for some areas, projections for populations between eight and ten thousand appear to be reasonable. Where changes in fertility, mortality and the age and sex composition of migration are not typical for the area in the observed period (2008 to 2012), unexpected outcomes in the population projections may occur. In addition, the projection may be less reliable if a major institution is present, such as a prison, student halls of residence or armed forces base, collectively known as special populations. For each area these comments have been summarised in the [notes and caveats workbook](#)³ on the NRS website.

² <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-and-household-sub-council-area-projections/2012-based-population-and-household-projections>

³ Notes and caveats workbook available at the link in footnote 2.

More information can be found in the [Population and Household Projections for Scottish sub-council areas²](#) report on the NRS website.

1.2.2 Orkney Islands

Figure 16: Projected population and percentage population change of Orkney Islands council area and sub-council areas, 2012 to 2037.

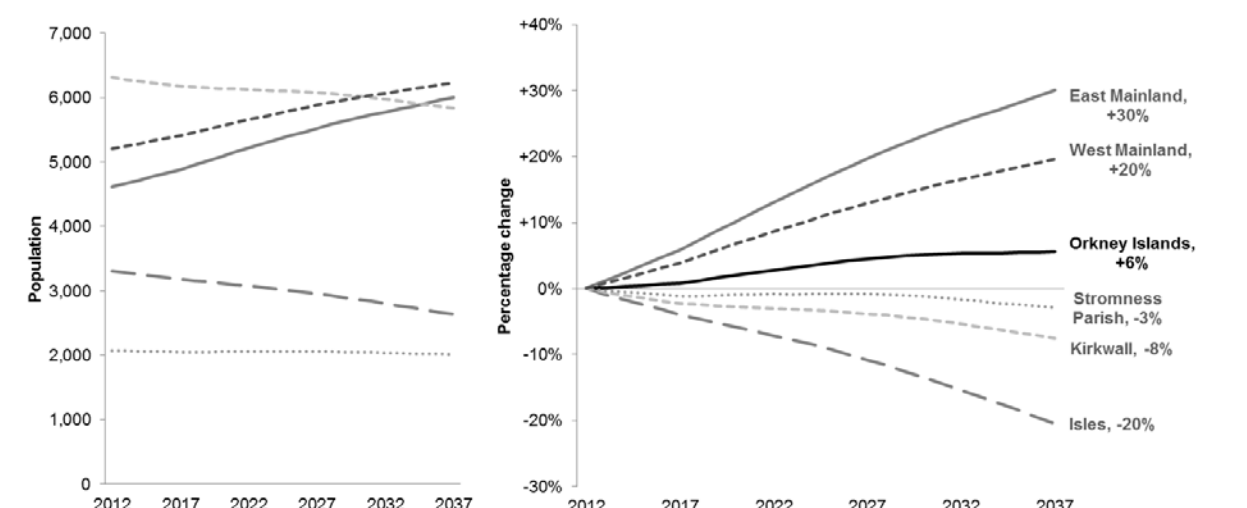


Table 4: Projected population and percentage population change of Orkney Islands council area and sub-council areas, 2012 to 2037.

Area	Area type	Population 2012	Population 2037	Percentage change
Orkney Islands	Council area	21,530	22,724	6
East Mainland		4,616	6,005	30
Isles	Housing Market Areas	3,313	2,635	-20
Kirkwall		6,316	5,837	-8
Stromness Parish		2,075	2,014	-3
West Mainland		5,210	6,234	20

Sub-council area Notes

East Mainland	Very small area thus the effects of recent migratory trends appear exaggerated.
Isles	Very small area. The difference in the number of males compared with females in the net migration and other changes component in the five years prior to 2012 is projected to continue. This change may be unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.
Kirkwall	Small area thus the effects of recent migratory trends appear exaggerated.
Stromness Parish	Very small area thus the effects of recent migratory trends appear exaggerated.
West Mainland	Small area thus the effects of recent migratory trends appear exaggerated.

1.2.3 Shetland Islands

Figure 17: Projected population and percentage population change of Shetland Islands council area and sub-council areas, 2012 to 2037

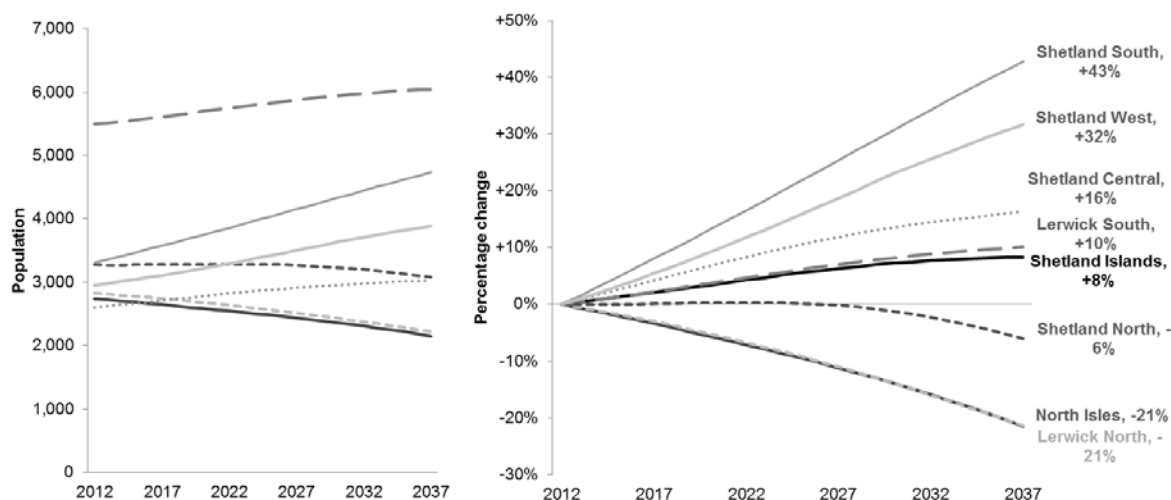


Table 5: Projected population and percentage population change of Shetland Islands council area and sub-council areas, 2012 to 2037.

Area	Area type	Population 2012	Population 2037	Percentage change
Shetland Islands	Council area	23,210	25,147	8
Lerwick North		2,742	2,153	-21
Lerwick South		5,493	6,045	10
North Isles	Multi-Member	2,828	2,225	-21
Shetland Central	Wards	2,606	3,030	16
Shetland North		3,276	3,079	-6
Shetland South		3,313	4,731	43
Shetland West		2,952	3,884	32

Sub-council	Notes
Lerwick North	Very small area. The difference in the number of males compared with females in the net migration and other changes component in the five years prior to 2012 is projected to continue. This change may be unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.
Lerwick South	Small area thus the effects of recent migratory trends appear exaggerated.
North Isles	Very small area thus the effects of recent migratory trends appear exaggerated.
Shetland Central	Very small area thus the effects of recent migratory trends appear exaggerated.
Shetland North	Very small area thus the effects of recent migratory trends appear exaggerated.
Shetland South	Very small area thus the effects of recent migratory trends appear exaggerated.
Shetland West	Very small area thus the effects of recent migratory trends appear exaggerated.

1.2.4 Na h-Eileanan Siar

Figure 18: Projected population and percentage population change of Na h-Eileanan Siar council area and sub-council areas, 2012 to 2037

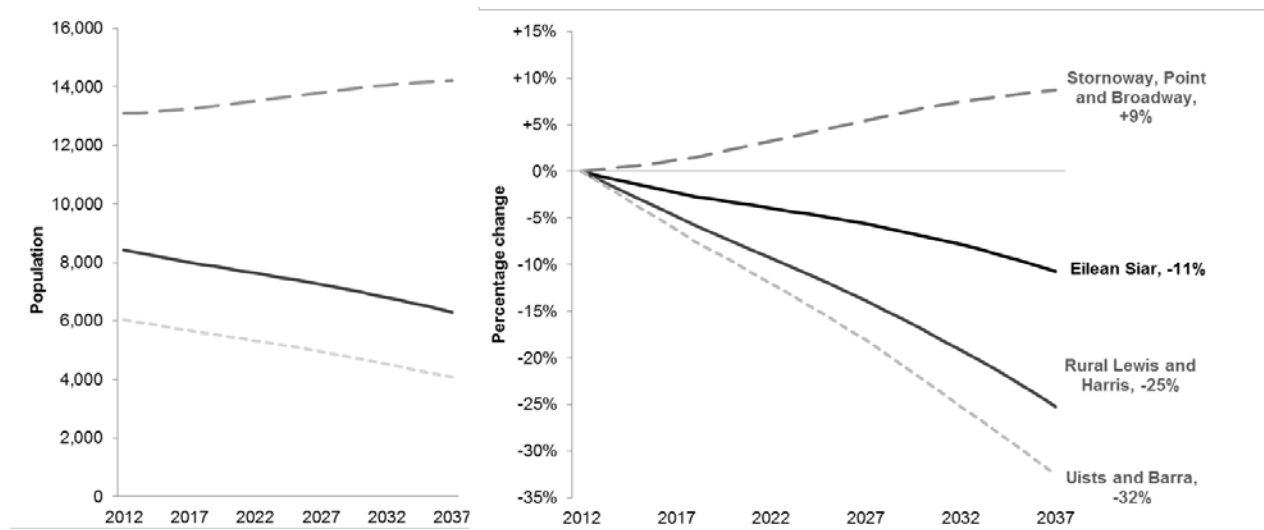


Table 6: Projected population and percentage population change of Na h-Eileanan Siar council area and sub-council areas, 2012 to 2037

Area	Area type	Population 2012	Population 2037	Percentage change
Eilean Siar	Council area	27,560	24,615	-11
Rural Lewis and Harris	Sub-areas	8,417	6,295	-25
Stornoway, Point and Broadway	(custom)	13,092	14,233	9
Uists and Barra		6,051	4,086	-32

Sub-council area	Notes
Rural Lewis and Harris	Very small area thus the effects of recent trends appear exaggerated.
Stornoway, Point and Broadway	
Uists and Barra	Very small area thus the effects of recent trends appear exaggerated.

1.2.5 Argyll & Bute

Figure 19: Projected population and percentage population change of Argyll and Bute council area and sub-council areas, 2012 to 2037

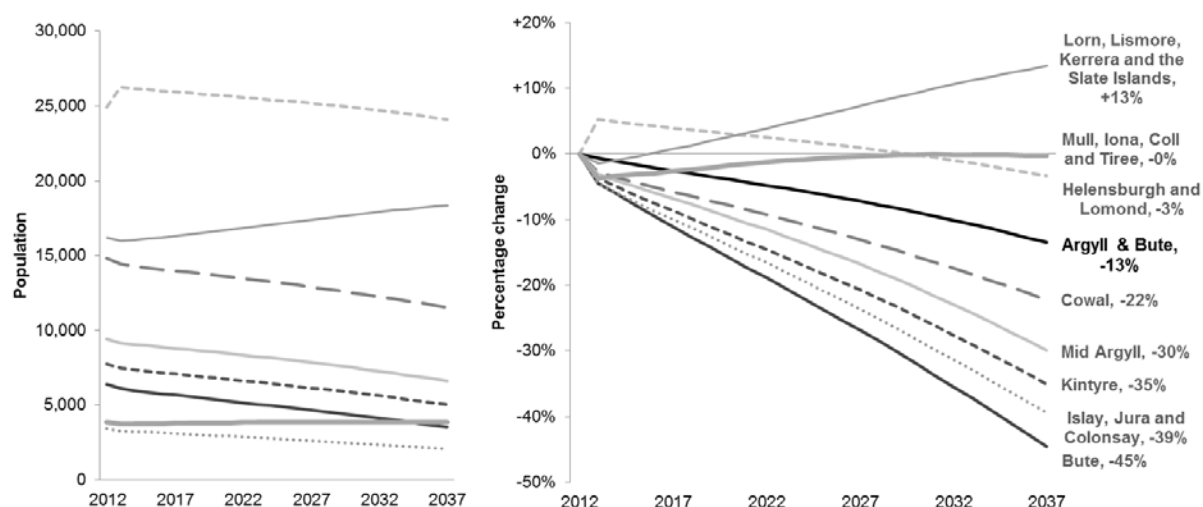


Table 7: Projected population and percentage population change of Argyll and Bute council area and sub-council areas, 2012 to 2037

Area	Area type	Population 2012	Population 2037	Percentage change
Argyll & Bute	Council area	86,900	75,185	-13
Bute		6,385	3,542	-45
Cowal		14,833	11,537	-22
Helensburgh and Lomond		24,941	24,109	-3
Islay, Jura and Colonsay	Housing Market	3,447	2,088	-39
Kintyre	Areas	7,763	5,039	-35
Lorn, Lismore, Kerrera and the Slate Islands		16,203	18,374	13
Mid Argyll		9,438	6,618	-30
Mull, Iona, Coll and Tiree		3,890	3,878	0

Sub-council area	Notes
Bute	Very small area thus the effects of recent migratory trends appear exaggerated.
Cowal	
Helensburgh and Lomond	Includes an adjustment for the presence of armed forces populations. A 12 year average of armed forces numbers is used due to year on year volatility.
Islay, Jura and Colonsay	Very small area thus the effects of recent migratory trends appear exaggerated.
Kintyre	
Lorn, Lismore, Kerrera and the Slate Islands	
Mid Argyll	
Mull, Iona, Coll and Tiree	Very small area thus the effects of recent migratory trends appear exaggerated.

1.2.6 Highland

Figure 20: Projected population and percentage population change of Highland council area and sub-council areas, 2012 to 2037

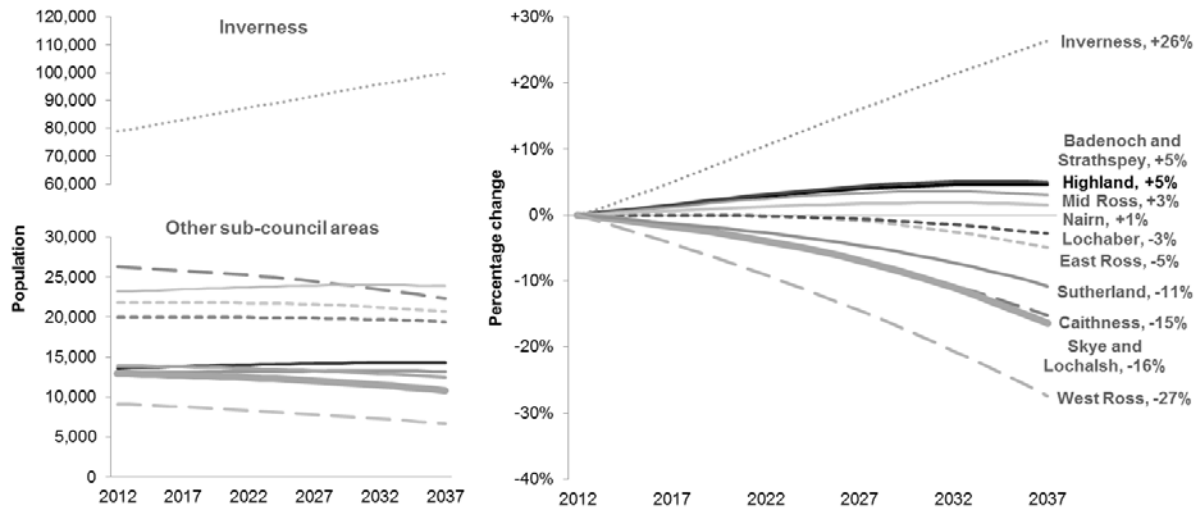


Table 8: Projected population and percentage population change of Highland council area and sub-council areas, 2012 to 2037

Area	Area type	Population 2012	Population 2037	Percentage change
Highland	Council area	232,910	243,493	5
Badenoch and Strathspey		13,597	14,269	5
Caithness		26,299	22,289	-15
East Ross		21,778	20,699	-5
Inverness	Housing Market	79,072	99,881	26
Lochaber	Areas	19,981	19,413	-3
Mid Ross		23,162	23,856	3
Nairn		13,013	13,206	1
Skye and Lochalsh		12,926	10,799	-16
Sutherland		13,930	12,433	-11
West Ross		9,152	6,649	-27

Sub-council area	Notes
Badenoch and Strathspey	The difference in the number of males compared with females in the five years prior to 2012 is projected to continue. This change is unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.
Caithness	The difference in the number of males compared with females in the five years prior to 2012 is projected to continue. This change is unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.
East Ross	
Inverness	This area includes adjustments for a prison in the area and for armed forces populations. Prisoner numbers for 2012 are assumed for the entire projection period. The number of armed forces for the projection period is assumed to be the same as the five year average from 2008-2012.
Lochaber	
Mid Ross	
Nairn	
Skye and Lochalsh	The difference in the number of males compared with females in the five years prior to 2012 is projected to continue. This change is unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.
Sutherland	The difference in the number of males compared with females in the five years prior to 2012 is projected to continue. This change is unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.
West Ross	The difference in the number of males compared with females in the five years prior to 2012 is projected to continue. This change is unlikely and may be a consequence of the method used to produce the projections. See section 4 in the report for more details.

1.2.7 North Ayrshire

Figure 21: Projected population and percentage population change of North Ayrshire council area and sub-council areas, 2012 to 2037

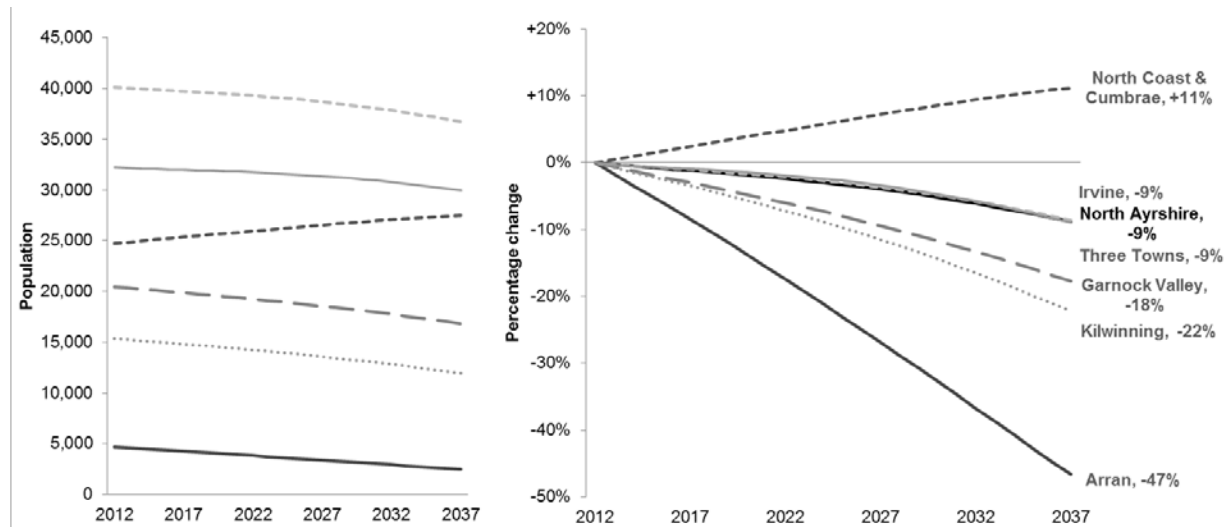


Table 9: Projected population and percentage population change of North Ayrshire council area and sub-council areas, 2012 to 2037

Area	Area type	Population 2012	Population 2037	Percentage change
North Ayrshire	Council area	137,560	125,469	-9
Arran		4,624	2,465	-47
Garnock Valley		20,475	16,844	-18
Irvine	Neighbourhood	40,155	36,704	-9
Kilwinning	Planning Areas	15,350	11,942	-22
North Coast & Cumbrae		24,752	27,528	11
Three Towns		32,204	29,985	-7

Sub-council area	Notes
Arran	The population of this area is very small and therefore the projections should be used with caution. As the area has a small population the effects of recent migration trends appear exaggerated. The difference in the number of males compared with females in the five years prior to 2012 is projected to continue. This change may be unlikely and may be a consequence of the method used to produce the projections and the small size of the area. See section 4 in the report for more details.
Garnock Valley	
Irvine	
Kilwinning	
North Coast & Cumbrae	
Three Towns	

ISLANDS STRATEGIC GROUP: 19 DECEMBER 2016

POPULATION AND MIGRATION

Report by Comhairle nan Eilean Siar

Background

1. Population decline and related issues of migration and demographic imbalance are amongst the most acute economic and social issues faced by the Outer Hebrides. The latest population projections released by the National Records of Scotland show that the population decline in the Outer Hebrides is greater than in any other Scottish local authority area. An Outer Hebrides Overview is provided at Appendix 1. While the position may be most acute in the Outer Hebrides (as a local authority area) it is suggested that the themes identified and draft actions proposed may also be relevant to Scotland's other islands and fits with the fourth element of the Group's agreed remit: *Consider strategic policy issues/challenges to ensure proper solutions, fit for purpose are being considered to allow greater sustainable economic growth and community development within island communities.*

2. The Outer Hebrides Community Planning Partnership (OHCPP) held a seminar in Harris on 7 and 8 November 2016 as a first step towards developing a comprehensive policy framework to tackle population decline and migration issues. The purpose was to:

- stimulate open, free discussion and debate;
- generate new ideas;
- explore new ways of working together;
- challenge ourselves on whether we are doing the right things and the things that would have the most impact on population and migration?

3. The seminar is intended to be the beginning of a wider stakeholder engagement process. Following the seminar, it is proposed to hold business and community stakeholder engagement events in Barra, Uist, Harris, Rural Lewis and Stornoway, with a view to signing off the new framework in March/April 2017.

4. The seminar was attended by representatives of UK and Scottish Governments as well as community planning partners, sectoral business representatives, community councils from across the islands and student representatives. Cllr Gary Robinson, Leader, Shetland Islands Council, also gave a presentation to and participated in the whole of the seminar. Councillor Robinson indicated that many of the points being made also reflected the challenges facing Shetland.

5. Three key themes emerged from the presentations and the workshop sessions. These are:

- (i) Area Marketing and Promotion
- (ii) Infrastructure and Investment

(iii) Young People

Further details of initial findings in respect of each of these themes is provided in Appendix 2.

6. A set of draft Actions is being developed by the OHCPP. Draft actions identified to date are also detailed in Appendix 2.. These draft actions are not considered to be prescriptive or exclusive and it is anticipated that they will be refined and developed during and following community engagement.

7. The Outer Hebrides Community Planning Partnership has established a small officer group to manage the next stages of the project and make progress between OHCPP Board meetings.

RECOMMENDATIONS

It is recommended that the Islands Strategic Group

(a) discuss the initial findings of the Outer Hebrides Population and Migration seminar and identify any issues of relevance to other islands within Scotland; and

(b) agree to work together to address these issues.



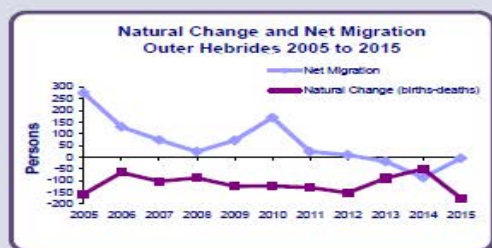
Population & Migration Seminar November 2016 Outer Hebrides Overview

- The current population estimate for the Outer Hebrides is 27,070 as at 30 June 2015; this represents a decrease in the overall population of 180 persons (-0.7%) from mid 2014 to mid 2015.
- The Outer Hebrides is estimated to have had the second highest population decline in Scotland in 2014-15 after Argyll and Bute at -0.9%.
- Over the decade from 2005 to 2015 there was a population increase of 140 persons (0.5%), in comparison to a 5.1% increase nationally. Orkney had an 8.0% increase and Shetland a 4.3% increase over the same period.
- The Outer Hebrides, along with Argyll & Bute and Dumfries & Galloway, had the highest percentage of those aged 65 and over. It was 25% in Argyll & Bute and 24% in the Outer Hebrides, Dumfries and Galloway and South Ayrshire, in comparison to the Scotland average of 18%.
- The estimated net civilian migration for mid 2014 to mid 2015 was -5 and natural change was -176 due to 386 deaths and 210 births.
- The population is estimated to have decreased over the year primarily because of negative natural change, which was -176, the highest over the last decade (as illustrated below). Net migration was at its highest over the last decade in 2005 when net migration was positive at 274. This helped to counteract the negative natural change of -158.

Island Area (2015)	0-15	16-64	65+
Barra & Vatersay	19%	57%	24%
South Uist	17%	60%	23%
Benbecula	21%	63%	16%
North Uist	11%	59%	30%
Harris	13%	56%	31%
Lewis	16%	60%	24%

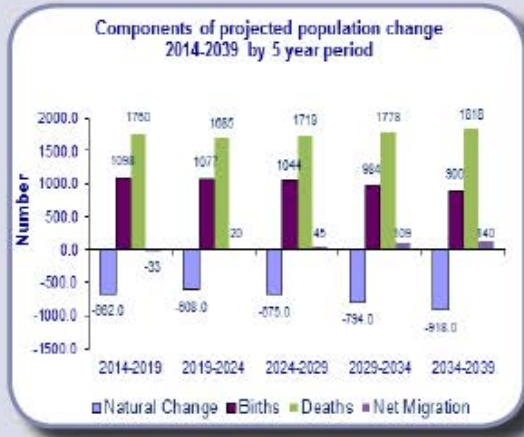
- The population continues to age in all island areas. However, the broad age groups vary greatly across the islands (as illustrated above) with 31% of the population in Harris aged 65 and over while in Benbecula it is 16%.
- Within data zone areas 'Melbost to Braighe' has had the largest increase in population at 9.8% over the period 2011 to 2015 while the 'Bragar to Brue' data zone has had the largest decrease at 9.7%.
- Within a wider geographic area the percentage of the population in Stornoway and its surrounding areas (including Point and Broadbay) is increasing while in rural Lewis, Harris, Uists and Barra it is decreasing (as illustrated below).

	% Sty Area	% Rural Area
2001 Census	43%	57%
2011 MYE	44%	56%
2015 MYE	48%	52%



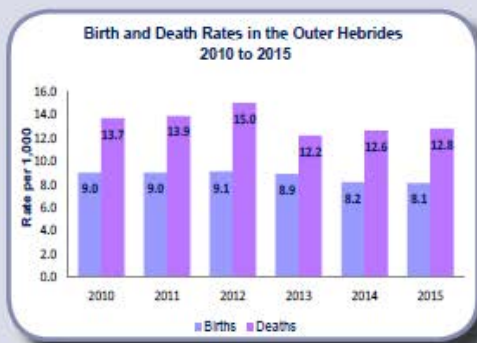
- The 2014 based population projections forecast a 13.7% decline in the population of the Outer Hebrides. The population is projected to decrease from 27,250 in 2014 to 23,515 in 2039.
- The decline in broad age groups is as follows: 28% decline in the 0-15 year age group, 21% decline in the working age population and 11% increase in those of pensionable age.

- The chart below illustrates that the key factor in the projected population decline is natural change, due to more deaths than births.

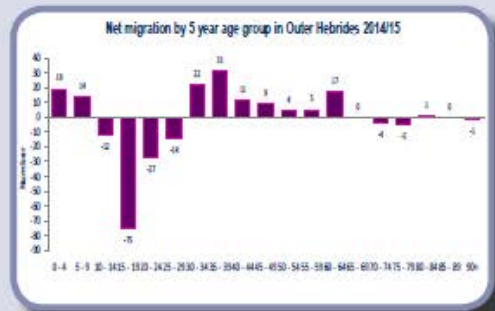


Population Projections	2011	2015
2002 based	23,795	22,638
2004 based	25,513	24,679
2006 based	26,200	26,103
2008 based	25,989	25,827
2011 Census results	27,684	
2015 Population Estimate		27,070

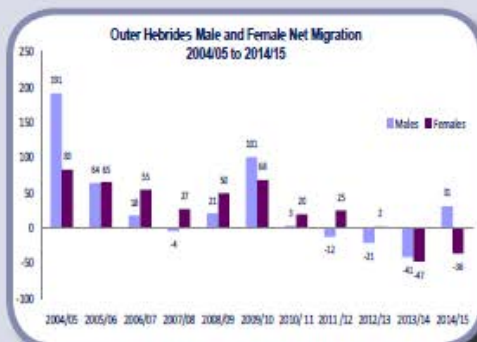
- By 2039 the Outer Hebrides is projected to have the lowest percentage of children in Scotland at 13.6%, the 4th lowest percentage of working age at 53.2% and the 2nd highest percentage of pensionable age at 33.2%.
- The sub-council population projections show a 5.2% decrease throughout the Outer Hebrides from 27,560 in 2012 to 26,115 in 2026. This represents a 12.9% decrease in Rural Lewis and Harris area, a 5% increase in Stornoway, Broadbay and Point area and a 16.8% decrease in the Uists and Barra.
- However, it is important to note that projections become more uncertain the further ahead they go, especially for smaller areas, as these populations are affected more by the migration assumptions.
- It should also be noted that these results are mainly trend-based and do not take account of policy initiatives. If new policies are introduced, they may result in the original projections not being realised.
- The following table shows the projected population figures from the 2002, 2004, 2006 and 2008 based population projections for 2011 and 2016. This illustrates that the figures projected were much lower than the actual figures the Outer Hebrides had at the time of the 2011 Census and are lower than the present 2015 population estimates.
- At the 2011 Census the Outer Hebrides had the highest percentage difference in Scotland between the 2011 rolled forward population estimates and the 2011 Census results at 6.6%. The 2011 Census results showed that the population of the Outer Hebrides was almost 1,200 higher than the population estimates had forecast.
- The 2011 Census results actually showed a 4.5% increase between the 2001 Census and the 2011 Census rather than a decrease as had been estimated.
- In the Outer Hebrides overall the 2015 Household Estimates identified an increase of 49 households (0.4%) from 2014 to 2015; while the Scottish average was 0.6%. The increase in households, in contrast to the decrease in population, is due to single households being the main household type in the Outer Hebrides.
- In the long term the 2015 Household Estimates identified an increase of 1,339 households (11.5%) from 2005 to 2015, the 6th highest percentage change in Scotland, and this is greater than the national trend (7.0%).
- The average household size in the Outer Hebrides has decreased from 2.29 in 2005 to 2.06 in 2015, the largest decrease (-9.9%) in Scotland.
- The sub-council household projections show a 6.1% increase throughout the Outer Hebrides from 12,749 in 2012 to 13,527 in 2026, representing a 2.4% increase in Rural Lewis and Harris, a 12.6% increase in Stornoway, Broadbay and Point area and a 2.1% decrease in the Uists and Barra.



- The chart above shows the birth and death rates in the Outer Hebrides. This illustrates why natural change (the difference between births and deaths) is consistently negative. This is the main reason for population decline in the Outer Hebrides and positive net migration is needed to sustain the population in the Outer Hebrides.



- The highest loss experienced was in the 15-19 year age group with a net loss of 75, the lowest loss was in the 90+ age group at 1. The highest gain was in the 35-39 age group with 31, with the lowest gain in the 80-84 age group at 1.
- In terms of total net migration over the year the Outer Hebrides experienced a loss of 5, while Orkney had a net gain of 100 and Shetland had a loss of 36.



- The chart above shows male and female net migration over a ten year period. Over the period total male net migration was 351 and total female net migration was 312, so 39 more males than females.
- Male net migration was negative over four years while female net migration had been positive up until the last two years.
- The following chart shows the net migration within the Outer Hebrides by age group for the year 2014-15. The Outer Hebrides is continuing the trend of negative migration in the 15-19 age group. However, for this year there has also been negative net migration in the 10-14, 20-24 and 25-29 age groups.

Earnings by residence 2015	
Gross weekly pay	
All full time workers	
	£
Outer Hebrides	495.80
Orkney Islands	505.20
Scotland	527.00
Great Britain	529.60
Shetland Islands	592.00

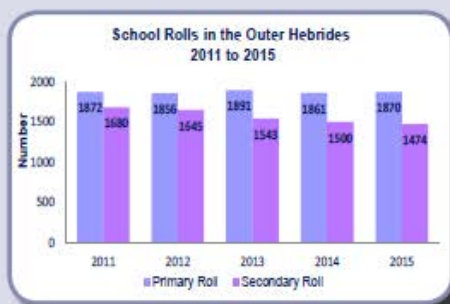
Source: NOMIS

- Gross weekly pay in the Outer Hebrides remains one of the lowest in Scotland, the 6th lowest of all local authority areas.
- The Outer Hebrides consume 25% more energy per capita compared to the mainland. The average dual fuel bill is approximately £2,012. This is 49% higher than the UK average. This is due to high energy costs and associated high levels of fuel poverty and extreme weather conditions and energy efficiency issues. Energy consumption per person for domestic applications is 25% higher compared to UK average.

- Second highest fuel poverty levels in Scotland at 62%, Scottish average 35%, Orkney highest at 63% and Shetland is 53%.
- Second highest level of extreme fuel poverty at 26%, Scottish average 10%, Orkney highest at 30% and Shetland is 19%.
- Third highest level of pensioners in fuel poverty at 75%, Scottish average 51%, with Orkney highest at 85% and Shetland is 76%.
- Second highest level of pensioners in extreme fuel poverty at 40%, Scot.avg. 15%, with Orkney highest at 49% and Shetland is 34%.
- GVA per head of population continues to be one of the lowest in Scotland. GVA in the Outer Hebrides in 2014 was the 4th lowest in Scotland at £16,325.
- GDHI (Gross Disposable Household Income) is also continually one of the lowest in Scotland. In 2014 the Outer Hebrides had the 3rd lowest GDHI per head in Scotland at £15,218.

Migration Study 2007 - projections to 2019:

- Decrease in primary school aged children from 2,100 to 1,800 - **primary school roll in 2015 was 1,870**
- Decrease in secondary school children from 2,100 to 1,900 - **secondary school roll in 2015 was 1,474**



- The proportion of children (under 15) will decline from 17% in 2004 to 14% in 2019 - **percentage of children under 15 was 15% in 2015.**
- The proportion of pensioners to increase from 25% of the population in 2004 to 29% in 2019 - **the percentage of those of pensionable age was 26% in 2015.**
- Increase in average age of population from 42.4 in 2004 to 45.3 in 2019 - **median age (age at which half the population is older and half population is younger) in the Outer Hebrides was 47 in 2015 in comparison to 41 in Scotland.**
- Decrease in number of women of childbearing age from 4,500 in 2004 to 3,500 in 2019 - **chart below shows population estimates for both males and females (aged 15-44), which shows both decreasing steadily.**
- More women leaving the islands - **the gender balance is now almost at 50-50 in the 15-44 age group, as illustrated below. However, women continue to outnumber males in the older age groups.**

Population Estimates Age Group 15-44

Year	Men	Women	Total	%M	%F
2015	4,216	4,102	8,318	50.7	49.3
2014	4,281	4,209	8,490	50.4	49.6
2013	4,423	4,330	8,753	50.5	49.5
2012	4,531	4,404	8,935	50.7	49.3
2011	4,309	4,109	8,418	51.2	48.8
2010	4,368	4,179	8,547	51.1	48.9
2009	4,416	4,217	8,633	51.2	48.8
2008	4,506	4,280	8,786	51.3	48.7
2007	4,598	4,370	8,968	51.3	48.7
2006	4,649	4,413	9,062	51.3	48.7
2005	4,671	4,451	9,122	51.2	48.8
2005-2015	-455	-349	-804		

- The Outer Hebrides Migration Study concluded that in-migration among under 45s would have to be increased by 40%, equating to an additional 185 people each year. In addition, the number of 16-24 year olds leaving should be reduced by a third, retaining 40 females and 20 males from this age group.

7 and 8 November 2016

Population & migration seminar

1. area marketing and promotion

A. Vision and Ambition

- Adopt principle of ‘world class everything’
- Positive and ambitious area promotional campaign as a great place to live and work as well as a tourist destination
- Undertake further analysis of why people go, why people come
- Define our brand identity and set own horizons
- We have a saleable ‘brand’ of area – quality of life indicators consistently high
- Focus on Relocation Agenda – incentivise; see <https://www.argyll-bute.gov.uk/rf>
- Consider a ‘come and try living and working here’ campaign
- Living and working here can combine quality of life and professional career progression

- Target new families
- Target relocation of public sector agencies
- Work together from a shared view to achieve jointly agreed outcomes/priorities (LOIP). Partners utilise the “Our Future” suffix.
- **Visit, Live, Work, Study, Invest – and Stay**

B. Our Islands: Our Future

OIOF has campaigned since June 2013, that “people who live and work in the Islands are the best placed to make decisions about our future” – the essence of self-determination. The campaign supports subsidiarity, community empowerment and local decision making including control of our key assets. Consider use of the OIOF as a brand device, e.g.

- Our Islands *Your* Future
- Our *Health* Our Future
- My Island My Future

C. Islands Deal

The Islands Deal will allow the Scottish Islands Areas, Scotland and the wider UK to grow together. No area will be left behind as targeted Government initiatives ensure parity between the islands and the mainland, equalising services and opportunities while allowing the islands to flourish, become more self-sufficient and attract new population. A fully implemented Island Deal will result in well-connected islands, rich in skills and entrepreneurship, contributing at a high level

to all sectors of the Scottish and UK economy. In turn, the modest Government interventions which facilitate this change will transform the island economy and its communities, making them more resilient, prosperous and fulfilled.

Infrastructure and **Innovation** agreed themes for a suite of targeted and focussed high level long term strategic investments

- Interconnector
- Projects must be linked to key assets and sectors – natural and cultural resources; tourism including marine tourism
- Jobs and Housing essential drivers
- Different and innovative types of housing – permanent and short term
- Accessible and affordable consideration of fixed links to replace ferries
- Spinal route
- Social element important – community facilities, alleviate fuel poverty

2. infrastructure and investment

A. Infrastructure

- Make business case and seek Government commitment to Interconnector .
- Developing the key enabling infrastructure is critical to long term prosperity
- Consider mechanism for large scale infrastructure projects
- Adopt Faroese approach – 8km tunnel costs £100m but long term gains
- Creation of new Jobs must be governing factor in prioritisation of projects and initiatives
- Invest in innovative housing solutions including bespoke family homes and innovative shared equity arrangements
- Invest in First Class connectivity (Broadband/mobile) for all
- Increase speed of broadband roll out and consider prioritisation of harder to reach areas
- Spaceport opportunities

B. Investment

- Focus should be on investment and payback.
- Investment opportunities rather than subsidies
- Ambitious investment should be explored which may not incur additional cost eg replacement of Saab 340 air service with 100 seat Embraer planes may drive down cost

C. COMMUNITIES

- Ability to manage natural and cultural resources including management and control of Crown Estate assets
- Jobs and Housing still a priority
- Access to community land for Housing
- Existing Crofter Housing Grants needs to be revised urgently - previous CBGLS scheme far more effective; more funding; more impact)
- People giving up on Crofting and building Croft houses due to bureaucratic processes and procedures; access to land both for housing and acquisition of crofts overly complicated
- Community facilities and measures to alleviate fuel poverty are required (Horgabost example)
- Need populations for viability of Health, Police and Fire Services
- Gaelic language and culture has a key role to play
- Three 'C's - Canan, Cultar is Cosnadh (Language, Culture and Livelihood)
- Niches – Gaelic, Music, Business, Archaeology, Research
- Current industries dependent on migrant workers – fish catching and processing; tourism

3. Young people

- Lifestyle crucial factor for young people – need to address social Isolation and Loneliness which are key issues
- Invest in UHI student accommodation
- Market as centre of excellence in terms of Education and CPD.
- Even with ADS and RET travel still very expensive. Young people wish access to mainland for events. Affordable, flexible and accessible transport is required.
- Decisions must be influenced by the future and not the past
- Young people are here now and their voice must be heard
- Develop a programme to capture and progress entrepreneurial ideas
- More initiatives are necessary to keep and attract young people
- Create a level playing field (for travel)

4. Draft set of **SUGGESTED** Actions for Consideration

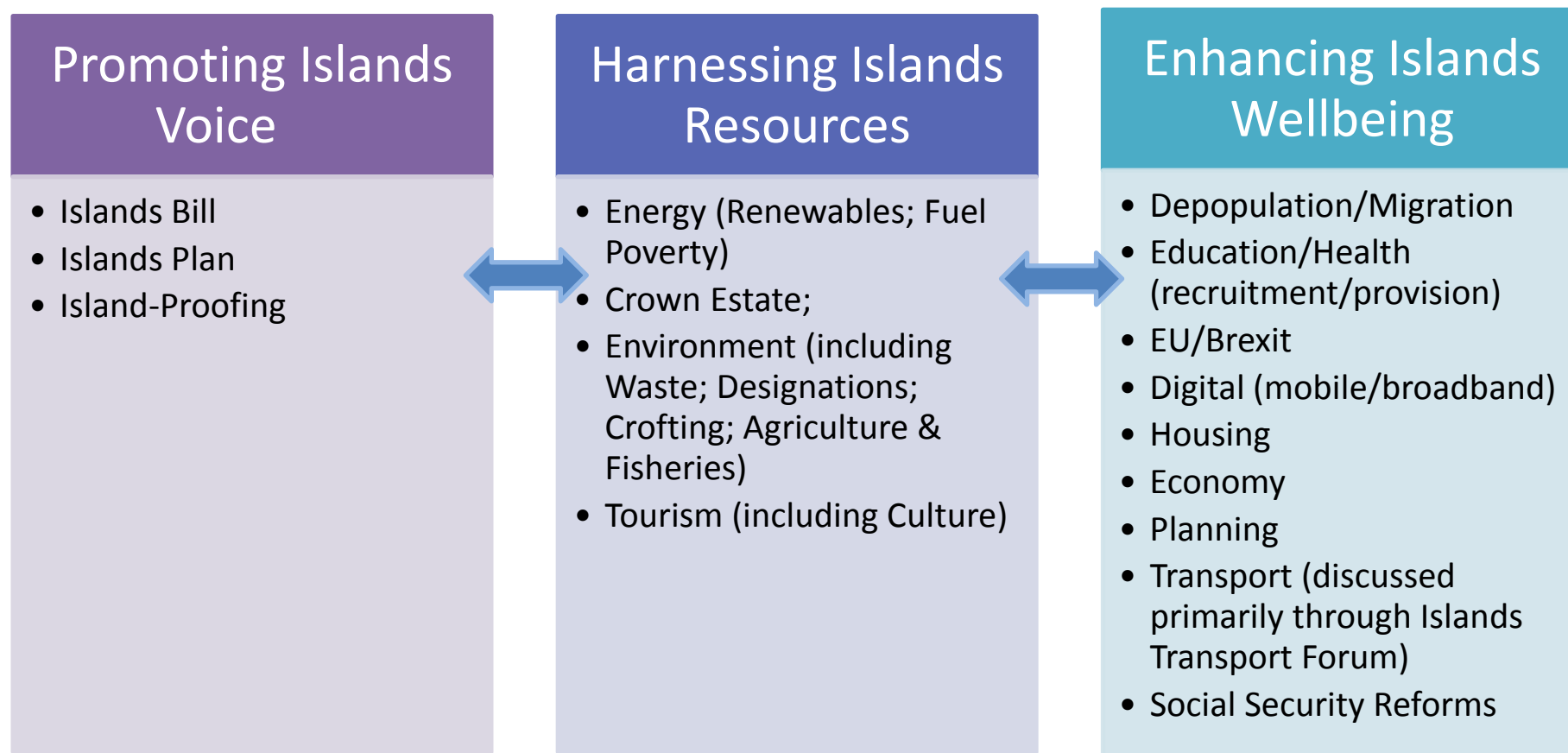
A. Extend 'Our Islands Your Future' principle to undertake a bold, positive and ambitious area marketing and promotion campaign to:

- attract and retain working age population
- develop a 'saleable' brand identity and set of key messages to attract people of working age including migrant workers

- B. Recognise the importance of an Islands Deal with Scottish and UK Governments to deliver the Interconnector and other key enabling infrastructure and investment, and submit bid document to both Governments
- C. Support the delivery of Student Accommodation facilities in Stornoway and Uist
- D. Provide free island and mainland travel for all school age children
- E. Create a 'Housing Investment Fund' under local control to manage and deliver housing investment for croft and affordable housing
- F. Deliver more accessible and affordable air and sea transport opportunities to stimulate economic growth and to attract and retain population

ISLANDS STRATEGIC GROUP – FUTURE WORK PROGRAMME

Based around the three key themes of the Empowering Scotland's Island Communities Prospectus, the following areas have been identified as priority areas for discussion by the Group.



2nd Meeting
19 Dec 16

- Islands Bill
- Renewables
- Depopulation

3rd Meeting
Feb/Mar 17

- Islands Bill
- Brexit
- Social Security Reforms
- Energy

4th Meeting
Jun 17

- Islands Bill
- Digital Connectivity
- Economy (including Planning)
- Crown Estate

5th Meeting
Sep 17

- Islands Bill (including initial discussion re. Island Plan)
- Housing
- Tourism
- Environment

6th Meeting
Dec 17

- Islands Bill
- Other Items TBC