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Dear Sir/Madam

SCOTTISH BUDGET 2023-24

The council has made it clear from the outset that we do not support this bidding process that is determined by a group of people seen to be remote from our island communities. It is not clear why this was launched just days before a meeting of the Islands Strategic Group, at which we would have had the opportunity to discuss our concerns. This raises questions about the remit of the group to oversee the implementation of the Islands Plan.

The allocation process used previously was simple and straightforward but a multi-year approach would facilitate a more strategic deployment of the resources.

In summary we have three main concerns:

- The competitive bidding process. You will be aware that is not an approach favoured by COSLA. This takes a lot of time that can be abortive. The need to put together bids within the timescales added significant pressure to our team who now have very limited capacity. An approach that applies a consistent location formula would provide more certainty over multiple years and allow us to take a longer term view of investment in support of the Islands Plan. The continued use of bidding rounds with all the associated reporting is placing increasing pressure on diminishing resources.
- The timescales for this year as proposed sat within the pre-election period and in the fallow period between the elections and the first meetings of new councils. This meant there was very limited opportunity to seek member approval before bids were submitted and undermined the ability for our elected members to represent their communities.
- The make-up of the assessment panel was not shared and the determination of bids by people remote from the islands is not in the spirit of the Act.

1. How the competitive process, as announced by the Scottish Government in March, is working for the six local authorities with islands;

The guidance allowed each LA to submit up to 5 bids. The total funding pot available for this year's IP (2022/23) was £4million. Bids were to be completed on applications forms that are very similar to a stage 2 RCGF application form. The application forms are over 25 pages long and relatively detailed in respect of the information requested, timelines, budget breakdown and outputs. The process to determine the strongest bids involved significant officer time both in ensuring familiarity with the guidance and in discussing each potential bid with Scottish Future Trust, the agent employed by SG to manage the islands programme grant process. Whilst it is very helpful to be able to discuss each bid and to seek guidance and share drafts of the application forms this did take up a lot of officer time.

Had we felt at any time that the bids that we were progressing with were not the strongest or were very unlikely to be supported we would not have progressed with them and looked at alternatives from the original list or other projects.

Whilst the types of projects that are eligible under the IP are very wide ranging and therefore quite flexible, it does also make it harder to determine which projects are potentially going to be the strongest. This is also obviously a new process and the first time that the Panel has met and therefore that has added to the uncertainty. With funders such as RCGF where we have been submitting to the fund for a number of years and it has a much tighter focus, it is perhaps easier to judge what the panel is looking for.

Following engagement with SF, officers and members the council submitted a total of 4 bids. These were as follows:-

- Island Airports Resilience and Sustainability project – Coll and Colonsay - £300,000 IP grant request.
- Island Community Halls Digital Hubs – Islay, Iona, Tiree and Coll - £100,000 IP grant request.
- Tobermory Seawall and Railings project - £250,000 IP grant request. Total project costs is £450,000, remaining £200,000 secured from PBI and CE 2022/23 allocation
- Kerrera Road project - £357,577.32 IP grant request. Total project cost £557,577.32, £200,000 match from previous CE award.

The Total IP Grant request was £1,007,577.32

We were only successful with 2 of the 4 bids submitted and the value secured from the 2 successful bids was £350,000 from an overall ask of just over £1million. You may conclude that for the officer effort that went in to the process that the value that we secured, if you consider it purely from a monetary perspective, was very disappointing and definitely not value for money for our communities if you take our effort, the community organisations effort as well as committee and councillor time especially given that through the previous years direct allocation process we secured over £700,000. However this is purely from the monetary perspective as both approved projects were identified as critical to our island communities and will make a difference to them and assist the council at the same time.

If the monetary value is the driver then to secure a greater level of funding would perhaps require us to focus on a lower number of bids and a higher monetary value per application although again difficult to determine that and you could argue that the award of £100,000 will just be as important to the 4 communities that will benefit from it as the larger award to Tobermory.

We have been advised that most LAs only submitted 2 applications and I am assuming that the majority were successful with the 2 bids but until the formal announcement is made and the results made public we can only surmise as to the outcomes.

2. Your views on the criteria used to assess and award bids;

I understand that the total ask to this year's IP was in the region of £5.2 million. I assume the awards agreed by the IP Panel and agreed by SG Minister amounted to £4million split across 6 LAs. Given that we asked for just over £1million and only secured £350,000 I assume £650,000 of the £1.2 million oversubscription was from the Argyll and Bute ask leaving a further circa £600,000 value of bids from the other 5 LAs that were not successful. It would therefore seem that we may have taken the biggest, or one of the biggest hits, but these are assumptions and may not be accurate.

I have not seen the scoring of the unsuccessful bids in regard to the Panel scores so it is difficult to comment on a process that I was not part of. It was disappointing given all the effort and time that went into the submission of the 4 bids to only secure 2 and it was particularly disappointing in regard to the Airport bid and the feedback in regard to requiring more information. We had prepared at least 3 drafts of the Airport bid, it was clearly eligible and fitted with the criteria. We were advised that if the Panel required more information they would come back to us as they did in regard to Tobermory Seawall and Railings and also the Digital Hubs project and so not sure why not in regard to the Airport Bid.

We have been advised that the Panel would welcome a resubmission of the Airport bid and if this is the case I would ask that this is given in writing to ensure that we do not incur more effort that is wasted or more importantly create unrealistic expectations amongst our communities.

1. how this approach is different to how Islands Programme funding was previously allocated;

The council has made it clear from the outset that we do not support this bidding process that is determined by a group of people seen to be remote from our island communities. This year's approach, which has been much more resource intensive, has resulted in a significant reduction of the investment via the Islands Programme into our island communities. The even greater concern is that if Argyll and Bute area carried the greater hit and the majority of the other 5 LAs secured the majority of what they asked for from this years IP it is very unlikely that there would be any incentive for this new competitive process to change.

If it is the case that the allocation to each LA should be equal over the life of the programme we should be given written assurances to this effect and this should be referenced in the formal minister announcement for this year's IP award.

Notwithstanding if this is the case it may still be felt that we would be in a better position in regard to financial allocation based on the direct award to enable our elected members to determine their priorities working in partnership with our communities.

Based on the outcome we have just witnessed it does seem to reinforce the concerns that we have expressed in regard to the introduction of what we have found to be a very resource intensive and protracted process.

2. how island communities have contributed to the development of these bids;

Yes all the bids were identified as being critical by the communities that would benefit from them. Kerrera drafted their own bid and council officers worked with island communities in the development of the Digital Hub submission and Tobermory represents the second phase of works that the community are very much supportive of. The airport bid has a strong community need, it's a lifeline service to our islands, and only recently Moya has received correspondence from the local GP in regard to concerns over the condition of the airport access road and the impact on patient's health. There are no other available capital funds to address this issue for the council.

5. how this investment works with other capital funding, e.g. the Islands Growth Deal, capital grants from the Scottish Government, HIE, any levelling-up funding and the Scottish National Investment Bank; and

We have utilised PBI and Crown Estates funding in the match for the Tobermory Seawall and Railings with £100,000 from each. Given the limited timeframe for delivery it is difficult to see how you would be able to align with the RDG and LU. It would be useful to understand if the focus of future bids should be on those where we have other match included and how much is taken account of in the scoring.

6. how islands programme projects will impact population levels on the most vulnerable islands and communities

I am not sure how much information you are looking for on this and assume that all of this is to assist the SG in showing that they are delivering on the National Islands Plan. Given that only 2 bids were successful for our area with 23 inhabited islands and at a total addition of only £350k capital funding the impact on increasing our population levels will be very limited. That said any additional funding is always welcome and we also have to take into account last year's allocation which is enabling 8 projects in Argyll and Bute. The scale of the task involved has to be fully recognised by the Scottish Government. Tackling population loss on our islands needs a comprehensive and integrated approach to tackle barriers to growth and also to capitalise on new economic and social opportunities. It will also require substantial additional funding over a number of years. In addition greater certainty over what funding is available enables us to plan ahead and look for match funding opportunities helping to expand outputs and outcomes of any money invested.

Yours faithfully

Pippa Milne
Chief Executive

