



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Net Zero, Energy and Transport Committee
Inquiry into a modern and sustainable ferry service for Scotland
Meeting on 8 November 2022

Follow up information from Martin Johnson, Director of Strategy and Regional Economy
Highlands and Islands Enterprise (HIE)

23 November 2022

At the Committee meeting on 8 November 2022, I agreed to provide follow-up information on some of the points that were discussed. I am pleased to provide the Committee with the information below.

In response to a question to Monica Lennon MSP, I agreed to provide more information on specific examples of islands facing depopulation and to how this has been impacted by ferry services.

The maps in Appendix A (page 3 and 4) show population trends in each datazone area in the Highlands and Islands region in terms of decline/growth in overall population and working age population between 2011 and 2021. The issues that contribute to depopulation in local areas are complex and often multi-faceted. These factors can include the availability, affordability and suitability of housing, critical infrastructure (including transport and broadband), the availability of jobs and type of employment, the provision of and accessibility to public services, and attracting and retaining young people to the region.

Regarding examples of islands where limitations with ferry services have been amongst the key contributing factors to declining populations in recent years, we would highlight the following examples:

- **Orkney – Outer North Isles:** According to National Records of Scotland data, Orkney's estimated population grew by around 5% between 2011 and 2021. However, across the Outer North Isles there was an overall fall in population and it seems the overall figure hides a trend of population drift from the outer isles. On the outer isles there are challenges with the ferries services that, along with other issues – such as underemployment, fuel poverty and lack of access to services – can act as push factors for leaving. Even on outer isles where the number of residents looks to have stabilised over the past couple of years, limitations of the intra-island ferries services are often considered by communities as a key barrier to achieving population growth.
- **Shetland – Fetlar, Unst and Yell:** Shetland's estimated population declined slightly by around -1% between 2011 and 2021. On a number of the isles away from Mainland Shetland population decline appears to have been steeper over the 10-year period. These include the islands of Fetlar, Unst and Yell in the north of the archipelago, where communities frequently refer to constraints with the intra-island ferries service as a key factor for population loss, particularly in regard to young people choosing to leave these islands.

- **Uist:** In each of Uist's datazone areas it is estimated that there was a decline in the working age population between 2011 and 2021 and there are parts of Uist where the overall population is estimated to have fallen over the same timeframe. Lack of available housing for young people in Uist is recognised as the key issue that needs to be addressed to reverse the island's population and demographic challenges. But increasingly in recent years problems with capacity and reliability of the ferries services have also been viewed amongst Outer Hebrides stakeholders as another important issue that has impacted on the population outlook.

In response to a question from Liam Kerr MSP, I agreed to provide clarification as to whether if HIE are consulted on specifications for future ferry vessels.

We are not consulted as a matter of course on vessel specifications, but we are engaged around demand. HIE staff meet regularly with Transport Scotland and we share relevant intelligence and data, including where we are aware of potential pressures on the ferries system and where there will be future demand needs from developing islands industries. Transport Scotland has formally engaged with HIE in relation to the development of the Islands Connectivity Plan and Transport Scotland provides us with regular updates in relation to this work. Along with other regional stakeholders, HIE has been consulted as Transport Scotland has developed their approach to undertaking community needs assessments which will be undertaken as part of the Islands Connectivity Plan. We look forward to continuing to engage and assist with this important work. We understand that these assessments will form an important part of the evidence base informing live and future vessel and port replacement projects.

In response to a question from Monica Lennon MSP, I agreed to provide any estimates of or data on the potential economic impact of the construction of fixed links.

We wish to pass on to the Committee the following information:

- 'Corran Narrows Fixed Link: Outline Feasibility Study' (Stantec 2020). Study was co-funded by HIE, The Highland Council and HITRANS. Please see attached.
- 'Evaluation of the Economic and Social Impacts of the Skye Bridge' (DHC, 2007). Study was co-funded by HIE and HITRANS. Please see attached.
- In addition, we would highlight that ZetTrans and Shetland Islands Council are about to start a detailed business case in relation to Shetland's intra-island transport connectivity. This will be developed over the next two years and will include a network strategy for fixed links and ferries.

Appendix A



