

**SCOTTISH GOVERNMENT ISLANDS PROGRAMME AND CARBON NEUTRAL  
ISLANDS CAPITAL FUNDING**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide information on the Scottish and Carbon Neutral Island Capital Fund. On 5 June 2024, the Scottish Government announced that £3m would be available through the Islands Programme for the 2024/25 financial year to fund capital projects on inhabited Scottish islands. A further £1m is available through the Carbon Neutral Islands Capital Fund which is available for suitable capital projects on Islay. The funds will be distributed on a competitive basis and this paper provides background to the funds and sets down the proposed projects which will form the basis of our applications to the Scottish Government.
- 1.2 The timescale for applying for this funding requires applications to be submitted by 30 August 2024 with a decision expected during autumn 2024. Grant drawdown must be completed by 31 March 2025.
- 1.3 Teams across the Council and Health and Social Care Partnership have identified potential projects for the Islands Programme which have been considered against the criteria and scoring for the fund. A similar process has taken place with Islay Energy Trust, as the key local stakeholder involved in delivery on the Islay Climate Change Action Plan. Given the need to submit applications by the 30 August 2024 deadline, work is underway in relation to the following projects which were deemed to fit most closely with the fund requirements.

Islands Programme (IP)

<b>Project Name - description</b>	<b>Project Lead</b>	<b>IP funding request</b>	<b>Total project value</b>
Thomson Court increase capacity of care facility by 2 bed spaces	HSCP	£300,000- £400,000	£500,000

Jura Ferry concept design for new vessel	Roads and Infrastructure Services	£200,000	£200,000
Jura Ferry Bunkhouse conversion of Port Askaig pier building into crew bunk house	Roads and Infrastructure Services	£200,000	£200,000

#### Carbon Neutral Islands (CNI) Capital Fund

<b>Project Name - description</b>	<b>Project Lead</b>	<b>CNI funding request</b>	<b>Total project value</b>
Solar Islay a project to install photovoltaic solar panels on community buildings	IET	TBC	TBC
Cornabus Forest Development purchase of equipment to facilitate management and harvest	Islay Development Initiative	TBC	TBC
Electric minibuses purchase of electric vehicles to facilitate community transport	TBC	TBC	TBC
Cornabus Orchard the establishment of an orchard	Islay Development Initiative	TBC	TBC

- 1.4 Members are asked to note that this is a competitive bidding process open to all Scottish local authorities with inhabited islands and it is considered likely that the fund will be oversubscribed. As such, it is important that projects are sufficiently developed to enable the best chance of success and to ensure that if successful the funding can be fully accessed for the benefit of these island communities.

#### **RECOMMENDATIONS**

It is recommended that the Policy and Resources Committee:-

- i). Note the process for applying to the Islands Programme and Carbon Neutral Islands Capital fund and the 30 August 2024 deadline for applications.
- ii). Approve the recommended projects which will be submitted to the call for applications as detailed at paragraph 4.7 and 4.10.
- iii). Agree to delegate authority to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leader, Depute Leaders and the Leader of the largest Opposition Group, to approve the funding bids prior to submission to the Scottish Government and to manage the funding should the applications be successful.

**ARGYLL AND BUTE COUNCIL**

## 4.0 DETAIL

### Islands Programme

4.1 The key objectives of the Islands Programme for 2024/25 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 and reduce poverty while

Transition.

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4.5 All suggested projects were considered against the advised scoring methodology for the fund

- Deliverability (30%)
  - Demonstrating Deliverability
  - Viability
- Need and Partnership (35%)
- Project Outcomes (35%)

SFT have emphasised there is a particular importance on deliverability and that this is a primary consideration for assessment as there is no ability for funding to be carried forward into the next financial year.

### Carbon Neutral Islands Capital Fund

- 4.8 In addition to the Islands Programme, the Scottish Government is also making £1m of funding available to support the Carbon Neutral Islands



6.5.3 Islands all projects are required to be based on an inhabited island to