



The Scottish Parliament
Pàrlamaid na h-Alba

Rural Affairs, Islands and Natural Environment Committee

Mairi Gougeon MSP
Cabinet Secretary for Rural Affairs
and Islands

c/o Clerk to the Committee
The Scottish Parliament
Edinburgh
EH99 1SP

rural.committee@parliament.scot

By email only

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Dear Cabinet Secretary

Pre-Budget Scrutiny 2023-24

As I set out in my [letter to you, dated 1 July 2022](#), the RAINE Committee has agreed to focus its pre-budget scrutiny on the Islands Plan and associated Islands Programme funding; and the impact of the cost of living crisis on the RAI budget.

Impact of the cost-of-living crisis on the RAI budget

In [your response, dated 26 August 2022](#), you outlined the “very significant volatility in the fiscal outlook” and we explored this in more detail with you during our evidence session on 5 October 2022.

You contrasted the 3% rate of inflation at the time of the UKG spending review in December 2021 and the current rate and highlighted the projected £1.7b shortfall between the two. You told us that your “priority in all of this has been to look out for the communities in our rural and island areas, and, when it comes to agriculture in particular, to do what we can to ensure cash flow, which we know has been of huge concern to the industry”. You gave us the example of bringing forward payment to ease “cash flow worries”.

The resource spending review (RSR) suggests a real terms fall in the RAI budget from £881m in 2022-23 to £816 in 2026-27. **The Committee would welcome further information regarding how the Scottish Government anticipates being able to make the required savings and what analysis it has undertaken to measure the impact of these savings.**

The [Deputy First Minister’s letter to the Finance and Public Administration Committee, dated 7 September 2022](#), set out the Scottish Government’s plans to make £560.4m worth of **savings to tackle the cost crisis**, including savings of £61.3m from the RAI

budget. These savings include £33m of ring-fenced rural support funding, deferred from UKG ring-fenced funds, to be returned to RAI in future years. You reassured us that the £33m “is ring-fenced funding and cannot be spent in any other area, and it has to be returned to the portfolio”.¹

The Committee asks for further information about what this funding was ring-fenced for; the impact on the rural sector of this funding being deferred and when, and how, the funding will be returned to the RAI budget. The Committee also asks that the Scottish Government highlight the returned money in future budget documents so that the Committee, farmers and crofters can see how this money has been returned to the portfolio.

We also note the DFM states in his letter that “further savings will be required to balance the budget, particularly if inflation continues to rise, and to direct maximum support to those who need it most” and that further savings as part of [the emergency budget review](#) would be in addition to the £560.4m of savings already identified. **The Committee will consider any further savings identified in the RAI budget as part of the emergency budget process.**

Farming and crofting

With regards to the **National Test Programme funding**, you provided an overview of this year’s allocation of £10m for carbon audit and soil testing but said you were not in a position to update on how much had been spent to date because the schemes are demand led.

When the next budget is published, the Committee would appreciate a breakdown of how much has been spent to date, what this has been spent on, and how many carbon audits and soil tests have been carried out.

Fisheries and Marine Scotland

When you gave evidence to us on 12 January 2022 on the 2022-23 budget, you stated some of the £10m increase in the Marine Scotland budget would fund the nearly 500 additional enforcement obligations and 86 new devolved powers which have transferred to Marine Scotland since EU Exit.

At our meeting on 5 October, members raised stakeholders’ concerns that MS enforcement activity using three marine protection vessels and two aircraft is underfunded. You told us that you do not have money to invest in additional enforcement vessels “because of the sheer levels of costs that would be involved and the significant pressures that are already on the capital budget”² and highlighted the Scottish Government’s “risk-based approach to the vast marine area that they have to cover”.³

The Committee notes that capital spend on enforcement vessels for Marine Scotland is not a funding priority for the Scottish Government at this time. The Committee would welcome further information about the “risk-based approach”

¹ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 16

² Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 20

³ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 20

to marine protection and what action is being taken to ensure Marine Scotland's enforcement obligations are being met.

Food and drink supply chain

You referred to a food processing, marketing and co-operation grant scheme to be announced soon. **The Committee would appreciate an update on the grant scheme in due course, including: the total to be made available through the grants, details of which budget heading the grants will be funded under, and the funding priorities for this scheme and how this aligns with Scottish Government policy objectives.**

We discussed what the Scottish Government is doing to take forward its action points from the recommendations of the Food and Drink Taskforce. We note you also provided [further information on 4 October](#) relating to a number of these policy issues we did not have time to discuss when you appeared before the Committee on 7 September. Again, **the Committee would appreciate being kept regularly updated on the Scottish Government's progress in implementing the recommendations.**

We discussed the implementation of the Good Food Nation (Scotland) Act 2022. You stated you were unable to provide information on the timetable for the establishment of the Scottish Food Commission as you are "committed to timescales in the Good Food Nation (Scotland) Act 2022 in relation to when a good food nation plan will be introduced".⁴ **The Committee will continue to track progress on both the development of the good food nation plans and the establishment of the Scottish Food Commission.**

Islands Programme funding

With respect to the Islands Plan, the Committee agreed to focus its pre-budget scrutiny on the extent to which the Scottish Government's islands programme could support population growth on those islands deemed vulnerable to depopulation.

National Islands Plan 2021-22 to 2025-26 funding commitments

The 2021 Programme for Government and the Capital Spending Review 2021-22 to 2022-25-26 both included plans to invest £30m over five years to support the National Islands Plan. The updated capital spending allocations for 2023-24 to 2025-26 published in May 2022, however, shows this figure has now reduced to £25.8m, a £4.2m (or 14%) reduction.

When we asked about this reduction, you highlighted the £200,000 set aside for contingencies in this year's islands programme.

The Committee asks for further information about the impact of the overall reduction on the 2023-24 budget and what assessment has been done of the impact of the reduction on the delivery of the Islands Plan?

⁴ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 25

2022-23 islands programme capital fund

More specifically, the Committee agreed to focus its attention on the [£4 million capital funding package](#), part of the £30 million Islands Programme established to support the implementation of the National Islands Plan. The Committee wrote to the [Scottish Futures Trust](#) (SFT), which supported the delivery of the Islands Programme and the [six island local authorities](#) seeking further information on the competitive process and investment panel used to allocate the funding as part of the islands programme for 2022-23.

Background on the competitive model

The 2021-22 allocation of the Islands Programme was delivered through various routes, including the 2021-22 Island Infrastructure Fund (IIF). In your letter to us, you told us the decision to directly allocate this funding to local authorities in 2021-22 stemmed from the need to expedite allocation to eligible projects in the short timeframe available due to local elections and Covid-19 delays.

The 2022-23 Islands Plan capital funding of £4 million, however, was allocated through a competitive bid process. You told us this “can ensure funding goes to critical local infrastructure to maintain island resilience and build a platform for progression and delivery of the National Islands Plan”⁵ and “also helps deliver support and guidance direct to projects and communities” to provide “wider engagement beyond local authorities, greater community involvement and creates stronger links with projects”.⁶

The competitive funding model and local authority capacity

Although local authorities were broadly supportive of the role SFT played in the application process and mostly welcomed the sums they received, they were critical of the competitive model for a number of reasons.

First, authorities found the application process resource-intensive and questioned whether the time and effort required to submit an application represented good value for money. Argyll and Bute Council, for example, noted that “increasingly, we find that such processes are very resource intensive in terms of the time that is required, especially given our limited capacity and the sums involved in the fund.”⁷

Local authorities also argued that the complexity of the application process itself placed additional pressure on staff, with the application form being “over 25 pages long and relatively detailed in respect of the information requested, timelines, budget breakdown and outputs”.⁸ Local authorities described the current methodology as “hugely inefficient” requiring “multiple handling, multiple readings, and multiple assessments of individual projects”.⁹

In your letter, you acknowledged that all funding allocations, whatever the method, do require input and resource from the underlying project and lead applicants. You explained that the Island programme application process had been aligned with the Regeneration Capital Grant Fund (RCGF) to help minimise any additional burden. You

⁵ [Scottish Government Letter, Scottish Budget 2023-24, 28 August 2022](#)

⁶ [Scottish Government Letter, Scottish Budget 2023-24, 28 August 2022](#)

⁷ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 6

⁸ [Argyll and Bute Council, written evidence, 18 August 2022](#)

⁹ [Comhairle nan Eilean Siar, written evidence, 26 August 2022](#)

also acknowledged that competitive bid programmes can have changing information requirements which create uncertainty and officials “worked to minimise the complexity of processes and have endeavoured to set out from the start of the IP the purposes of the funding and its principal criteria”.¹⁰

When you gave evidence to us, you stated that the Scottish Government—

“will aim to make the processes for the various funding schemes as clear as possible and not too cumbersome for local authorities. As I said in relation to the islands programme, we want to work with local authorities and, through partners such as the SFT, ensure that they have the capacity that is needed. I am more than happy to take away that feedback.”¹¹

While the Committee notes the comments that work has been done to streamline the application process and align it with the RCGF, it is clear from local authorities’ evidence that they feel the application process remains overly cumbersome. The Committee recommends this concern be addressed as part of the Scottish Government’s and the SFT’s review of the direct allocation and competitive models. Following this review, the Committee would appreciate further information on what steps the Scottish Government and SFT are taking to support local authority capacity and whether additional budget will be available to support this.

Timescales

Argyll and Bute Council highlighted the impact on council staff of having to submit complex bids within a relatively tight timescale. The application process took place between the end of March and the beginning of June, around the time of council elections. Applications also coincided with wider UK Government schemes like the levelling up fund and regional growth deals. As Argyll and Bute Council explained in oral evidence to the Committee—

“that puts pressure on the same team, which is trying to bid for those funds and preparing investment plans for the shared prosperity fund. I would expect that, to varying degrees, most councils have the same sort of pressures.”¹²

The Committee understands from the SFT’s written submission to the Committee that “the six local authority applicants were supported by a SFT lead during the application process: providing additional information on the eligibility criteria, direction on the level of content and relevance, highlighting areas of potential concern or conflict, and ensuring technical compliance”.¹³

In oral evidence, the SFT elaborated further, explaining that “the process allowed additional support to be brought in by the SFT team and others to help with the development of projects at a pace or a scale that might otherwise have been difficult”.¹⁴

¹⁰ [Scottish Government Letter, Scottish Budget 2023-24, 28 August 2022](#)

¹¹ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 10

¹² Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 9

¹³ [Scottish Futures Trust, written evidence, 26 August 2022](#)

¹⁴ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 37

Your response also explains that the 2022-23 round was limited to one round of applications to reduce work and minimise time between the launch of the fund and the deadline for investment.

SFT were, however, sympathetic to the points raised about timing and recognised that tighter timescales did present challenges for local authorities. SFT outlined a series of factors which impacted on the efficiency of the process, but “took the view, with the Scottish Government’s islands team, that the best thing to do was to get the money out”.¹⁵

The Committee recommends that the Scottish Government and SFT reflect on the feedback provided by local authorities and work with them to simplify and streamline the application process for future funding rounds. In particular, the Committee suggests that further consideration be given to—

- **The complexity of the application process and the information required to assess bids;**
- **Where additional capacity could be provided by SFT and the Scottish Government to support authorities complete successful applications;**
- **How the application process can be streamlined to avoid the need for multiple revisions to an application; and**
- **The timetabling for applications and how they relate to other funding streams.**

A complex and cluttered funding landscape

Your response explains that one of the objectives of the Islands Programme is to ensure co-ordination with other funded and planned initiatives on islands.

However, in its written evidence, Comhairle nan Eilean Siar described the current funding environment as complex, with multiple funding streams, each with their own intervention rates and eligibility criteria. It stated that “most projects now require a “jigsaw” of differing funding sources to allow the completion of a funding package”.¹⁶

Argyll and Bute Council highlighted the Rothesay Pavilion on Bute as an example of a capital project relying on multiple funding streams, all of which require differing deadlines for completion—

“It is subject to, I think, 14 different funding streams, all with different criteria, that fund different elements of the project. All the funding streams have different timescales and reporting requirements. If you are managing a complex capital project, for example, and you overlay that funding issue, it is exceedingly complex to pull all that together and manage the process so that you get the timing right and get the funding that you need to deliver the project.”¹⁷

Similarly, North Ayrshire Council stated the funding landscape is “very cluttered”, requiring some level of expertise and capacity to navigate the application process—

¹⁵ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 38

¹⁶ [Comhairle nan Eilean Siar, written evidence, 26 August 2022](#)

¹⁷ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 13

“I think that it is fair to say that, as we have emerged and continue to emerge from Covid, there have been a significant number of funds for business support, community support, place-based investment and place frameworks, and there have been all sorts of different mechanisms to access that funding. We also have the long-standing regeneration capital grant fund. There is some confusion, certainly in our organisation, about the longevity of certain funding and the funding allocations that have been made. A longer-term approach would enable much better strategic planning.”¹⁸

In oral evidence, North Ayrshire Council proposed a review of the available funding, the amounts available and the outcomes that are determined by the available funding sources. The Council suggest there could be some sort of amalgamation into a smaller number of funds that are designed to achieve similar aims.

Argyll and Bute Council concurred with this suggestion, stating “that would be a massive bonus and would have a positive impact on our capacity”.¹⁹

In response to these concerns, SFT outlined its involvement in the wider funding environment and explained that “it is about understanding people’s strategic projects, initiatives and programmes, and spending time with them to understand where in that environment the funding is available and how it fits”.²⁰

SFT also discussed the role of the National Performance Framework and how, through the use of outcomes, a project can tap into multiple funding streams—

“Multiple outcomes are needed from similar assets, types of investment and projects. Achieving that cuts across a number of portfolios, with different funding groups. That is becoming more important. Using the outcomes as a focus is a good way of articulating, for different policy areas, how one aspect can contribute to a particular outcome. That is an evolving process, but it is a big part of where we are.”²¹

SFT cited North Ayrshire Council’s pilot island plan as a good example of a place-based and strategic approach, which creates a flow of programmes and projects, that it can align with particular funding streams.

The Committee recommends that the Scottish Government review the various capital funds available to island communities and see how they can be amalgamated or streamlined.

The Committee also recommends that consideration be given to how Argyll and Bute Council and Highlands Council might be supported to develop their own island plans like North Ayrshire Council.

¹⁸ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 13

¹⁹ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 14

²⁰ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 42

²¹ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 42

Investment panel

In your response, you stated that membership of the investment panel was designed to reflect the relevant infrastructure/capital focus of the programme with external members having island investment experience.

In its written evidence, Argyll and Bute Council contend that “the determination of bids by people remote from the islands is not in the spirit of the [Islands] Act”. The Comhairle argues that subsidiarity should be “the guiding principle” as “better decisions will be arrived at, and better investments delivered, if the fund was devolved to local level”.²²

The SFT acknowledged in oral evidence that subsidiarity should be the guiding principle which underpins decision making but explained that the composition of the panel reflected the need to have independent adjudicators with relevant infrastructure experience. SFT highlighted feedback that, initially, the panel was quite SFT and Government heavy, so efforts were made to broaden the panel’s membership to include more people with an island perspective. Furthermore, SFT stressed that—

“the projects are being developed at local level on islands with local people, so that it was not us instructing them – those projects sometimes emerge from years of conversation and, sometimes, conflict. The projects must derive from the islands.”²³

The Committee recognises the need for the investment panel to include experienced and independent adjudicators. The Committee also notes, however, island local authorities’ calls for greater representation of island interests on the investment panel. The Committee asks the Scottish Government and the SFT to reflect on whether further changes could be made to allow greater representation of island communities.

Multi-year funding allocations

Comhairle nan Eilean Siar suggests in its written evidence that one-year bidding rounds “inevitably create uncertainty and will generally not favour the more strategically significant, projects which require longer lead-in times”. Comhairle nan Eilean Siar stated its preference for, at the least, an *indicative* three-year allocation “to allow a greater degree of forward planning”.²⁴

Both the Scottish Government and SFT were supportive of a multi-year funding approach, but you explained—

“Unfortunately, however, we are not in a position to do that, because we do not have certainty of funding for future years. It is therefore simply not possible to deliver to that timescale. I am really sympathetic to those arguments; ideally, we would be running multiyear rounds, but, unfortunately, it is just not possible because of the yearly allocations that we are getting from the UK Government.”²⁵

²² [Argyll and Bute Council, written evidence, 18 August 2022](#)

²³ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 36

²⁴ [Comhairle nan Eilean Siar, written evidence, 26 August 2022](#)

²⁵ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 6

Despite the limitations you set out in your evidence to the Committee, local authorities did point to the fact that Island Programme funding is committed over a five-year period, suggesting that indicative allocation would help with strategic planning.

The Committee recommends that the Scottish Government provide an indicative multi-year allocation to local authorities.

Need for a pipeline of capital projects

One of the key reasons local authorities gave for their preference for multi-year funding allocations is because of the longer lead-in times for capital projects on the islands. This is due to a range of factors including the availability of contractors, adverse weather conditions and the supply of materials. This situation is likely to be exacerbated as inflationary pressures raise the price of fuel, labour and materials, something which Argyll and Bute Council highlighted in its evidence to the Committee—

“we see cost inflation coming through on all our capital projects, and for the islands that issue is probably more extreme. The availability of contractors is also a difficulty. Often, contractors will choose to take contracts in the central belt or more easily accessible areas and not deal with the difficulties of transporting materials and staff, for example, to the islands.”²⁶

To address these longer lead-in times, the SFT and local authorities discussed the need to have a pipeline of projects to provide greater certainty to contractors and increase market confidence. The SFT argued that the competitive process is about “trying to head towards building a pipeline.” It contended that the intention of the Islands Programme to focus on “critical local infrastructure” provides for projects of sufficient scope as to be attractive to contractors and ensure delivery.

It further contended that, because the project would have gone through a competitive process, the contractors and constructors would “be assured that it had already been tested, challenged, pushed and cajoled, and there would be a good chance that it would get done”.²⁷

When discussing the annual allocation of island programme funding, SFT stressed the need for project readiness and to organise capacity in such a way that projects can exploit funding when it becomes available—

“It is about building project readiness. If the projects are ready, you can fund a project directly or competitively. Therefore, one part of that is about readiness and how we better organise our capacity. The second part is about using a competitive process as best we can to give assurance and confidence to the work.”²⁸

²⁶ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 16

²⁷ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 33

²⁸ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 33

The SFT also highlighted wider work it is doing with island authorities and island communities to help to build pipelines of projects and offer support, regardless of the island programme funding, stating—

“It is important to continue that, precisely because of the reasons that you give on the funding challenges. We need to continue to build up the pipeline. We need to continue to build up a ready-to-go set of projects so that we do not have to work up projects at the moment that the money comes along. We need to do the work along the way so that we are ready to go.”²⁹

SFT stressed that building project readiness didn’t necessarily mean something new but instead could be used to improve existing infrastructure—

“To go back to the phrase “critical local infrastructure”, the transformational stuff is not about shiny things; it is about what is relevant, co-ordinated and pragmatic. In the islands plan delivery group, we had a discussion about how complicated criteria around innovation sometimes lead to funding innovation and so we abandon what we have and search for a new thing. Perhaps we need sustainability, and perhaps transformation is about imagining how what we have could be different to make life better.”³⁰

We note your response argues that “a mix of direct allocation and competitive bid programmes across Scottish Government and beyond deliver a full range of funding opportunities for a wide variety of projects and communities”.³¹

When we discussed the merits of the competitive model with you, you reflected—

“as with anything, there are pros and cons to both approaches, but it is all learning that we can take forward as we look to develop the islands programme in future years. I know that some local authorities will probably have received less through the competitive process than they would have received through the direct allocation process, whereas other local authorities will have received more. In some instances, it was quite a significant chunk of funding. Orkney Islands Council, for example, was allocated £1.5 million, which was over and above what it would have received through a direct allocation model. It is important for us to listen to the feedback to determine how we take the programme forward.”³²

The Committee agrees that “critical local infrastructure” can be funded in a multitude of ways and believes building a pipeline of projects is key to ensuring delivery. We recommend the SFT continue to work with local authorities to identify and build project readiness. These projects could be about improving or making better use of existing infrastructure as well as building new critical infrastructure.

Local and national priorities

²⁹ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 47

³⁰ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 44

³¹ [Scottish Government Letter, Scottish Budget 2023-24, 28 August 2022](#)

³² Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 3

In its written evidence, Comhairle nan Eilean Siar argues that the allocation of funds should be “based on island specificities (rather than metrics prescribed by Scottish Government), to assist in long-term strategic planning”.³³

According to the SFT, the importance of communities was “embedded and reflected” in the application process—

“local authority applicants were asked to demonstrate five specific aspects of engagement, need and opportunity which reflected 35% of the total scoring. These focussed on community involvement, partnership working, community wealth building, evidence of need and inclusivity.”³⁴

We note from your response that applications were assessed against the eligibility criteria, the aims and objectives of the IP, within the broader context of strategic priorities, evidence of ability to deliver using grant offered in 2022-23, and anticipated outcomes from the approach. All applications were also asked to align with a range of overarching priorities.

Local authority support for the direct allocation model was predicated on the desire to have greater autonomy over decision making. Argyll & Bute Council, for example highlighted in its evidence to the Committee that—

“we certainly see more of our funds being provided for specific purposes, with specific criteria, rather than being freely available. In Argyll and Bute, we have a £250 million budget and we broadly assess that about £70 million is controllable by us. That covers some statutory services as well, so the actual proportion that we have full autonomy over is limited.”³⁵

Furthermore, authorities questioned whether the sums involved in the delivery of the Islands Plan were commensurate with the challenges facing Island communities. Orkney Islands Council, for example, stated “I do not think that the budget that is available is anything like sufficient to address all the objectives of the islands plan; I would say that it is woefully short”.³⁶

Local authorities also highlighted key issues which they consider to be a priority, arguing that, “it is fair to say that transport, connectivity, jobs and housing are the key issues for the islands that must be addressed”.³⁷

When the Committee discussed whether the ambitions and objectives of the national islands plan were being sufficiently supported by the Scottish Government’s budget, you highlighted that—

“There is not only the islands-specific funding in my portfolio but spend from across other Government departments – for example, there is spend on rural housing, which falls within Shona Robison’s portfolio. When you look at the £50

³³ [Comhairle nan Eilean Siar, written evidence, 26 August 2022](#)

³⁴ [Scottish Futures Trust, written evidence, 26 August 2022](#)

³⁵ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 21

³⁶ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 20

³⁷ Rural Affairs, Islands and Natural Environment Committee, Official Report, 28 September, Col: 21

million that has been committed to the islands growth deal or other funding streams, you can see that we are doing the best that we can to deliver against the strategic objectives in the national islands plan.”³⁸

Drawing on your comments about the cross-portfolio nature of islands funding, the Committee recommends the Scottish Budget documents include a section under each portfolio explaining how the budget allocations contribute to the objectives set out in the Islands Plan.

In the light of the cost-of-living crisis facing island communities, the Committee asks whether the Scottish Government has given consideration to prioritising key objectives of the Islands Plan to focus on the key issues – transport, connectivity, jobs and housing – highlighted by local authorities.

Island bonds

In August, the Scottish Government announced the £5m proposed Islands Bond would not go ahead following responses to a consultation and that the delivery of interventions would be addressed through a Depopulation Action Plan.

When we asked whether the £5m allocated for the islands bonds would remain within the overall islands plan fund, you answered that “some of that budget had been allocated to this year, and we are taking what we have learned from the islands bond consultation and engagement to see what progress we can make”.³⁹

The Committee seeks assurances that the £5m will remain part of the overall Island Plan budget.

Yours sincerely



**Finlay Carson MSP,
Convener, Rural Affairs, Island and Natural Environment Committee**

³⁸ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 2

³⁹ Rural Affairs, Islands and Natural Environment Committee, Official Report, 5 October, Col: 15