

ISLANDS PROGRAMME – COUNCIL PROJECTS FOR 2022/23

1.0 EXECUTIVE SUMMARY

- 1.1 The Islands Programme represents a £30 million capital investment over five years (2020 – 2025) to help the delivery of the National Islands Plan (NIP). It is supporting projects that encourage population growth and stem population decline, deliver on Scottish Government net-zero ambitions in a way that no-one is left behind, and support a green economic recovery from the impacts of the (COVID-19) pandemic.
- 1.2 The Scottish Government has launched the 2022/23 Islands Programme (IP) which will consist of a total of £4 million to be assigned across the 6 island local authorities through a competitive application process with a maximum of five applications per Local Authority. The fund is being managed by Scottish Future Trust on behalf of the Scottish Government.

RECOMMENDATIONS

It is recommended that Council give consideration to the projects listed in the table in **Appendix A** and:

- a) Agree that officers progress developing options 1 to 7 given these would best fit with the deliverability and criteria of the IP 2022/23.
- b) Agree a delegation to the Executive Director with responsibility for Economic Growth, in consultation with the Leader, Depute Leader, and Leader of the largest Opposition Group, to agree up to 5 IP projects to go forward for final submission by 10 June. This delegation allows for officers to further develop the options and also allows for discussion to be held with Scottish Future Trust regarding fit with criteria ensuring that Argyll and Bute are able to submit suitable bids.

ISLANDS PROGRAMME – COUNCIL PROJECTS FOR 2022/23

2.0 INTRODUCTION

2.1 The Scottish Government have committed £4M against the Islands Programme (IP) for 2022/23. The IP will be delivered in partnership with local government to support locally developed critical infrastructure projects which involve local communities, helping to deliver the National Islands Plan Strategic Objectives and critical, transformational impacts.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Council give consideration to the projects listed in the table in **Appendix A** and:
- a) Agree that officers progress developing options 1 to 7 given these would best fit with the deliverability and criteria of the IP 2022/23.
 - b) Agree a delegation to the Executive Director with responsibility for Economic Growth, in consultation with the Leader, Depute Leader, and Leader of the largest Opposition Group, to agree up to 5 IP projects to go forward for final submission by 10 June. This delegation allows for officers to further develop the options and also allows for discussion to be held with Scottish Future Trust regarding fit with criteria ensuring that Argyll and Bute are able to submit suitable bids.

4.0 DETAIL

- 4.1 The IP was launched mid-March 2022 and is being delivered on a competitive bid basis across all six local authorities with islands. This differs from the approach taken in 2021/22 whereby the funding to the 6 local authorities was allocated via a distribution methodology.
- 4.2 Instead of receiving direct allocations, the island Local Authorities will act as the lead applicant and will have to apply via an application bidding process, submitting their applications no later than 5pm on Friday 10th June. There is no guarantee that we will receive the same level of funding as via the distributed methodology.

- 4.3 For 2022/23 the IP process will consist of single stage applications and each Local Authority can make up to a maximum of five applications each. There is the option for the Local Authority to prioritise their applications each year.
- 4.4 A key consideration will be whether the proposed projects are ready to be delivered in financial year 2022/23. The challenge in respect of the Fund, particularly this year, is to identify projects that meet the criteria, and are able to be delivered within short timeframes. Projects offered grant support in 2022/23 will have a relatively short time to spend or at least fully commit the grant on offer (by end of March 2023) and there will be no facility to carry over to the next financial year.
- 4.5 The Scottish Government recognise that this year's process is very compressed and the challenge this faces Local Authorities in identifying projects that can meet the short delivery timescale and for future years will be aiming to conclude the application process ahead of the financial year that the funding is to be awarded for, to provide as much time as possible for projects to be delivered.
- 4.6 A review will be undertaken of the 2022/23 programme to inform whether the programme will have two stages in 2023/24.
- 4.7 Scottish Government are not seeking applications directly from community or other organisations, recognising the important strategic role which local authorities play in supporting island infrastructure and communities.
- 4.8 Applicants are expected to bring forward project proposals which have been developed with the involvement and support of relevant communities, as well as third sector and private sector partners as appropriate. Community empowerment is at the heart of the National Islands Plan. However given the tight timeline for developing and submitting the applications for 2022/23 it is unrealistic to expect that there can be any meaningful engagement with our communities in regard to new projects.
- 4.9 Funding can only be used for capital projects, and all projects should align with a range of overarching priorities including:
- The National Islands Plan;
 - National Performance Framework;
 - Programme for Government;
 - Infrastructure Investment Plan
 - National Transport Strategy and Strategic Transport Projects Review 2; and
 - Community Wealth Building.
- 4.10 The key objectives of the IP for 2022/23 are:
- To sustain, enhance and develop transformational and critical infrastructure projects based on local priorities whilst supporting the National Islands Plan.

- To reshape infrastructure by supporting shovel worthy projects, co-ordinating with other funded and planned initiatives on the islands to drive sustainable island growth.
- To support projects which use clear Place based, Community Wealth principles to support inclusive island growth while working to achieve the Scottish Government's Net Zero Ambitions and a Just Transition.
- To maximise leverage of partnership, investment, and cross policy funding.

4.11 The key dates for 2022/23 funding are indicated below. With the exception of the application deadline date and the grant drawdown date, the dates listed should be taken as indicative and may well be pushed back:

- Applications deadline – 5pm 10 June 2022
- Investment Panel recommendations – July 2022
- Projects for 2022/23 funding announced – August 2022
- Grant drawdown / project delivery - to 31 March 2023.

4.12 Project proposals can request 100% of the cost of the project however consideration will be given to other investment as it indicates stronger support and collaboration. It is also worth noting that expenditure can be included beyond the funding period however IP funding is only available in the current financial year, but other funding may fall out with this period. Grant offered will be paid in arrears and must relate to spend actually incurred or legally committed.

4.13 Given the competitive nature of the process it is critical that the bids that are selected are as strong as possible and can score strongly against the eligibility criteria, against the aims and objectives of the IP and within the broader context of strategic priorities, evidence of ability to be delivered using grant offered in 2022/23, and anticipated outcomes from the project. The investment panel will score and weight projects using the following criteria:

- Deliverability - 25%
- Engagement, Need and Opportunity – 35%
- Critical and or Transformational Outcomes – 40%

4.14 The table in **Appendix A** details the proposed projects for consideration, it should be noted that a number of these are in an early stage of development and some are more advanced than others. At this stage costs are estimated and are still being developed and may change. The table also includes an early assessment of the 3 key criteria against which the projects will be assessed by the IP Assessment Panel as well as outstanding issues to be addressed.

4.15 All of the projects listed in the table were either identified by officers, discussed at the Argyll and Bute Island Sounding Board or identified via feedback received from Councillors with an island remit following a request for suggested projects. Not all projects are at similar stages of development and

therefore not all are necessarily deliverable taking account of the tight timeline that we are having to work to in regard to the IP 2022/23.

5.0 CONCLUSION

5.1 As members will see from the table at **Appendix A**, some projects are more advanced than others in regard to deliverability and fit with criteria for the IP round 2022/23. It is therefore proposed that officers progress developing options 1 to 7 with a delegation to the Executive Director with responsibility for Economic Growth, in consultation with the Leader, Depute Leader, and Leader of the largest Opposition Group, to agree up to 5 IP projects to go forward for final submission by 10 June.

6.0 IMPLICATIONS

- 6.1 Policy – Any proposals considered should be in line with the National Islands Plan.
- 6.2 Financial – There will be staffing resource required to prepare bids and applications in line with the new process announced by the Scottish Government.
- 6.3 Legal – None.
- 6.4 HR – None.
- 6.5 Fairer Scotland Duty
 - 6.5.1 Equalities – None known.
 - 6.5.2 Socio Economic Duty – None known.
 - 6.5.3 Islands – The Islands Programme will allow the Council to support our islands to develop critical infrastructure projects.
- 6.6 Climate Change – none known at this stage.
- 6.7 Risk – It is important that the Council continue to engage with the Scottish Government going forward in regard to the Programme to achieve the best outcomes for our islands.
- 6.8 Customer Service – none.

**Executive Director with responsibility for Development and Economic Growth
– Kirsty Flanagan**

Policy Lead – Councillor Robin Currie

March 2022

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Appendix A: Table of proposed projects for consideration

Appendix B: Scottish Government Programme Proposals 2022/23 onwards

APPENDIX A: Table of proposed projects for consideration

No	Description	Islands	Estimated costs	Deliverability in 2022/23 IP timeline	Engagement, Need, Opportunity	Critical & or Transformational	Outstanding Issues
1	<p>Enhancing airport infrastructure at Colonsay and Coll airports adding resilience sustaining island airport operations, including:</p> <ul style="list-style-type: none"> Provision of CCTV at both Coll and Colonsay airport Provision of a small fire training rig on each of the islands (inclusivity for island residents (staff)) Enhancing airport infrastructure at Colonsay airport and adding resilience (connection to the power grid and enhanced infrastructure to access the airport) New self-reliant infrastructure equipment such as white lining operational machine, runway surface cleaning equipment. 	Coll Colonsay	£300,000	Yes. Full delivery Jan 2023.	Strong need. Opportunity to improve the Service. Inclusivity.	Critical infrastructure, proposal will ensure sustainability of the service. Strong link to NIP.	None
2	<p>The progression of phase 2 (section 1 & 2) of Tobermory Public Realm.</p> <p>Continuation of the railings, raised parapet and one way drainage valves recently installed on the main Street. Community support to improve the local environment, flood resilience.</p>	Mull	£450,000	Yes - contract let 31 March 2023 - Proven technology and construction specification from the recently	Strong need, community driven, additionality adding to previous work/ investment.	Critical infrastructure, addressing climate change through additional resilience towards tidal surges by raising the	None

No	Description	Islands	Estimated costs	Deliverability in 2022/23 IP timeline	Engagement, Need, Opportunity	Critical & or Transformational	Outstanding Issues
				completed Phase 1.		parapet. Place based approach.	
3	Island Community Hall Connectivity Project - Investment in digital connectivity into main island halls to allow for access to superfast broadband. Allow these key community halls/centres to operate a new hybrid meeting model and act as community digital hubs – a number are used as rural doctor’s surgeries.	Across a number of islands	£100,000	Yes	Strong need, address exclusion, provide opportunities to create digital community hubs.	Critical infrastructure, strong link to NIP. Addressing digital exclusion, Community enabling and health and wellbeing.	Revenue running costs to be investigated, Council do not have funding to provide for recurring revenue costs.
4	Places to Play – Multi use games area (12 x 30 m) next to Rothesay swimming pool and all-inclusive play park adjacent to Winter Gardens/Visitor centre.	Bute	£200,000	Yes	Demand and need and opportunity.	Strong fit, health and wellbeing.	None
5	Kerrera North South Road – final phase. Potential to increase specification of finish to new road through provision of additional external funding.	Kerrera	£190,000	Yes – grant to Trust.	Community need demonstrated.	Strong fit with NIP.	Confirmation required as to how this fits with the road project and associated specification currently being taken forward, Trust to provide this

No	Description	Islands	Estimated costs	Deliverability in 2022/23 IP timeline	Engagement, Need, Opportunity	Critical & or Transformational	Outstanding Issues
							information over the next few weeks.
6	Islay, U15 School Street, Bowmore. Public toilets to Distillery house. Construct footway at pinch point, narrow the road to install give & take system for traffic. This is a narrow section of road with no footways, inappropriate parking forcing pedestrians including school children to walk in the road.	Islay	£50,000	Yes	Demand and need.	If can show additionality and inclusiveness. possible fit with NIP	Bid would need developed further.
7	Jura Ferry Infrastructure. Permanent alternative access solution for small passenger only vessel when Eilean Dhiura is off service.	Jura	£100,000	Yes	Need established, community raising concerns and consultation taken place. Inclusive solution.	Critical Infrastructure	Further develop the solution – possibly in the form of a lightweight pontoon and gangway.
8	Bute Business Units – provision of units to lease to businesses to aid recovery and growth.	Bute	No estimate at this time.	Not deliverable for 2022/23 IP round.	Demand and need to be reviewed and fully investigated with community	If demand is evidenced investigate for future round.	Lack of up to date demand analysis and costed proposal.

No	Description	Islands	Estimated costs	Deliverability in 2022/23 IP timeline	Engagement, Need, Opportunity	Critical & or Transformational	Outstanding Issues
					and businesses.		
9	Port Ellen Road leading to Port Ellen ferry terminal –improve footway connections from Ferry to village, widen road, creation of bus bay and creation of hard standing next to war memorial.	Islay	£500,000	Not within the IP 2022/23 timeframe.	Need and opportunity, engagement still to take place.	Critical infrastructure.	Should be considered for future bid and as part of Calmac ferry terminal rationalisation to ensure best value and additionality.
10	Bowmore – creation of new car parking adjacent to Pier.	Islay	£300,000	Not within IP 2022/23 timeframe.	No consultation or engagement, no concept designs.		Full consideration of all options in regard to parking provision in Bowmore.
11	Ulva – purchase of ferry. The current vessel which was inherited when Trust purchased the island for the community in 2018 can only carry foot passengers and due to its age is unlikely to retain its commercial certification for many more years.	Ulva	Indicative build cost from Trust based on the Kerrera boat is around £150,000 current steel price	Unclear if it would be within IP 2022/23 timeframe.	Could possibly be eligible however a number of matters would need to be considered.	Critical	More information required in regard to costs as well as timeframe and position in regard to Transport Scotland and

No	Description	Islands	Estimated costs	Deliverability in 2022/23 IP timeline	Engagement, Need, Opportunity	Critical & or Transformational	Outstanding Issues
	<p>Seeking a bigger and more modern vessel.</p> <p>Simplified version of the new CalMac Kerrera mini-ferry. In addition to passengers, like the Kerrera boat proposed new ferry will be able to carry a pickup or trailer, loose freight and livestock.</p>		<p>inflation and potential inclusion of a small hiab crane would increase costs preliminary budget more like £180,000.</p>				<p>funding support especially if this is a subsidised route by TS.</p>

APPENDIX B: Scottish Government Programme Proposals 2022/23 Onwards

Nicola Crook
D:ARE – Rural Economy and Communities
09 March 2022

Islands Programme - Programme Proposals 2022/23 onwards

Purpose

1. To update members on the Islands Programme (IP) for 2022/23 onwards.

Background

2. The Islands Programme represents a £30 million capital investment over five years to help the delivery of the National Islands Plan (NIP). It is supporting projects that encourage population growth and stem population decline, deliver on our net-zero ambitions in a way that no-one is left behind, and support a green economic recovery from the impacts of the (COVID-19) pandemic.
3. £4million is committed against the IP for 2022/23.

Islands Programme 2022/23 onwards

4. For 2022/23 onwards, the IP will be delivered in partnership with local government and open to applications from the six island local authorities. It will follow a competitive process in partnership with local authorities, aligned with the Regeneration Capital Grant Fund (RCGF) mechanism and structure.
5. The 2022/23 IP will be launched mid-March, with the deadline for applications being set for mid-June.
6. For 2022/23, a ceiling is set of five applications per local authority, with no financial limit per application.
7. The delivery criteria and objectives of the IP for 2022/23 are detailed in **Annex A**, and will remain broadly similar over the life of the Islands Programme.
8. Future iterations of the IP will be informed by guidance and monitoring by the Programme Board (paragraph 11 refers) and the NIP Delivery group.

Investment Panel

9. An Investment Panel will be established to assess and make recommendations for annual awards. The investment panel will receive support from the Scottish Government Islands Team (SGIT) and strategic direction from the IP Programme Board. Final decision-making rests with Scottish Government Ministers.

10. The panel will be selected from Scottish Government and a range of partner organisations and appointed by the Cabinet Secretary for Rural Affairs and Islands. Members will be sought with experience of islands and panel assessments as well as an experience of infrastructure spending.

Programme Board

11. The Islands Strategic Group has accepted the role of IP Programme Board. The Programme Board will give strategic direction to the Investment Panel to ensure their recommendations best deliver the commitments set out in the NIP and those commitments continue to be considered and reflected across the projects supported during the life of the IP.

Eligibility

12. There will be no restrictions on geography or type of project, although applications will have to demonstrate an intrinsic link to one or more strategic objectives of the NIP.
13. The IP will be a competitive bid fund across all six island local authorities with no specific allocations for each local authority. However, consideration will be given to reflect a spread of investment over the life of the IP across the local authorities, dependent on the volume and quality of applications and only where applications meet the necessary criteria.
14. Alignment with the RCGF should not preclude applicants from applying to both the RCGF and the IP - particularly as the IP will have a wider remit than RCGF.

Applications, Reporting and Assurance

15. For 2022/23 only, to reflect time constraints, there will be a one-phase application process. Feedback will be given to unsuccessful applications. A two-phase application process is recommended for 2023/24 onwards. This provides opportunities to evaluate and support projects at an early stage and reduces wasted time for unsuccessful applications. It also helps identify pipeline projects which may be ready in future years.
16. Scottish Futures Trust will bring its expertise, resource and capabilities to support the delivery of the IP. This will include close working with local authorities, HIE and other key stakeholders during the application process and to ensure completion of projects with the desired outcomes are achieved.

Future Years

17. We will undertake a review of 2022/23 allocations and the process to refine and inform the IP approach for subsequent years. This will also be informed by the findings of the IP Programme Board and the NIP Delivery Group. This

will include whether any key criteria need to be altered for future years and whether any changes are required to the reporting process and materials.

18. The proposed timelines for future iterations of the IP are as follows:

- 2023/24 (year 3): launch in late 2022 for awards by March 2023.
- 2024/25 (year 4): launch in mid-2023 for awards by December 2023.
- 2025/26 (year 5): launch in mid-2024 for awards by December 2024.

Conclusion

19. You are asked to note the contents of this paper and provide any feedback. The Islands Programme will also feature on the agenda of the upcoming ISG on the 24 March, where we would welcome further discussion.

Nicola Crook
Rural Economy and Communities Division
09 March 2022

ANNEX A

ISLANDS PROGRAMME 2022/23 PROPOSED DELIVERY CRITERIA, OBJECTIVES AND OUTCOMES

Overarching Priorities

The 2022/23 Islands Programme will be delivered in partnership with local government, to support locally developed critical infrastructure projects which involve local communities, helping to deliver the NIP Strategic Objectives and transformational impacts.

Where relevant, all projects should align with a range of overarching priorities, including:

[The National Islands Plan;](#)
[National Performance Framework;](#)
[Programme for Government;](#)
[Infrastructure Investment Plan;](#) and
[National Transport Strategy and Strategic Transport Projects Review 2.](#)
[Community Wealth Building](#)

Criteria

SECTION A – Objectives

The key objectives of the IP for 2022/23 are:

To sustain, enhance and develop transformational and critical infrastructure projects based on local priorities whilst supporting the National Islands Plan.

To reshape infrastructure by supporting shovel worthy projects, co-ordinating with other funded and planned initiatives on the islands to drive sustainable island growth.

To support projects which use clear Place based, Community Wealth principles to support inclusive island growth while working to achieve the Scottish Government's Net Zero Ambitions.

To maximise leverage of partnership, investment, and cross policy funding.

SECTION B – Eligibility and Requirements

Eligible organisations

The IP is open to applications from the six island local authorities (Shetland Islands Council, Orkney Islands Council, Comhairle nan Eilean Siar, Argyll and Bute Council, Highland Council and North Ayrshire Council).

Eligible projects

The IP will be a competitive bid fund across all six local authorities. Applications are not restricted in geography or type of project, but the projects must be delivered in inhabited Scottish islands.

IP funding is for capital expenditure only. Examples of eligible expenditure will be clearly explained in the guidance note.

Each authority will be asked, if it wishes, to prioritise its submitted applications. Applications should demonstrate strong evidence of how a project is supported by the local community.

Project focus/Delivery Criteria

Projects should:

Meet the overall objectives of the Islands Programme.

Link directly to at least one of the National Islands Plan Strategic Objectives.

Ensure transformational impact against place based priorities to accelerate local growth and resilience.

Align with local critical infrastructure priorities and have the potential to collaborate with other place based investment opportunities to maximise benefits.

Demonstrate project readiness, collaborative and partnership models, project viability and long term sustainability.

Demonstrate clear Community Wealth Building principles (such as local benefits from procurement and support for local supply chains) and community involvement and engagement.

Support Scottish Government Net Zero Ambitions and a Just Transition.

For 2022/23, there will be a one stage application process. Projects will be required to give details of key project tasks and milestones for delivery of the project and will also have to demonstrate the project's long-term feasibility and practical deliverability, including planning permission status and longer-term plans for

maintenance and decommissioning of assets. Applicants will be asked to demonstrate how they have engaged with and involved local communities and to provide details of partnership working and collaboration. Information requested will also include a summary of the project's likely impacts and benefits and how value might be retained within the community. Detailed expected project outputs, outcomes, impacts and targets linked to the delivery criteria will be required.

SECTION C – 2022/23 Target Outcomes and Impacts

The key target outcomes of the IP include:

Improved outcomes for island communities. Specifically, these will be in the form of safeguarding, improving, or creating infrastructure significant to island communities which lead to transformational and inclusive impacts aligned to local priorities and needs.

Maximising collaborative impacts and wider investment benefits across projects and partners by adopting a place based approach,

Ensuring long term sustainability which supports the principles of community wealth building.

The successful applicants will be asked to report on the impacts of the IP investment: how the projects have supported and contributed to the agreed intended outcomes and the wider impacts.

It is likely that projects will individually focus on outcomes linked to specific National Islands Plan Strategic Objectives. Together over the life of the IP, the funded projects will help deliver the broader Islands Programme objectives and the overall National Islands Plan.