

North and west coastal innovation

Innovate Revitalise Transition Transform Sustain

This area broadly comprises the island communities of Shetland, Orkney, the Western Isles, and parts of Highland and Argyll and Bute including the north and west mainland coastline.

Scotland's north and west coast and islands will be at the forefront of our efforts to reach net zero emissions by 2045. This is a diverse area, from Shetland and Orkney in the north, to the Outer and Inner Hebrides and the coastal areas of Highland and Argyll and Bute. Coastal innovation is not unique to this area, but as one of the most renewable energy rich localities in Europe with significant natural resources, there is a real opportunity for this part of Scotland to support our shared national outcomes.

The area benefits from an exceptional environment with coastal and island landscapes that are an important part of Scotland's national identity. It is rich in biodiversity, sustaining many internationally significant ecological sites and species including some of the best remaining temperate rainforest sites in Europe. The islands vary in character. Each has a rich history and distinctive cultural heritage including the St Kilda and the Heart of Neolithic Orkney UNESCO World Heritage Sites. These assets require careful and sustainable management. The relatively high levels of community land ownership and strong ties with the land and sea reflect this area's strong sense of place and local resilience. Scotland's National Islands Plan¹ aims to grow the population and economy, improve transport and housing, and ensure island communities are served by the facilities, jobs, education and services they need to flourish. Environmental wellbeing, clean and affordable energy, strong communities, culture and identity are also priorities.

Key centres where lifeline links provide access to the islands include Lerwick, Kirkwall, Stromness, Stornoway, Wick and Thurso, Ullapool, Mallaig and Oban, whilst Tarbert, Lochgilphead and Campbeltown are important hubs towards the south of the area. These centres provide important services to their wider hinterlands. Local projects are ongoing, including the

regeneration of Stromness, the Stornoway Deep Water Port development, the linked Islands Growth Deal Outer Hebrides Energy Hub project in Stornoway, and the Islands Growth Deal Knab Redevelopment project in Shetland.

There will be significant climate challenges for this part of Scotland. Island and coastal ecosystems, and the communities they support, are naturally more vulnerable to the effects of climate change, sea level rise and extreme events. Of particular concern are the impacts on vulnerable low-lying coastal zones and infrastructure, with potentially wide-ranging effects from biodiversity loss to sea level rise, coastal erosion, flooding and landslips. If we do not take action to plan and build their resilience, including investment in nature-based solutions, island and coastal communities could suffer disproportionately from the impacts of climate change.

A climate and nature conscious approach to development of this area can help to tackle wider challenges. Around 94 of our 900 islands are permanently inhabited, and the size and composition of each population has changed over the years. An ageing population will mean that we need to do more to reverse past patterns of population decline and sustain local facilities and services that support rural and dispersed communities.



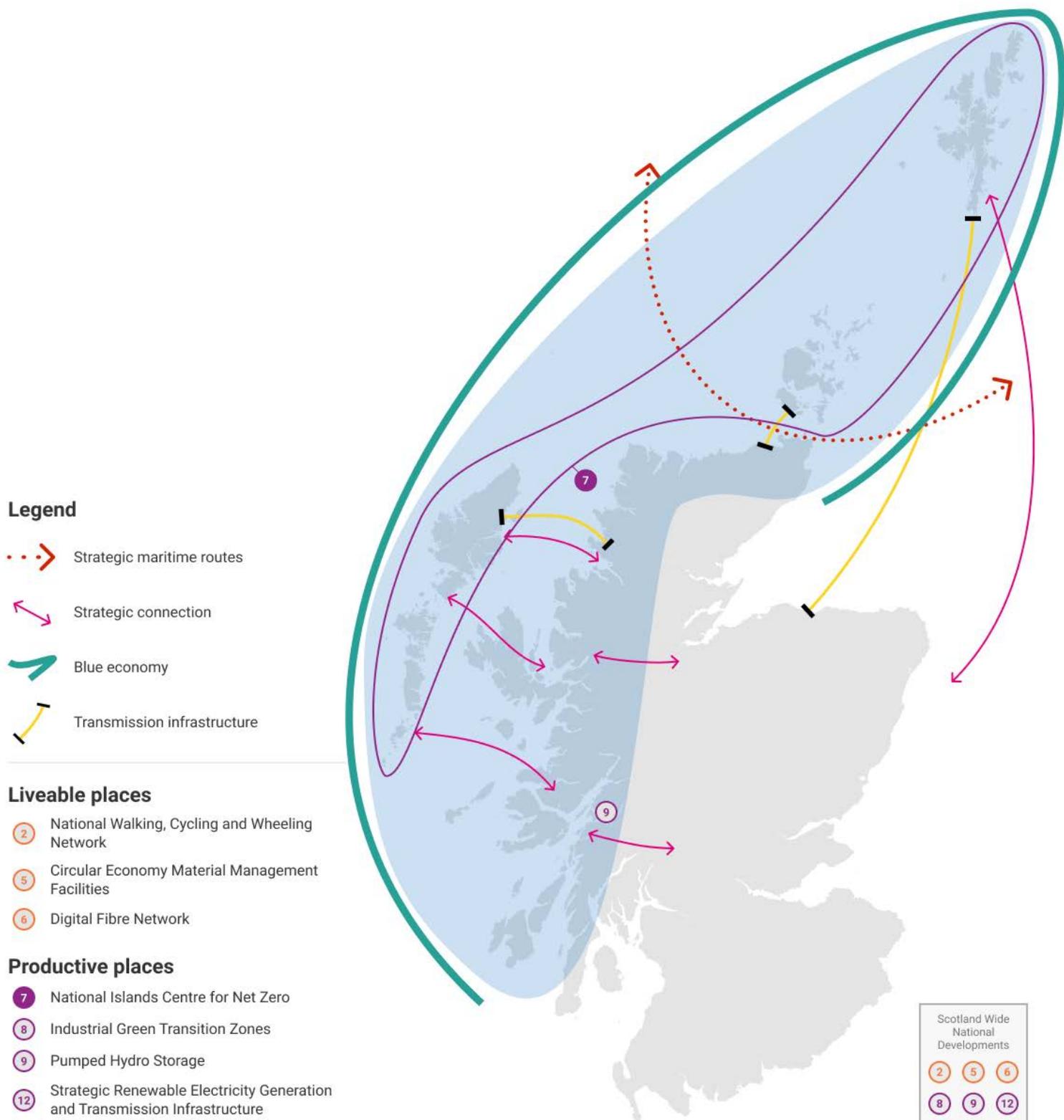
¹ Introduced as a result of the Islands (Scotland) Act 2018

Housing and public service provision, transport, energy consumption and fuel poverty will continue to be significant challenges. Employment varies across the area, and can tend to rely on the public sector, tourism and lower wage sectors, limiting the scope and choice of skilled jobs in some locations. Where skilled jobs exist it can be difficult to attract and retain a local workforce, underlining the importance of building skills to support future investment. There are challenges arising from the end of free movement and changing markets, and the agriculture and fishing industries will need support to ensure the long term sustainability of communities.

Alongside Scotland's marine planning authorities, we can work with the area's exceptional assets and natural resources to build a more resilient future for Scotland's island and coastal communities. In this area we will:

- create carbon-neutral coastal and island communities;
- support the blue and wellbeing economies;
- protect and enhance blue and green infrastructure; and
- strengthen resilience and decarbonise connectivity.

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Actions

1. Create carbon neutral coastal and island communities

Future-proofing local liveability will benefit people as well as the planet. Island and coastal communities will need a bespoke and flexible approach to the concept of 20 minute neighbourhoods, for example by identifying service hubs in key locations with good public transport links. This can build long-term resilience and self-reliance whilst sustaining dispersed communities and rural patterns of development.

Increased coastal flooding and erosion arising from future climate change will need to be considered along with impacts on associated infrastructure such as bridges and transport networks. The majority of island populations live in coastal locations and there is a need for a proactive and innovative approach that works with local communities to address this issue.

Regionally and locally driven plans and strategies will identify areas for future development that reflect these principles – for example, planned population growth on the Western Seaboard of Argyll and in a growth corridor from Tobermory to Oban and on to Dalmally. Community hubs, where people can easily access a variety of services, will need to evolve and grow to support communities and sustain a range of functions. Ports and harbours can be a focal point for electric vehicle charging as well as employment. Sustainable and fair access to affordable healthier food will support future resilience and broader objectives including reduced child poverty and improved health outcomes. Innovative and equitable service provision, including digital solutions, will be needed to support dispersed communities in a low carbon way.

Communities will need greater choice and more flexible and affordable homes to support varying needs. This can be achieved to an extent by refurbishing the existing building stock to reduce the release of embedded carbon, as well as by delivering more affordable, energy efficient new homes. The additional costs of island homebuilding and development generally is a challenge that needs to be factored into a planned approach.

There is a clear need for affordable housing provision across the region to improve choice and access to homes, and in some areas to help offset the impact of second home ownership and short term lets on the market. Local solutions may include key worker housing, temporary homes for workers in remote areas, self-provided homes, including self-build and custom build. Continued innovation of holistic place based solutions, such as the Rural Housing Initiative, will be required to create homes that meet diverse community needs, including homes for an ageing population and to help young people to stay in or return to their communities. Greater efforts to ensure young people have more influence in decisions that affect their future places could support this, as well as helping more people access land and crofts and the reuse of abandoned sites where appropriate.

To reverse past depopulation, planning can help to sustain communities in more peripheral and fragile areas in a way that is compatible with our low carbon agenda and resilient to climate change impacts. Further action should be taken where appropriate to reintroduce people to previously inhabited areas where it can be achieved in line with our climate commitments and wider aspirations to create sustainable places that incorporate principles of 20 minute neighbourhoods and active travel networks. Our coasts will continue to evolve, and development will be needed to sustain and grow communities in a sustainable way. Collaboration and strong alignment of terrestrial and marine planning, at all levels, will also be needed.

2. Support the Blue and Wellbeing Economies

This area has significant opportunities for investment that capitalise on its natural assets and further strengthen the synergies between people, land and sea. This will require strong collaboration and alignment of terrestrial and marine planning, especially as further development of related blue economy activities in the terrestrial environment may increase competition for marine space and resources offshore. To significantly reduce greenhouse gas emissions more renewable energy generation will be needed, bringing unprecedented opportunities to strengthen local economies, build community wealth and secure long-term sustainability. The island authorities have set targets for creating green jobs and for rolling out clean and efficient energy systems to build local resilience. We expect to see continued innovation to unlock the infrastructure and business opportunities arising from a blue and green prosperity agenda.

As a result of its natural advantages, the area is growing its research excellence, and innovation centres are emerging on Orkney, Shetland and the Outer Hebrides, as part of the Islands Growth Deal, that will form a planned joint Islands Hub for Net Zero. Oban is developing as a university town, and the European Marine Science Park is a key opportunity to build the local economy and provide education locally. The Outer Hebrides Energy Hub will build on the region's formidable renewable energy resource by establishing the initial infrastructure necessary to support the production of low carbon hydrogen from renewable energy. The lessons we have learned from the pandemic about remote working could also help to grow communities by extending the range of high quality jobs available locally.

Sea ports are a focus for investment in the blue economy and further diversification of activities could generate additional employment across the area. Potential for business development ranges from long-distance freight to supporting the cruise and marine leisure sectors and decommissioning opportunities. New infrastructure and repurposing of land will

help to shift industrial activity towards supporting the offshore renewables sector. Key strategic sites for industrial investment and associated port infrastructure and facilities include plans for: Dales Voe and Scapa Flow as part of the Islands Growth Deal; Cullivoe; Arnish in Stornoway; Wick; Scrabster; Gills Bay; Kishorn; Oban and Hatston, Kirkwall. Other key nodes on the ferries network, including Ullapool, Uig and Mallaig, will continue to act as important hubs to support communities, investors and visitors.

Proposed space ports, which make use of the area's relatively remote location and free airspace, could support our national ambitions to grow this sector. This includes plans for a Shetland Space Innovation Campus and Outer Hebrides Spaceport 1 in Scolpaig, North Uist as part of the Islands Growth Deal, and space ports at Machrihanish and Benbecula.

Food and drink is a key sector, with aquaculture, distilleries, commercial fishing, and seaweed farming providing a crucial and growing source of employment for many local communities. This sector is of national significance, with whisky generating an estimated £5 billion to the UK economy and salmon accounting for more than 40% of total food exports. By improving the resilience of existing infrastructure we will ensure continued access to international markets. There are significant opportunities to build on experience and expertise through associated research and development. A development hub at Machrihanish to support aquaculture research in association with Stirling University could open up wider opportunities to expand onshore aquaculture at sites across Scotland.

Targeted investment in tourism infrastructure will ensure the coast and islands can capitalise on their rich natural assets, heritage and culture to support better quality and more stable jobs in the sector whilst providing a positive experience for visitors and residents. This sector has been significantly impacted by the pandemic and a short-term focus on recovery can be underpinned by efforts to secure longer-term sustainability. Planning can help to ensure that the Rural Tourism Infrastructure Fund is targeted

to places where the pressure is most significant. Priorities include visitor management of the area's World Heritage Sites. Plans are in place for the Orkney World Heritage Site Gateway that will manage and disperse visitors to the Heart of Neolithic Orkney UNESCO World Heritage Site. The Outer Hebrides Destination Development Project will support the strategic development of tourism infrastructure, bringing together key assets including St Kilda World Heritage Site, the Iolaire Centre, the Hebridean Way, Food and Drinks trail and the Callanish standing stones. Other ongoing projects, including long-distance routes such as the Kintyre Way and the Argyll Sea Kayak Trail and Crinan Canal can help to expand a high-quality offer of exceptional marine tourism across the area as a whole.

Regionally and locally there is a need for smaller scale investment across the area to put in place low maintenance, carefully designed facilities which better support and manage the impact of informal tourism including camping, campervans and day trips. This should reflect the scale and nature of operators including community trusts. Efforts to provide access to education and build skills locally will also support this, with key projects including plans for the redevelopment of the Shetland Campus.

3. Protect and enhance blue and green infrastructure

The coast and islands' natural and cultural assets will require careful planning and management so that their special qualities can continue to form a strong foundation for future development and investment. There are opportunities for local projects across this area to come together and create an enhanced nature network which benefits quality of life and contributes to biodiversity recovery and restoration as well as carbon sequestration.

Significant peatland restoration and woodland creation and restoration, along with blue carbon opportunities will secure wider biodiversity benefits and be a focus for investment to offset carbon and secure existing natural carbon stores. The Lewis Peatlands are internationally recognised as accounting for a significant

proportion of the world's blanket bog habitat and there are opportunities to protect and expand Scotland's temperate rainforest, including some of the best remaining rainforest sites in Europe. Access to the outdoors, as well as active travel, can benefit from continued investment in long-distance walking and cycling routes with a range of projects emerging at a regional scale.

4. Strengthen resilience and decarbonise connectivity

Communities will need resilient transport connectivity to maintain accessibility and lifeline links and further innovation will be required to help modernise connections and decarbonise transport systems. A net zero islands air network and decarbonisation of ferry services will help to secure the viability and service stability of island and remote coastal communities. Communities are keen to explore long term ambitions for fixed links for example across the Sound of Harris and Sound of Barra, and potentially to connect the Outer Hebrides to mainland Scotland. An Islands Connectivity Plan will consider the role of ferries, fixed links and low carbon aviation in securing lifeline links and marine access for both leisure and freight. In addition to the investment potential of the area's ports and harbours, the strategic location of the Northern Isles as a hub for future shipping using long-distance trade routes has significant potential for investment and growth over the longer term. There is also potential to consider decarbonisation of fishing fleets and the aquaculture industry in the future.

Electric vehicle ownership is already high in some parts of the area and continued expansion of charging networks will support further decarbonisation. Key routes and hubs are emerging – examples include the aspiration for an electric spinal route that extends across the Outer Hebrides. This should be viewed as one part of a wider system response to net zero that also strengthens active travel across the area.

Improved digital connectivity is a priority to sustain current businesses and create 'smart' communities. We are committed to investment in ultrafast broadband to ensure every property is connected and to improve mobile coverage.

This will unlock opportunities for rural businesses and remote working, and make future community growth more feasible. Full benefits will be realised by actively tackling the digital divide by building skills, literacy and learning and addressing the financial barriers to internet access. Key projects include the Outer Hebrides Giga Fibre Network and the North Isles Fibre Project.

Resilience and a growing green economy will depend on delivery of improved grid connections, including high voltage grid cables connecting the three island groups to the mainland. This will be complemented by the innovation in low- and zero-carbon fuels and the roll out of locally distributed energy systems to reduce emissions from heating buildings, address significant fuel poverty and secure longer-term resilience.

Q8: Do you agree with this summary of challenges and opportunities for this action area?

Q9: What are your views on these strategic actions for this action area?