

# Islands Bond Consultation

## Scottish Government Response

August 2022



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## **Response to Islands Bond consultation**

### **Introduction**

In our [A Fairer, Greener Scotland Programme for Government 2021/22](#), we announced a commitment to develop “a £5 million Islands Bond fund, providing up to £50,000 each for up to 100 households by 2026, by providing financial support for island residents to remain in their community, or to encourage people to move there”.

Engagement with communities and island stakeholders was always going to be crucial in exploring the development of an intervention that could deliver a meaningful, sustainable intervention reflecting island communities’ aspirations and needs. Policies need to be developed with island communities, not delivered to them.

That is why we launched the Islands Bond consultation on 2 August 2021, providing an opportunity for our island residents in particular to influence the development of the policy at an early stage. The consultation closed on 25 October 2021 and the Consultation Analysis Report was published on our website on 19 August 2022.

Alongside the online consultation, we engaged with a range of local authorities, agencies and organisations with islands interests between August and November 2021 to discuss the proposal, and garner their views.

We also held a number of in-person engagement events between 14 March and 26 April 2022. During this period, Scottish Government officials met with over 100 island residents across 12 island communities to discuss the Islands Bond prior to the policy being developed.

These events allowed island residents from across all six relevant local authority areas to discuss the bond, and how it might go some way to addressing the specific needs of their communities.

### **Context**

Scotland is facing long-term demographic challenges - an ageing population, a declining birth rate, an uncertain future of migration, and spatial population imbalances (with depopulation in many remote and rural areas in the West, and sustained population growth in other areas in the East).

We recognise that population decline is a real threat to the sustainability of many, although not all, of Scotland's island communities. During the 2019 consultation for the National Islands Plan, depopulation was the top priority issue identified by respondents.

That is why, through the National Islands Plan, we have committed to address population decline and ensure a healthy, balanced population profile across our islands.

However, it also needs to be recognised that population change is not the same across all Scottish Islands, and we must be alert to this when developing any policies designed to support our communities.

When we look at the experience of depopulation over the past twenty years, Scotland's islands should not be treated as one homogeneous group as some communities have seen growth, whilst others have seen significant decline.

As highlighted in the Scottish Parliament Information Centre's report on "[Population growth and decline on Scotland's islands – 2001 to 2020](#)", most of the growth in Scotland's island population since 2001 took place in the Orkney, Highland and Shetland Islands council areas. Orkney has seen the largest population growth while the Argyll and Bute isles have seen the largest decrease.

The most recent [population estimates](#) indicate population growth across the majority of local authority areas with islands. However, island areas have some of the highest proportions of people aged 65 and over, and some of the lowest proportions of the other age groups.

Population change within each council area is more complex, with areas of growth and depopulation. We can see this complex picture when observing population change at more local levels such as at an [intermediate zone level](#). For example, the majority of intermediate zones in Orkney demonstrate population growth in percentage terms. However, the East Kirkwall intermediate zone saw a population decline.

Furthermore, the [National Islands Plan](#) highlights that many of Scotland's islands are projected to see significant decreases in their children and working-age populations.

## Addressing depopulation

We know from our engagement with communities that addressing population challenges across our islands requires collaboration across all sectors. Islanders have told us that there is no quick fix, and we must work with regional, local and community partners to ensure that we collectively deliver a sustainable solution to the challenges facing our island populations.

The Islands Bond was never intended to be a silver bullet to address our island population challenges, but to be just one element of our wider work, across all Scottish Government, to support island communities. The 2022 Islands Bond consultation, along with our continued engagement with islands through our delivery of the National Islands Plan, has provided invaluable feedback, helping us to better understand the challenges, and opportunities, in greater detail. We will continue to work with local authorities, our island communities and other island stakeholders to address these.

A key route in delivering this is our work with the Convention of the Highlands and Islands (CoHI) exploring actions to tackle depopulation in the region.

At the meeting of the CoHI in March 2022, we announced that the Scottish Government would be progressing with our commitment to developing an Action Plan to address the challenge of depopulation, with a view to a draft publication in winter 2023

This commitment will help us to deliver against our [National Islands Plan](#) which has a specific focus on addressing population decline and ensuring a healthy, balanced population profile. In particular, the National Islands Plan commits to supporting the repopulation of rural and island communities.

This work also aligns with the Scottish Government's population strategy '[A Scotland for the future: Opportunities and Challenges of Scotland's Changing population](#)', linking directly to one of the four pillars to 'support a more balanced population across Scotland.'

## Next steps

The delivery of the Islands Bond has been very carefully considered following the clear feedback we received from islanders, and within the context of our wider focus on addressing depopulation.

Feedback has highlighted that the greater focus on recognising the importance of addressing population decline is welcomed, as is the commitment to work with communities to develop local solutions. However, respondents to the consultation and through the engagement have been unequivocal - that the Bond as originally intended in the 2021/22 Programme for Government is not what communities need.

Recognising this, instead of delivering the Islands Bond, we will support the delivery of interventions through the Addressing Depopulation Action Plan. We will utilise the information and learning gathered through the consultation and engagement to shape these.

This work will be progressed over the next 12 months with interventions responding to identified island needs being delivered during this time. In this way, we will be able to produce an Action Plan that will be shaped by the learning gained through support delivered in, and developed with, island communities.

This demonstrates our commitment to genuinely listening to island communities, and that islanders can meaningfully influence and co-design policies that impact on them.

Furthermore, we will continue to engage with island communities and stakeholders as we develop the Action Plan and interventions, ensuring that the valuable time given up by those that engaged on the exploration of the Islands Bond policy has been far from wasted.

There is no quick fix for the challenges leading to depopulation and we must work with regional, local and community partners to ensure that we collectively deliver a sustainable solution to the challenges facing our rural and island populations.

In addition to the Action Plan, the National Islands Plan has a crucial role to play in supporting the populations of our island communities. Whilst Population rightly has its own Strategic Objective with supporting commitments, it is no exaggeration to say that a focus on population sustainability runs right through the entire National Islands Plan. Tackling key areas such as housing, transport, education, health or digital for example, are all crucial to ensuring the stability of our island communities and the National Islands Plan seeks to address this.

We recognise that there will be some disappointment that Islands Bonds will not be offered, but working to develop a more integrated and collaborative approach to supporting sustainable populations will facilitate

greater opportunities for those looking to remain in, or move to our island communities.



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