## <u>OUTCOMES FROM PREVIOUS CONVENTION OF THE HIGHLANDS AND ISLANDS MEETINGS- UPDATED FEBRUARY 2019</u>

#### OUTCOMES FROM THE CONVENTION OF THE HIGHLANDS AND ISLANDS – 12 MARCH 2018 – MILLPORT

Digital	SG Lead	Update
CoHI members welcomed the ambition, nature and scale of the Scottish Government's R100 and 4G Infill Programmes and the achievements secured in part by CoHI joint working. Members reaffirmed the rationale for continuous improvement through further, faster, integrated and innovative national and local developments and that progress would be best served by further collaborative working - including HIE participation in the rollout of R100 - and regular review in this forum with a focus on the issue of future proofing.	Colin Cook/Andy Manson	Clive Downing and Duncan Nisbet from the Scottish Government's R100 team have now held discussions with all Scottish Local Authorities – including the 8 within the HIE region – to discuss R100 and the challenges presented.
Bi-lateral meetings between Scottish Government and each local authority will be arranged to address identified and differentiated local challenges. SG to explore potential of leveraging the Scottish Wide Area Network (SWAN) infrastructure serving schools and other public buildings.		

UK Government Ministers and the CEO of Ofcom will be invited to attend the next CoHI meeting to seek to further enhance joint working. This would provide an opportunity to reaffirm the importance of continuing and proportionate investment by UK Government in addition to the funding provided by Scottish Government to R100.		Both Ofcom and the UK Government's Department for Culture, Media and Sport (DCMS) will participate in CoHI. Ofcom will be represented in person by Huw Saunders, their Director of Network Infrastructure, and Jonathan Ruff, their Regulatory Affairs Manager. DCMS's Henry Shennan, their Deputy Director for Broadband and Telecoms Market, will join via video-conference.
In advance of that next meeting, local authority Leaders and Ministers will urgently prepare and send a letter to the UK Government to make a persuasive case on funding.		Scottish Ministers have written on a number of occasions to Matt Hancock MP, asking that the UK Government consider increasing their contribution to R100 to £90 million. This is despite the fact that an equivalent percentage of funding to that contributed by them for the DSSB programme would actually be closer to around £218 million.  They have also recently met with Mr Hancock's successor, Jeremy Wright MP, and again raised the issue. At present, the UK Government's contribution to the initial £600 million investment is just £20.99 million – 3.5% of the total. It is also worth noting that the Scottish Affairs Committee have backed our call for a greater funding contribution from the UK Government.
Air traffic control	SG Lead	Update
CoHI members welcomed the HIAL presentation and highlighted the importance of responding to real or perceived concerns about the centralisation, safety and resilience of the ATC modernisation proposal scheduled for implementation in 2028. HIAL provided reassurance that a new system could only be introduced	Gary Cox	Work ongoing. Following a detailed study and consultation with staff, HIAL Board has decided in principle that Digital Air Traffic Control Centre will be located in Inverness. Programme Director appointed and engagement ongoing with staff, airport customers and other interested parties.

with the agreement of the CAA who		
would require certain levels of resilience		
to be built in. HIAL would continue to		
keep local authorities informed as the		
modernisation programme progresses		
and made clear that it would be business		
as usual in the meantime.		

# OUTCOMES FROM THE CONVENTION OF THE HIGHLANDS AND ISLANDS (30 OCTOBER 2017) – OBAN)

Scotland's Place in Europe-	SG Lead	Update
Protecting the interest of H & I		
COHI asks Scottish Government to continue to recognise the specific nature of the impact of Brexit on the Highlands and Islands (particularly in relation to loss of EU funding and impact, regulation and trade tariffs, and the importance of migration, including to support the future labour market and skills) and that these continue to be reflected in Scottish Government policy and negotiations, keeping COHI members involved in, and informed about, developments, including regional arrangements. COHI members agreed to do more - in a co-ordinated, structured way, with support from the Scottish Government - to raise local awareness and understanding and in parallel to lobby the UK Government.	Steven Bunch/Kathryn Gosling/Jesse Daniels	Scotland's Place in Europe: People, Jobs and Investment presented the latest analysis by the Scottish Government of the implications of Brexit. It recognises some of the particular issues which affect rural areas, and that the interests of Scotland, including rural communities, are served best by Scotland remaining with the EU or at least remaining in the Single Market and Customs Union.  It recognises the role of migration in supporting and strengthening Scotlands rural communities and economy, and the recently published discussion paper 'Scotland's population needs and migration policy' encourages an open discussion around migration and how a tailored migration system might work.  The Cabinet Secretary for Government Business and Constitutional Relations has met with businesses in rural areas to discuss the impact of Brexit, for example in Campbeltown earlier this year and recently in Arran when the Cabinet met.  Through our Brexit Stakeholder Engagement Fund, we have funded Scottish Rural Alliance to consult across Rural Scotland.  We will continue to reach out and engage with businesses, civic organisations, government administrations, and with people across Scotland to limit as far as possible the damage of Brexit

What Makes a Thriving Rural Economy	SG Lead	Update
COHI asks Scottish Government with partners to ensure the alignment of investment and strategic priorities across the public sector with the objective of creating a cohesive, shared, agenda that guarantees the development of a vibrant, diverse and thriving rural economy for all. Key elements of this include housing, digital and mobile infrastructure, and transport.	Lynsey Thomson	<ul> <li>Key to Rural Scotland achieving a vibrant, diverse and thriving economy is the provision of the necessary infrastructure to enable its development. Please find below an update on those key infrastructure elements that were identified by the COHI in October 2018.</li> <li>Housing- Last year the Scottish Government launched the £150 million Building Scotland Fund - directing it towards the development of housing, modern industrial and commercial property and business-led research and development.</li> <li>As the precursor to the Scottish National Investment Bank this Fund will have a focus on projects and investments that support sustainable economic growth, reduce carbon and sustain and create places.</li> <li>This Fund will stimulate investment and boost the supply of much needed housing - helping to build a Scotland that is innovative, inclusive and attractive as a place to live and work.</li> <li>We have already agreed two significant allocations: SPRUCE - £25 million financing allocation announced on 10 December</li> <li>Winchburgh - housing-led infrastructure loan agreement of £26.8 million announced on 17 January.</li> <li>We are continuing to progress a range of other applications ranging from large scale regeneration to support for SME housebuilders.</li> </ul>

What Makes a Thriving Economy (Continued)	Rural		All tenures of housing are eligible for the Fund and non-public sector organisations with projects that would benefit from the Fund are encouraged to complete the Expression of Interest form on our website. Specific housing criteria have also been developed to supplement the general criteria available on our website.
		Andrew Manson	<ul> <li>Digital and Mobile Infrastructure</li> <li>Through DSSB, more than 181,000 premises across the Highlands and Islands now have access to fibre, pushing coverage significantly beyond what commercial investment alone would have delivered. However, we recognise that some in our communities have not benefitted from improved speeds or access.</li> <li>SG has committed to providing every home and business in Scotland with broadband at 30 Megabits per second and above by the end of 2021. £600 million is being invested in the initial procurement for our Reaching 100% programme. This procurement – split into three lots – is now well underway and we aim to award contracts in 2019.</li> <li>R100 will create a truly national fibre network by driving fibre into some of our most remote rural and island communities. This will be the platform for a wide range of digital connectivity, including 4G and superfast broadband today; and 5G and ultrafast broadband tomorrow. To help achieve this, we are mandating coverage in key locations, all within the North lot of the procurement.</li> <li>We also recognise the vital importance of high quality and reliable mobile services across the Highlands and Islands, essential in social and economic terms. Through our ground-breaking Mobile Action Plan, developed in collaboration with the mobile industry, SG has set out how we are working to improve</li> </ul>

What Makes a Thriving Rural Economy (Continued)		mobile coverage across Scotland. A critical part of the Plan was the development of our Scottish 4G Infill (S4GI) programme, designed to tackle some of the not-spots remaining after commercial deployment. S4GI will invest up to £25 million, including £10 million ERDF funding in the Highlands and Islands, to build future-proofed and open access masts. Of the initial 16 sites, 11 are in the Highlands & Islands.
	Alan Runcie	<ul> <li>Transport</li> <li>Transport Scotland appreciates the fundamental need for efficient transport connectivity in our rural economy. We are progressing a review of the National Transport Strategy (NTS), which will set out the evidence base for future transport needs, including identifying consistent or different needs between rural, coastal, islands, city, and urban areas.</li> <li>A draft vision and outcomes for the 'NTS 2' has now been developed and is being trailed with stakeholders – the vision statement is: Scotland will have a cleaner, inclusive and accessible transport system helping to deliver a healthier, prosperous and fairer nation for communities, businesses and visitors</li> <li>Four national working groups composed of key stakeholders from across Scotland – looking at the key themes of Enabling Economic Growth; Tackling Inequality; Delivering Greener and Healthier Transport; and Delivering Safe and Resilient Transport - submitted policy proposals to Transport Scotland to inform the draft 'NTS 2'. These proposals will be formally assessed for viability, relevance and affordability.</li> <li>Stakeholder engagement in rural and island communities has been an important element of on-going work during the review, with events having been held</li> </ul>

# What Makes a Thriving Rural Economy (Continued)

- around Scotland for example in Nairn, Thurso, Stornoway, Orkney and Arran – for target engagement groups e.g. older and younger people. Stakeholder engagement will continue in the first half of 2019.
- Transport Scotland is committed to aligning the new 'NTS 2' with the emerging policy and legislative landscape in Scotland including the Economic Strategy, Planning Bill, Climate Change Plan, Digital, local governance review, Enterprise and Skills review, City and Region Growth Deals and the Transport Bill. We will take into account their impact on the transport landscape by ensuring that key areas of work within the NTS review, including Transport Governance, complement these developments whilst also delivering the outcomes that we want for Transport.
- A formal public consultation will take place on the draft NTS 2 from May 2019. NTS 2 will be published in its final form by the end of 2019.
- NTS 2 will provide a strategic framework against which the
  question of transport investment priorities can then be
  appraised. Consequently, our intention is to effect a seamless
  transition from NTS2 to Strategic Transport Projects Review
  (STPR) 2 (under which auspices those transport investment
  priorities will be appraised), with STPR2 development aligned
  with the development of National Planning Framework (NPF) 4.
  The second STPR will include consideration of future
  investment needs not just of Scotland's trunk road and rail
  networks but also infrastructure to support active travel, ferry
  and bus travel across the whole country including island
  connectivity.

Highlands and Islands Post 2020	SG Lead	Update
COHI members approved further work by the COHI Senior Officer Group as broadly outlined in the tabled Future of CoHI post-2020 paper. All COHI partners to be involved in all priorities, particularly the emerging marine proposition, given shared objectives. COHI agreed an annual summary report on implementation progress to more proactively shape the agenda of future meetings on growing vibrant communities across the Highlands and Islands through population growth, inclusive growth, and investment in communities and (particularly digital and transport) infrastructure.		The Senior Officer Group (SOG) agreed that 7 key areas (Digital; Transport; Skills; Talent Attraction; Marine; Energy; and, Housing) remain crucial to delivering a strong and vibrant economy in the Highlands and Islands. Separate projects have been established for each of these, and individual project plans produced.  All 7 projects have aligned aims with oversight being provided by the SOG as a whole. It remains the case that all 7 must be viewed with the continued impact of Brexit and a post-EU operating environment in mind.  As projects develop and approach key milestones, CoHI agendas will reflect the development of this work and will be tailored to allow specific updates to be provided to Convention Members at opportune Spring and Autumn meetings. A general written update covering all 7 projects will be provided annually to Convention members at Autumn meetings.
Digital/Rural Connectivity	SG Lead	Update
COHI members agreed that a detailed update on the points raised by members around digital connectivity will be provided by Scottish Government and Highlands and Islands Enterprise by the end of 2017.  On the issue of fixed wireless broadband provision, members agreed that HIE and Scottish Government officials should meet with local	Andrew Manson/Robbie McGhee	We are engaging with local authorities through a series of round table discussions on connectivity, hosted by Mr Ewing. The Cabinet Secretary has already written to LA CEOs and Leaders to highlight these events.  One means of delivering an interim solution is through the Better Broadband voucher scheme, now extended until 31 December 2018 at least. SG and HIE understand that wireless broadband providers are increasingly supporting these. This has formed part of discussions about the Inverness and Highland City Region Deal. HIE are engaged with several wireless providers through their account management process. As

	some providers are clients of Business Gateway, there are opportunities for LAs to engage directly.
ead	Update
narlie Hogg	The Health and Social Care integration: progress review was published on 4 Feb 2019. The final report from the Ministerial Strategic Group for Health and Community Care reviews the progress and draws together the proposals for ensuring the success of integration. The full report can be found: here

Education Reform	Lead	Update
Scottish Government will work with COHI partners to bring further focus to the impact of rural deprivation on educational attainment and consider what further support can be put in place.	Bill Scott-Watson	The Northern Alliance (the Regional Improvement Collaborative formed of the 8 highland and island authorities) has included a workstream on sustaining rural education and exploring the impact of rural poverty on educational attainment in their updated Improvement Plan, submitted to SG last month. This includes further work to consider possible alternative measures of deprivation which are more suited to rural contexts. SG is providing financial support (and Education Scotland are providing staffing resource) to the Alliance to take forward their plan.  In addition to, and alongside the work of the Northern Alliance, the Government is taking forward work to investigate options for the development of an alternative to current measures of deprivation, to try and overcome the limitations of the area based Scottish Index of Multiple Deprivation (SIMD) and individual but binary Free School Meals (FSM) measures. This involves exploring the potential for developing a new index of social background, based on individual circumstances, which can be used to better target interventions for disadvantaged pupils in order to reduce the attainment gap as well as measuring progress against reducing the attainment gap.  The Government is also providing some funding to the Child Poverty Action Group to extend their work on cost of the school day projects and poverty awareness across Scotland, with a particular focus on rural areas. We expect that this work will expand next year, following an engagement exercise currently underway with a number of rural authorities to gain a better understanding of these issues in rural areas.

### **UPDATED OUTCOMES FROM CONVENTION OF THE HIGHLANDS AND ISLANDS SHETLAND (20 February 2017)**

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Energy  The UK Government, following pressure from and collaboration with stakeholders in the Scottish islands as well as the Scottish Government and others, has now made legislative changes which will allow remote island wind projects to bid for Contracts for Difference.	Lead	<ul> <li>There have been no further meetings of the Island Renewables Delivery Forum, largely because other matters have been developing in a positive direction.</li> <li>The UK Parliament passed legislation in July 2018 enabling Remote Island Wind (RIW) projects to compete for a Contract for Difference (CfD) as part of future auctions.</li> <li>The UK Government has confirmed that it doesn't propose to mandate a particular form of community benefit as part of RIW projects' eligibility to bid for a CfD – on the grounds that such decisions are best taken locally, and that there are existing principles and best practices to guide decisions.</li> <li>The next auction is due to take place in May 2019.</li> <li>The Scottish Government will continue to work closely with all key delivery partners and Island stakeholders. It will focus on what is required to deliver the transmission cables.</li> <li>A key risk remains the ability of the main anchor projects to compete against offshore wind in Pot 2 of the CfD auction – particularly in the absence of any additional measures which the Scottish Energy Minister, Paul Wheelhouse, pressed for in a letter to Claire Perry in October 2018.</li> <li>SSE Networks submitted Needs Cases to Ofgem for</li> </ul>
		<ul> <li>SSE Networks submitted Needs Cases to Ofgem for transmission cables from Orkney in March 2018, from the Western Isles in August 2018; and from Shetland in October 2018.</li> </ul>
		Ofgem has now conditionally approved the case for a 220 MW link to Orkney, and is considering responses to a consultation

	<ul> <li>on its minded-to position, including from the Scottish Energy Minister.</li> <li>Ofgem is due to respond to the Shetland and Western Islemeeds cases shortly. The Scottish Government will continue working closely with stakeholders to identify and promote the full range of benefits that the islands links offer, in an effort to secure a response from Ofgem that gives them a realistic prospect of being delivered.</li> </ul>
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