

Experts in
Regeneration



Orkney Population Change Study

Final Report

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Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean



ORKNEY
ISLANDS COUNCIL



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Executive Summary

Understanding population change is an important priority for the Community Planning Partners in Orkney. Changes to the distribution and structure of the population will impact on both the labour market and the service provision needs of the community. This research aims to highlight the key factors of change and identify what their impact will be.

Background

Current population projections identify a potential threat to the available workforce on the islands over the next two decades and recent research highlights a growing cost for providing care to an ageing population. The partners are keen to identify the most effective interventions that will support in-migration among economically active groups and encourage younger Orcadians to stay in the islands. They also wish to identify the likely housing needs of key population groups including students and key workers.

Objectives

Highlands and Islands Enterprise, in partnership with Orkney Islands Council, NHS Orkney, Orkney Housing Association Ltd, Orkney DASAT and other public bodies, commissioned this research into demographic changes in Orkney. The broad study objectives are to:

- find out how the population in different areas of Orkney is changing;
- project population trends to 2030; and
- inform policy direction and future service provision.

Trends in population change

A review of past and recent trends highlights that while the overall population declined in the decade up to 2001, it has subsequently increased again to an estimated 19,860 in 2007. This is an increase of 3.1% since 2001.

However the age profile has been changing, with the biggest increase between 2001 and 2007 in the proportion aged over 55, while the biggest drop over the same period has been in children under 15 years old. A recent housing needs survey carried out across the islands shows a high proportion of elderly households living in the Outer Isles; particularly Eday, Sanday, Stronsay and North Ronaldsay.

The most recent figures on migration show a positive net in-migration for Orkney with a reasonably well-balanced age profile. There is a net loss of population among the 16 to 24 age group as young people leave for higher education and this is higher among women. The County is less reliant on Eastern European migrant workers than other parts of the Highlands and Islands.

There is a longer-term trend of younger and more economically active households moving towards the greater Kirkwall area. This is evident in the patterns of population change by island and in the higher birth rates around Kirkwall.

Many of the Outer Islands rely on in-migrants to sustain their population. However the research suggests that some of the Outer Islands have managed to stem population decline more effectively than others and have even reversed the long-term declining trend.

Drivers of population change

Employment and economic opportunities are central to population change, and limited job opportunities and low private sector earnings contribute to out-migration. However a strong enterprise culture, expansion in further and higher education and renewable energy developments all offer good prospects for attracting migrants and returners.

Education remains one of the key drivers for young people leaving Orkney for the first time. This is true of all rural communities where local higher education opportunities can never compete with those available in larger cities. However many leave the Islands with a firm plan to return if they can. And there are now more postgraduate opportunities available on Orkney that can attract students from elsewhere.

Housing availability and affordability are issues not unique to Orkney but which are important in influencing decisions to stay or return. A lack of smaller, affordable units for young people makes it more difficult for some households to return. And limited supported and residential accommodation for elderly people makes it more difficult for some elderly people to remain in their own communities.

Transport costs and convenience are also an important contributor to migration decisions. The ability to travel to and from work has been a key factor in the drift of population towards Kirkwall. And introducing the Air Discount Scheme has seen passenger numbers increasing and has helped to boost fragile communities.

The **centralisation of the Orkney population** towards greater Kirkwall and the East Mainland is both a symptom and a cause of population change. The increased population perhaps justifies a greater concentration of resources, services and jobs being directed towards this area – which further exacerbates the trend. However the Council has recognised that this leads to services being stretched in Kirkwall while other facilities in smaller settlements are underused.

There has also been a trend of in-migration to some of the more outlying communities of **older and less economically active households**. This is perhaps most notable in the Outer North-Eastern isles of Sanday, Stronsay and Eday, but is also evident on Hoy and parts of the rural West Mainland.

Motivations and experiences

For this research we have looked at the population in terms of:

- **Stayers** – those who have not lived away from the islands for any significant time;
- **Returners** – those who have left to continue education or employment opportunities but who have subsequently returned;
- **In-migrants** – people who have decided to move to Orkney from elsewhere; and
- **Leavers** – those brought up on Orkney who are living away from the islands.

Stayers and returners

Those staying in Orkney do not necessarily remain in the community they were brought up in. Stayers migrate towards Greater Kirkwall for employment or remain there after leaving school for work. It appears easier for males and those working in traditional employment sectors to stay in their own communities outside of Greater Kirkwall.

Seven out of ten returners left the County for further or higher education and half of the returners came back to Orkney before turning 25. This suggests that leaving was part of a planned process which involved gaining qualifications but returning to Orkney for work if possible. Returners, like many stayers, tend to gravitate towards Kirkwall.

Family and the quality of the Orkney environment are strong reasons to stay and return. For stayers who are thinking about leaving, economic considerations are the main factors that would push them away including: travel costs, competitive pay and career progression.

Female returners place greater importance on family than males and were more likely to identify pay and work issues as unimportant. However, females who are thinking about leaving were more likely to identify work related issues as a motivation to leave than men.

In-migrants

In-migrants are an essential part of the Orkney population. One in five people living in the Islands moved to Orkney within the past 10 years. Some communities have higher proportions of in-migrants than others with this group representing around 40% of Stronsay's population.

In contrast to the common view, there are lower proportions of retired people and higher proportions of children among in-migrants than among the long-term resident population. However there are higher proportions of unemployed people and those who choose to stay at home among recent in-migrants. Patterns of economic activity vary among in-migrants to different parts of the islands. In Rousay, Stronsay, Sanday, Eday and North Ronaldsay, more than half of those moving to the islands in the past five years were not working.

There is a big difference in the motivations for migrating among rural and island communities and Kirkwall and the Mainland villages. In more outlying and rural parts of the islands, lifestyle reasons predominate while on the Mainland employment and being close to family and friends are much more significant.

Leavers

Those that leave the islands and remain away are more likely to be motivated by employment progression. Twice as many identified opportunities for career progress as a reason for leaving. And twice as many female leavers as male leavers rule out returning reflecting the perception of limited job opportunities on Orkney. For those who consider returning, jobs and career progression are the most common barriers.

Addressing population change

Residents and stakeholders have identified several issues about the labour market and service provision in Orkney that impact on population.

Employment issues

Wages tend to be lower in the private sector which means that people looking to return often look for public sector jobs.

One issue in attracting skilled staff is that often two professional or skilled people are looking for jobs at the same time. The smaller pool of professional jobs available means that:

- Many professional or specialist jobs are difficult to fill – particularly in the Outer Isles; and
- Many skilled or qualified people take on jobs well below their capacity – and these tend to be women.

Many public and voluntary jobs are being offered on temporary contracts because of funding or budgetary issues. This means that:

- Skilled people are not prepared to commit to a major move based on a temporary contract;
- Young people returning to work are unable to commit long-term to buying a house and are attracted South to permanent jobs.

In the Outer Isles the limited funding for certain third sector jobs and the variable nature of demand means that some people take on several small jobs.

Business start-ups

Enterprise was a common choice for younger people wishing to stay in or return to Orkney – particularly in the Outer Isles. Several issues emerged about starting or sustaining businesses:

- There were too few younger people entering the agriculture and fishing sectors – with succession for farms a big issue. This may cause problems for the food processing sector if not addressed.
- There are too few affordable start-up units/ workshops; and
- The costs of transport and fuel were a major disincentive to business start-ups.

Housing and health services

Those living in the islands identify difficulties faced in accessing affordable housing whether to rent or buy. Difficulties in assessing demand in the Outer Isles and restrictions due to national legislation make it difficult to direct housing to support population stability.

Residents in some of the Outer Isles identify issues in accessing health services, including a lack of dental services; high turnover of health practitioners and a perceived downgrading of the air ambulance service.

Impacts of population change

While most businesses do not identify any immediate impacts from population change; one business had relocated to Kirkwall to improve market access. And another business had benefited from the increasing population in Kirkwall.

Changes to population patterns will have various impacts on service provision. The Council is looking to provide facilities in some of the Outer Islands that are more flexible in how they can be used. Health and Care services will also need to be provided more flexibly – with the likelihood of growing care needs in the Outer Isles to meet the needs of an ageing population.

The shift of population towards Kirkwall means that facilities in some of the other communities have spare capacity. The Council is therefore promoting a policy aimed at encouraging population growth in these areas through housing and economic development to take advantage of this capacity.

Population projections

The population model uses the General Register Office for Scotland (GROS) mid 2007 population estimate as a baseline. From this baseline we added in elements to cover natural change, in-migration and out-migration.

If trends continue as they are

If current migration patterns continue the population will increase up to 2015 and then start to decline again. By 2030 the total population would be slightly lower than in 2007 at around 19,500. On current trends the number of annual births would drop by around 50 and the primary school-age population would decline from 1,480 to around 1,200.

Achieving a sustainable population pattern

The model shows that the most positive population scenario would be achieved through boosting in-migration among the 25 to 34 age group and reducing the number of 16 to 24-year olds moving away from the islands. This would lead to the population increasing to around 22,850 with a higher birth rate, a larger workforce and a primary school roll kept at the current level.

Sustainability across island communities

As well as considering the size of the population that is likely to be sustainable in the medium to longer term it is essential to consider the impact of changing population patterns on some of the more fragile communities. Using several population indicators we have classified how sustainable different island communities are. The characteristics used are:

- The extent to which the population is growing or declining;
- The proportion of elderly people in the population;
- The proportion of children in the population;
- The level of economic activity; and
- The economic impact of in-migration.

Based on these indicators we are able to classify Orkney's communities into five categories as outlined in Figure 1 below.

Figure 1 Analysis of community sustainability

Category	Communities	Characteristics
Strong	Kirkwall, Finstown, Holm, East Mainland, Papa Westray	Growing population, high rates of economic activity and positive age profile.
Stable	Stromness, West Mainland Burray, South Ronaldsay	Growing population, reasonable levels of economic activity but an older population profile.
Marginal	Hoy, Westray, Shapinsay	Population growing or stable, below average economic activity and poorly balanced age structure. Reliant on in-migrants to sustain population.
Becoming threatened	Stronsay, Sanday, Rousay, Egilsay & Wyre	A low proportion of children, high reliance on in-migration, with below average economic activity.
Threatened	North Ronaldsay, Graemsay & Flotta, Eday	Declining population with an elderly profile, few children and a low proportion of economically active in-migrants.

The communities in Mainland Orkney, Burray and South Ronaldsay remain strong or stable. Perhaps surprisingly, the island of Papa Westray shows a positive population and economic profile despite its relative isolation and small population.

Other communities are marginal or under threat from changing population patterns. The islands of Hoy, Shapinsay and Westray are marginal in terms of sustainability. This means that while there are some positive trends there are issues regarding age profile and/ or the levels of economic activity.

The Outer Isles of Sanday, Stronsay, Rousay, Egilsay and Wyre are becoming threatened in terms of their longer term sustainability. This is because of an ageing profile, high levels of reliance on in-migration and low rates of economic activity. These islands will need significant economic stimulus to reverse these trends.

The islands of Eday, North Ronaldsay and the South Isles (Graemsay and Flotta) have population patterns and trends that suggest their medium to longer term sustainability is threatened.

Developing a sustainable community

We held a scenario planning workshop to identify some of the key issues that are most likely to impact on population sustainability. Participants produced several contrasting scenarios based on the least certain causes of change. The session finished with a short discussion on the implications of different scenarios and of how

the key drivers could be manipulated to provide positive outcomes over the time-span we are looking at.

Stakeholders view any changes in population around how they might affect the quality of life enjoyed on the islands. They view any mitigating action, such as creating jobs, improving transport or improving the housing supply, in the same light. The social impacts of economic and demographic change are important as the high-quality of the social, as well as natural, environment is a key part of Orkney life. There is a wish to improve the population balance but not at the cost of creating jobs that are incompatible with the current quality of life. Some issues that will underpin the way forward are:

- Positive drivers don't always bring positive impacts; balance is important.
- Social impacts of interventions need to be accounted for;
- The emphasis should be on investing in the "right" services and keeping flexibility in provision;
- The focus should be on increasing gainful, meaningful employment through forward planning for example through energy-related inward investment;
- Community sustainability should be at the core of forward planning;
- Providing a full spectrum of education close to home will be an important step forward in developing a more balanced, skilled workforce;
- Leisure, culture and quality of life are important to residents and visitors (for example as seen in the volunteering culture);
- There are opportunities from education and research if closer links to productive sectors are explored; and
- Opportunities from technology need to be firmed up – and realised.

Key Policy issues

The report sets out the key issues for policy focus to support a sustainable population pattern and to keep a healthy workforce and service delivery pattern.

Strategy for a sustainable future

As outlined earlier, the overall population of Orkney would need to increase to almost 23,000 to achieve a sustainable pattern for workforce, school roll, birth rates and service provision. This will require a slight reduction in out-migration of younger age groups and a 40% increase in the number of in-migrants in the 25 to 34 age group. At the same time there will be a need to promote population growth in communities where there is existing service capacity and where modest housing development can be accommodated without damaging the intrinsic qualities of the communities.

While most of the building blocks for such a strategy are already in place there needs to be greater focus in some respects such as coordinating housing and economic development activity and marketing the islands unique qualities to target population groups.

Threatened communities

Those communities which are threatened by current economic and demographic trends will require significant coordinated action if they are to become sustainable. The Islands of North Ronaldsay, Eday, Rousay, Egilsay, Wyre, Sanday, Stronsay, Flotta and Graemsay appear to have the most pressing need. If they are to become more sustainable then partners should consider how best to stimulate employment and investment for these communities as a priority.

More radical measures perhaps need to be considered in the context of these communities including the potential for fixed links in the longer term; and opportunities for devolving more powers and budgets to Community Development Trusts.

Another option is to promote housing-led economic growth – with low-cost housing used as a means of stimulating business start-ups. However housing demand is difficult to identify and respond to in such small communities; particularly when most of that demand will come from those not currently living there. This may require a new approach to assessing demand and supporting housing development in threatened communities.

Partners should make an approach to the Scottish Government to allow relaxation of the rules around housing allocation for threatened communities. This would ensure that available investment can be effectively directed towards stabilising population.

Employment opportunities

Ultimately jobs and employment are the key to attracting people back, or into, Orkney. This will require support for business start-ups and growth; a greater emphasis on supporting productive sectors and getting the highest possible value out of the public sector workforce.

Supporting enterprise

Encouraging entrepreneurial skills among young people is important and there is also a need to develop small units to allow people to start out in business. Both HIE and OIC are already providing support in these areas. Small scale start-up and incubator units could be incorporated into flexible, multi-use facilities - particularly in the Outer Isles.

Primary sectors under threat

Food production is an important part of Orkney's economy and is also vital to its cultural and tourism offer. However the viability of the food processing sector in the medium to longer term is threatened by the lack of younger people entering farming and fishing. Addressing this will require several strands of activity including positive marketing of careers in farming and food production and more targeted assistance to support these sectors.

Supporting research and development

The opportunities provided through renewable energy highlight how links between research institutes and productive sectors can help to promote high value employment. Public agencies should support research activity and promote

partnerships between education establishments and the productive sectors on the islands.

Container hub development

All businesses interviewed were generally positive about the benefits of developing a container hub at Scapa, although there were a range of views on how extensive the benefits would be. For example, one export orientated business in the North Isles felt that it definitely “would make it easier to ship our product worldwide”.

Devolving public sector jobs

The idea of devolving hubs of jobs and services outside of Kirkwall has been widely discussed and is being promoted in the Development Plan. However this will need the Council and other public agencies to take the lead in both devolving their own jobs and helping to provide start-up units and flexible business accommodation for the private and third sectors. Any devolution of public sector jobs should include serious proposals for meaningful re-location of jobs to the Outer Isles.

Addressing temporary contracts

The predominance of temporary contracts and short-term posts has been identified as damaging population stability. The uncertainty around funding and the need to bid for time-limited funding pots is the reason for this.

Marketing opportunities more effectively

Under-employment is very common, particularly among partners of people who move to a professional post (frequently women). At the same time many specialist and skilled jobs are difficult to recruit for. There is perhaps more of a need to market job opportunities in a more coordinated way. Council departments experiencing difficulties recruiting should work more closely together and with other public agencies such as HIE and the NHS to market opportunities more effectively. There may be opportunities of promoting a joint venture with the private sector to develop a coordinated recruitment website.

Promoting career progression

The issues identified in several areas of public service provision highlight the greater need for agencies to ‘grow their own’ skilled and professional staff. The recent initiative to promote a ‘career pathway’ through social care provides a positive example of how agencies can promote opportunities for progressing through the career ladder. This may require closer joint working with the College and other education and training providers to ensure that needs can be met on Orkney wherever possible. A more flexible funding package for supporting training for older employees/ students may also be needed.

More flexible working

The Council's policy towards more flexible working is out of step with current workforce needs. There are few home working and flexi-time opportunities. A more enlightened approach would benefit key groups such as women returners and those with caring commitments. Greater flexibility in working arrangements will also make

it easier for people who rely on public transport, or who commute from the islands, to work in Kirkwall.

Housing

Housing to support fragile communities

While affordable housing is needed across Orkney it becomes more critical to those communities whose sustainability is currently marginal or threatened. In these islands housing that supports economic development or is targeted at key workers would make the most positive impact.

As outlined earlier a different approach to assessing need and supporting housing development in these communities will be needed. The idea of 'gateway' housing as a transition for those moving into a new community for the first time may be worth exploring.

Support for younger people

Several stakeholders have highlighted the difficulties faced by students and younger people in finding suitable housing – particularly in Kirkwall. Housing providers should identify opportunities to work with Orkney College and other training providers to develop housing targeted at young people entering further education or training. Partners should work together to seek funding from the Government.

Health and care

Care for the elderly

The populations on several of the Outer Isles are ageing rapidly and this will require both accommodation and associated health and social care to meet these needs. Planning for residential and supported accommodation in the Outer Isles will also contribute to wider socio-economic objectives by providing more job opportunities and allowing elderly people (and their carers) to remain in their own communities for as long as possible.

Air ambulance services

The changes to the air ambulance service have been highlighted as problematic by both residents and service providers. The lack of reliability of the service undermines people's confidence in the emergency health services available in the Outer Isles. This is particularly important for parents with young children.

Transport

Planning future ferry services

The attitude to provision of the ferry services is based on traditional perceived wisdoms. For example stakeholders identify an unwillingness to split freight and passenger services and there are no fast passenger-only boat services. There is

perhaps an opportunity to re-plan how the ferry service of the future should look starting from a blank sheet of paper.

Relocation of some ferry crews to the Outer Islands could help to disperse more of the income associated with public sector spend on transport.

Community development

Devolving small budgets

Several island communities highlight instances where local assets such as playgrounds were not being maintained. Revenue funding is much more difficult to access than capital funding and funders generally expect that local agencies will take on the maintenance if they make the capital investment.

Devolution of small budgets to communities would provide a useful support to the voluntary efforts of communities. But more importantly it would provide a psychological boost and a signal that they could be trusted to decide on priorities for themselves.

Community compacts

Currently those working as volunteers in their communities feel over-worked and under-rewarded. Some form of voluntary sector compact may be useful for each island to set out the roles and responsibilities of public agencies and the voluntary sector. This should identify and record the inputs made by the third sector and ensure that this does not lead to a reduction in the contributions of public agencies.

1 Introduction

This section sets out the background and objectives of the research and our approach to addressing the research objectives.

1.1 Background

Over recent years the Orkney Community Planning Partnership has identified several inter-linked issues relating to population change, workforce planning and service delivery. Current population projections identify a potential threat to the available workforce on the islands over the next two decades and recent research highlights a growing cost for providing care to an ageing population.

The partners are particularly interested to identify the most effective interventions that will support in-migration among economically active groups and encourage younger Orcadians to stay in the islands. They also wish to identify the likely housing needs of key population groups including students and key workers.

1.2 Consultancy objectives

In this context, Highlands and Islands Enterprise, in partnership with Orkney Islands Council, NHS Orkney, Orkney Housing Association Ltd, Orkney DASAT and other public bodies, commissioned research into demographic changes in Orkney. The study aimed to:

- establish how the population in different areas of Orkney is changing;
- make projections to 2030; and
- inform policy direction and future service provision.

The study is a valuable piece of research as it will assist local service agencies respond appropriately to the challenges posed by demographic trends in Orkney.

The specific objectives of the project are:

1. Analyse current population trends in Orkney in terms of:
 - Age, gender, ethnicity and overall numbers of deaths and births;
 - In and out migration;
 - Total population;
 - Employment status; and
 - Registered disabled.
2. Project population movements, and assess their social and economic impacts, specifically:
 - Identify the future population projections based on the established past and present trends;
 - Define population projections by parish, by gender and by age profile;

- Identify the factors likely to influence these population projections; and
 - Identify and quantify the socio-economic impacts of the projected population changes.
3. Gain in-depth insights into the factors that influence out/in-migration of different groups of people, specifically:
- Out-migrants;
 - Stayers;
 - In-migrants;
 - Returners; and
 - The 18-34 age group.
4. Identify factors required for demographic, social, economic and cultural sustainability in Orkney, including:
- The characteristics that communities consider essential for a sustainable community;
 - The level of population needed to ensure sustainability; and
 - Assess the current trends against the assessments of sustainable populations; and
 - Recommend a sustainable population target for Orkney to achieve by 2020.
5. Suggest policies and practices that can address out-migration and encourage in-migration, including:
- Identifying the policies and support mechanisms needed to bridge the gap between the projected populations and the sustainable communities that are aspired to;
 - Suggesting actions that can be taken to encourage young people to remain, or return to live, in Orkney;
 - Suggesting alternative methods of addressing the potential population imbalance;
 - Assessing the impact of these policies and support mechanisms on public sector jobs;
 - Assessing the need for key worker and student accommodation; and
 - Providing examples of successful policies implemented in other similar areas.
6. Scenario planning.
- Project the long and short term impacts of the proposed container hub at Scapa Flow on future population figures. And identify the key issues for public sector service providers.

1.3 Methods

This report is based on several distinct strands of work including:

- Interviews with employers, key stakeholders and service providers;

- A viral electronic survey of those from or living in Orkney which received 1,516 responses;
- Desk-based analysis of a housing needs survey covering 3,380 households on Orkney;
- Using a population model to project the impact of different trends on the future population pattern;
- Holding five focus groups to explore the issues facing those living in different parts of Orkney and Orcadians living in the central belt.

1.4 Report structure

Following this introduction the remainder of the report is set out as follows:

Chapter 2 – Trends in population change;

Chapter 3 - Drivers of population change;

Chapter 4 – Motivations and experiences;

Chapter 5 – Addressing population change;

Chapter 6 – Population projections and implications;

Chapter 7 – Developing a sustainable community; and

Chapter 8 - Conclusions and recommendations

2 Trends in population change

This section sets out some of the key trends, both longer term and more recent, that provide the context for this research. These include overall population change, changes to age profiles and geographical distribution; migration and birth rates.

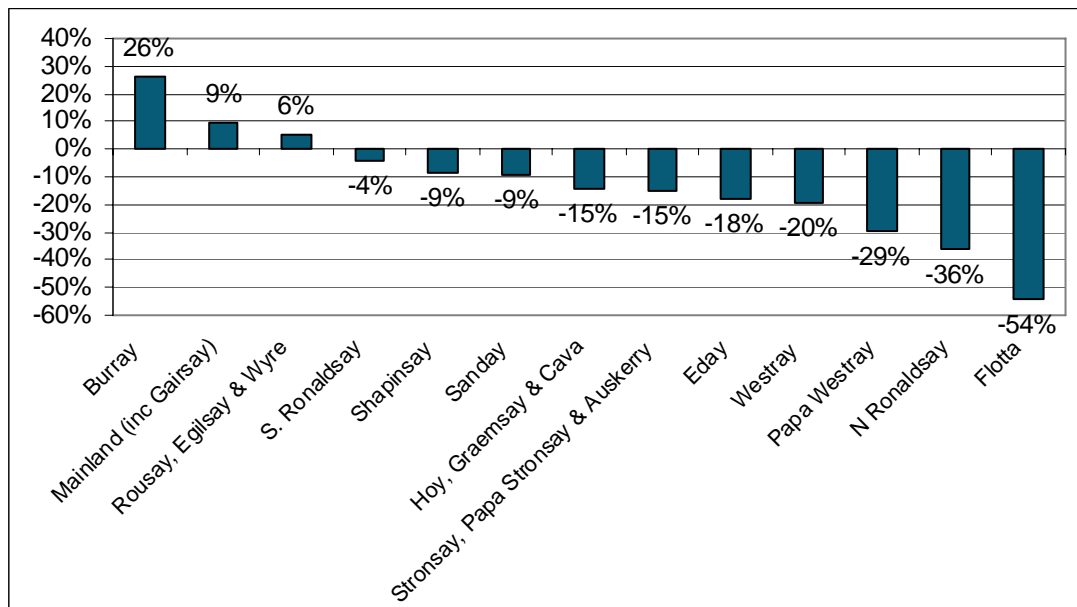
2.1 Longer term trends

Population decline in more peripheral islands

It has been noted in Orkney (and other island communities) that population decline has been steepest in some of the more remote islands and communities. As Figure 2 shows, between 1981 and 2001 the biggest decline in population was experienced by the south isle of Flotta, which lost more than half of its population; while the population of North Ronaldsay declined by more than a third and Papa Westray saw a 29% drop. However since then the population of Papa Westray has increased again to around 70.

During the same period, there have been gains in larger and more central settlements, with Mainland and the island of Burray experiencing a 9% and 26% population gain respectively. Most people live on Mainland, with Kirkwall, the capital, having a population of 7,500. Orkney's centralisation trend has parallels elsewhere, certainly in Shetland, where there has been a centralisation trend to the capital Lerwick and to communities within a 15 to 20 mile commuting distance.¹

Figure 2 Population change by Island (1981-2001)



Source: GROS Scottish Census Results Online (SCROL); Scottish Islands Federation

¹ Shetland Island Council (2000) *The Shetland Structure Plan 2001-2016*, <http://www.shetland.gov.uk/splan/plan.htm>

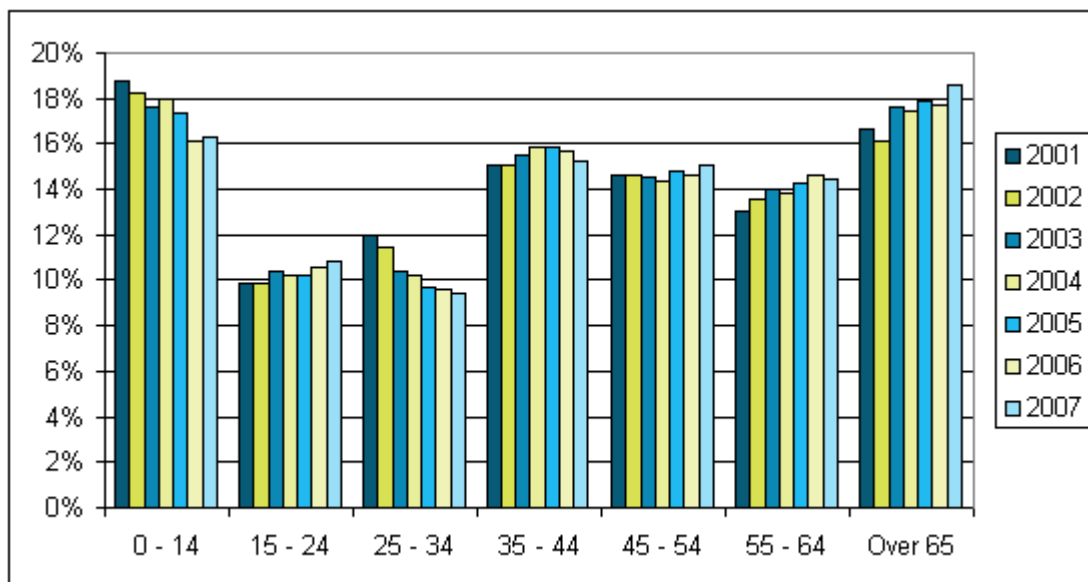
However more recent research and anecdotal findings from interviews suggest that some communities have managed to stem population decline more effectively than others and have even reversed the long-term declining trend.

2.2 Recent population trends

Age profile

Since the last census in 2001 the age pattern of the Orkney population has changed, although not as significantly as in other parts of the country. As Figure 3 shows the biggest increase between 2001 and 2007 has been in the proportion aged over 55, while the biggest drop over the same period has been in children under 15 years of age.

Figure 3 Changes to the age profile in Orkney 2001 to 2007



Source: GROS Mid-year Population Estimates

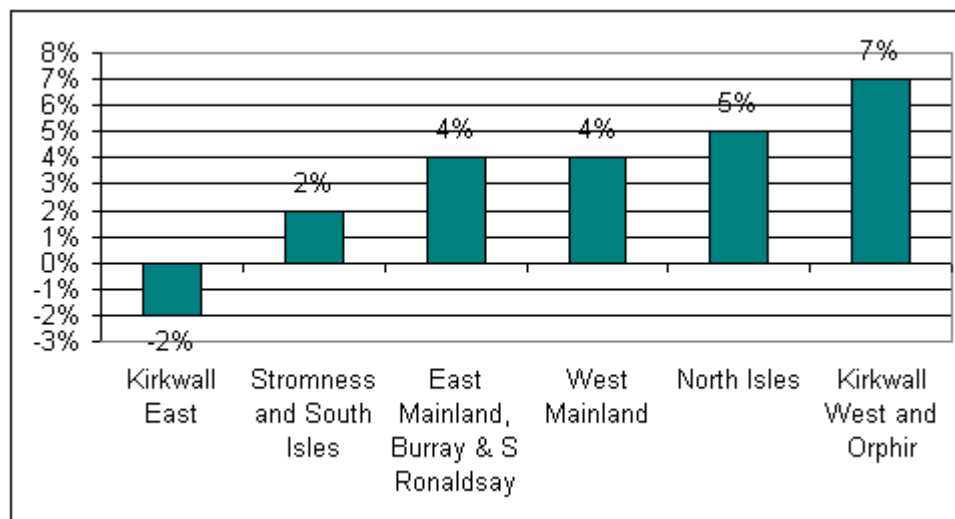
Compared to Scotland as a whole, Orkney has a higher percentage of people who are over 45 years old.²

Population change by area

As Figure 4 shows, the overall population has continued to increase in Orkney since 2001. Every area has seen some increase except for the Kirkwall East multi-member ward area. The biggest population increase has been witnessed in Kirkwall West and Orphir, where the population grew by an estimated 7%. However it is noticeable that there has also been considerable population growth in the North Isles, and in Mainland outside of the two main settlements. This would suggest that while population may be moving towards the main service centres, the rural hinterlands and smaller settlements are also attracting people.

² Orkney Islands Council (2008)

Figure 4 Population change by ward 2001 to 2007



Source: Scottish Government (2008) National Neighbourhood Statistics

In and out migration

Recent figures from the General Registrars Office show a net positive in-migration for both females and males. There is a higher rate of in-migration among males – particularly in the 25 to 34 age group. However as Figure 5 and Figure 6 show, the differences between male and female migration patterns are not as severe as in other island communities. While younger women are more likely to leave Orkney than males, they are also more likely to return. There is also a positive net in-migration of children which contrasts positively with the situation in Shetland.

Figure 5 Migration patterns among females by age group 2006 to 2007

	0-15	16-24	25-34	35-44	45-54	55-64	65+	Total
Out	41	115	59	49	28	26	9	327
In	67	67	69	61	53	42	18	377
Net change	26	-48	10	12	25	16	9	50

Figure 6 Migration patterns among males by age group 2006 to 2007

	0-15	16-24	25-34	35-44	45-54	55-64	65+	Total
Out	40	71	37	46	47	25	12	278
In	62	41	61	55	58	50	26	353
Net change	22	-30	24	9	11	25	14	75

Source: GROS (2008) Net in and out migration

Overall the picture of net in-migration patterns is fairly balanced and not overly dominated by older age groups.

2.3 Migrant workers

Similar to the Scotland-wide pattern, the Orkney Islands have experienced a year-on-year increase in the number of non-UK nationals coming to work here since the accession of the eight East European states to the European Union in 2004. The largest influx of overseas workers to the Orkney Islands was in 2006/07, with 90 NINo registrations to non-UK in-migrants. This is over four times the level of registrations recorded in the two preceding years. For example, in 2003/04 only 20 overseas NINo registrations were recorded (see Figure 7).

Figure 7 National Insurance registrations for Orkney and other areas 2002/03 to 2006/07

AREA	NUMBER OF NINo REGISTRATIONS BY TAX YEAR					Post-accession total 2004/05 to 2006/07
	2002/03	2003/04	2004/05	2005/06	2006/07	
ORKNEY	20	20	30	60	90	180
SHETLAND	50	40	90	100	170	360
WESTERN ISLES	20	30	70	130	90	290
HIGHLAND	600	690	1,440	2,640	2,620	6,700
ARGYLL & BUTE	180	240	360	700	820	1,880
ALL SCOTLAND	14,520	15,500	22,850	41,370	52,480	116,700

Source: numbers are based on data from the National Insurance Recording System (NIRS).

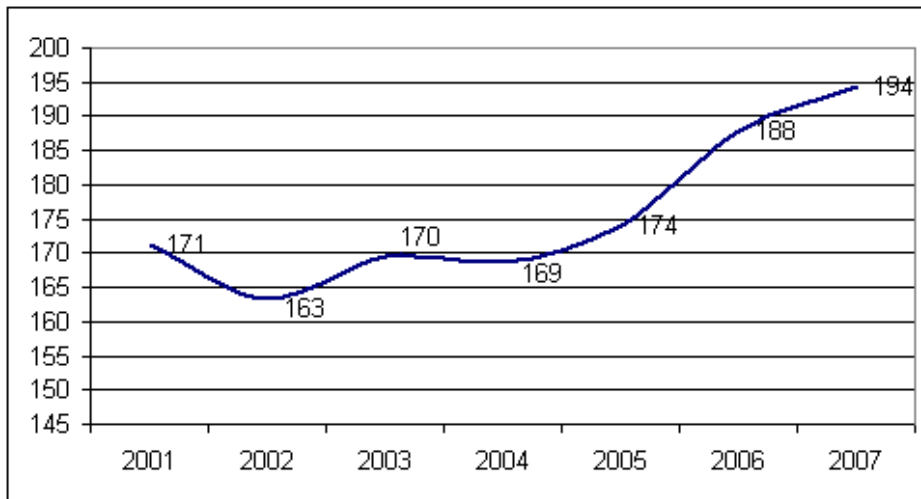
While the rate of NINo registrations in Orkney has continued to increase, the trend for the Highland Local Authority area has stagnated at around 2,600 for 2005/06 and 2006/07, after almost doubling on the level of 2004/05. The number of those registering in the Western Isles has actually fallen from a peak of 130 in 2005/06, to 90 in 2006/07. Argyll & Bute and Shetland Islands have, like Orkney, experienced a continued increase in 2006/07.

Since EU expansion in 2004/05, Orkney has seen a smaller number of NINo registrations for overseas workers than the other two Island Local Authorities - the Western Isles and the Shetland Islands. There were 360 NINo registrations to non-UK nationals counted in Shetland over the three year period up to 2006/07, compared with 290 in the Western Isles and 180 in the Orkney Islands over the same period of time. This supports the views expressed by stakeholders that Orkney employers have been less likely to recruit overseas workers.

Births

The number of births provides a useful indicator of the relative health and sustainability of a population. As Figure 8 shows, the numbers of births in Orkney have increased steadily since 2004 from a three year average of around 170 to a figure of 195 in the three years to 2007. We have used three year rolling averages to even out any year on year fluctuations and identify an underlying trend. Over this period there has been a 13% increase in the number of births. Clearly this recent upturn is a positive factor and suggests a growing population with a reasonable proportion of families.

Figure 8 Number of births by year (3 year rolling averages)

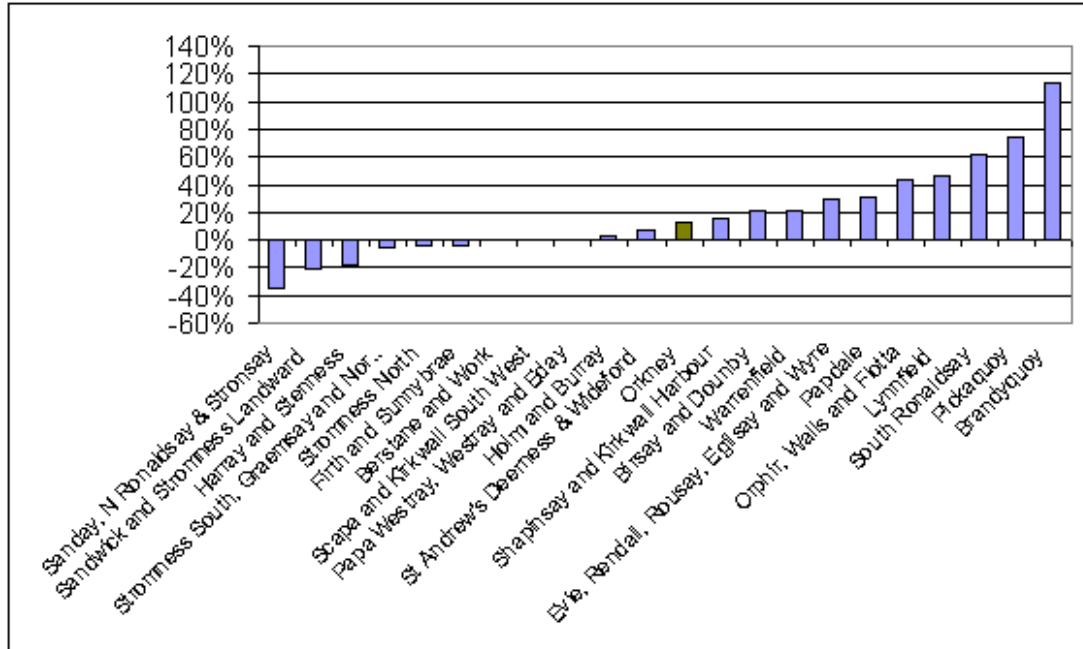


Source: Scottish Government (2008) National Neighbourhood Statistics

However the pattern of birth rates and how these have changed varies between different parts of the islands. As Figure 9 shows, the wards with the most significant upward trend in births appear to be mainly in and around Kirkwall including the wards of Pickaquoy, Brandyquoy, Warrenfield and Lynnfield; along with the Papdale ward east of Kirkwall. This suggests that younger households and families are choosing to locate closer to the main service centre of Kirkwall, and this area has been the focus for much of the new housing development over the past five years. South Ronaldsay has also seen a considerable increase in the number of births over this period.

The ward with the biggest drop in three year rolling births covers the islands of Sanday, North Ronaldsay and Stronsay. Rural parts of West Mainland have also seen a decline in the number of births.

Figure 9 % change in 3 year average number of births by ward (2001 to 2007)



Source: Scottish Government (2008) National Neighbourhood Statistics

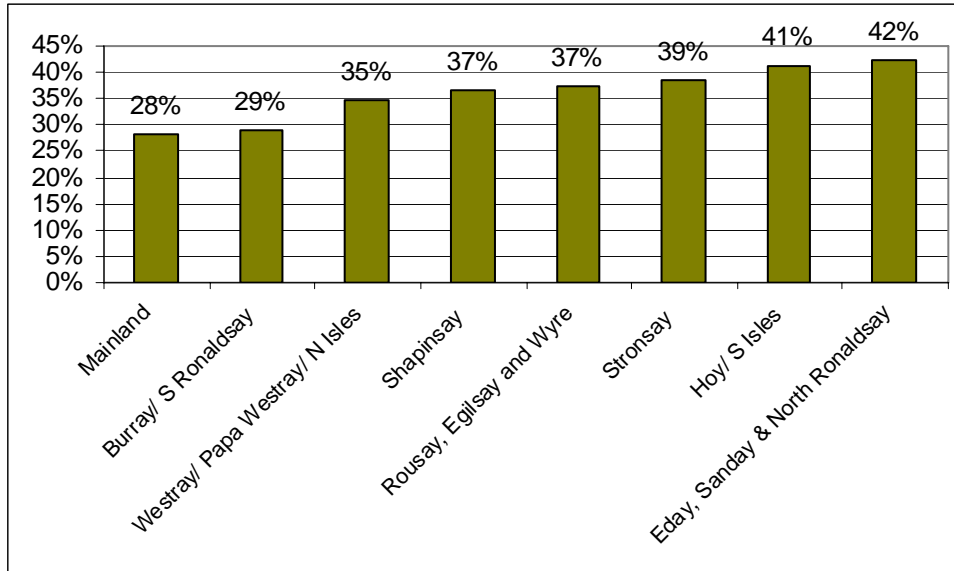
2.4 Current population profile

Recent data from a housing needs survey in 2008 looked at the population structures of different island communities. As Figure 10 shows, the changing population patterns mean that the highest proportion of elderly people are in the North Isles of Eday, Sanday and North Ronaldsay; where 42% of the population is aged 60 or over. In Hoy and the South Isles, 41% of the population are 60 or over.

Orkney also appears to be experiencing a centralisation of its population towards the larger settlements. The biggest population increases have been in Mainland and the connected islands of South Ronaldsay and Burray. This is likely to be due to:

- declining employment in traditional sectors such as agriculture and fishing;
- public agencies and service providers focusing service development in larger settlements;
- families with children wanting to be closer to services; and
- employers wanting to locate closer to centres of transport and population.

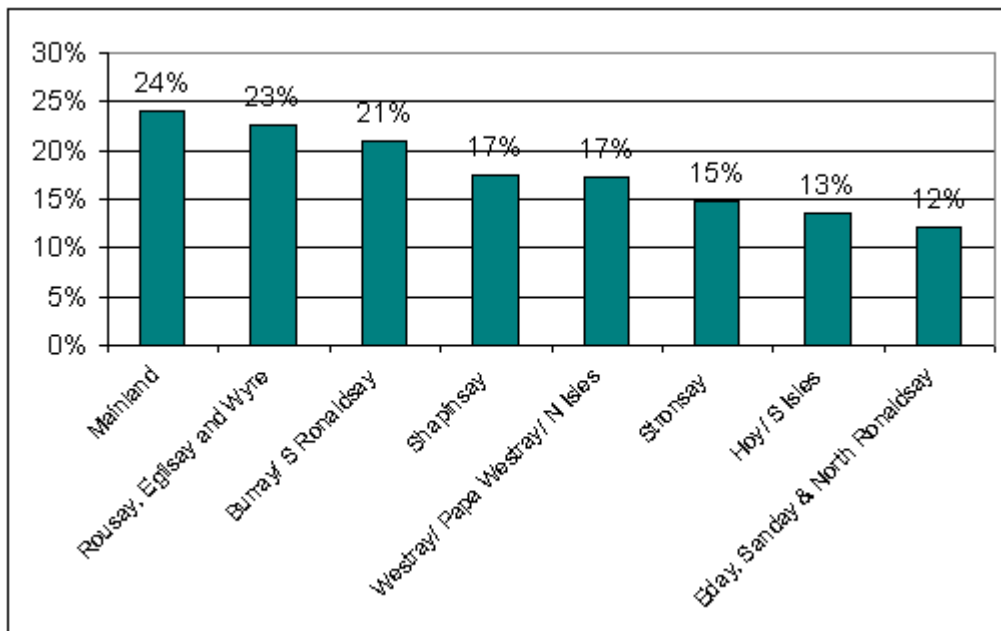
Figure 10 Proportion of population aged 60 and over



Source: Orkney Islands Council (2008), Housing Needs Survey

These factors mean that the highest proportion of younger adults are located on Mainland Orkney, where 24% of the population are aged 17 to 39. As Figure 11 shows there are also higher proportions of this age group in the islands of Rousay, Egilsay and Wyre (23%) and in the connected islands of South Ronaldsay and Burray (21%). This age group is important as being more economically active and the most likely to have children.

Figure 11 Proportion of the population aged 17 to 39



Source: Orkney Islands Council (2008), Housing Needs Survey

2.5 Conclusions

A review of past and recent trends highlights:

- An increasing population but with an ageing profile;
- Younger and more active households moving towards the greater Kirkwall area;
- Positive net in-migration with a reasonably well-balanced age profile;
- A lower proportion of Eastern European in-migrants coming to Orkney than in the other island authorities in Scotland;
- An increasing number of births, particularly in and around Kirkwall; and
- A high proportion of elderly households living in the Outer Isles; particularly Eday, Sanday, Stronsay and North Ronaldsay.

The next section explores some of the key drivers of population change.

3 Drivers of population change

This section explores the motivations for leaving, returning, staying and migrating into Orkney using data from official sources, the housing needs analysis survey and primary research findings from this study.

3.1 Economic drivers

Employment opportunities

Employment opportunities are the key driver of population change for most people. The availability of well-paid jobs or business opportunities with an opportunity for career progression will strongly influence decisions to stay in, move to, or return to the Islands.

Key sectors of the economy in Orkney are the primary industries, construction, tourism and transport. In terms of employment, 'public administration, education and health' represents the most dominant employment sector (employing 35.1% of the total workforce). This is followed by the 'distribution, hotels and restaurants' sector (24.4%), reflecting the extent to which employment in Orkney depends on tourism. Construction also accounts for a relatively large percentage of employment (10.7%), and so does 'energy, water and manufacturing' (7.6%).

Within these industries, there are gender-stereotypical employment patterns, with women dominating 'distribution, hotels and restaurants' as well as 'public administration, education and health' (79.2% of female jobs). Men dominate 'agriculture and fishing', 'energy, water and manufacturing', 'construction', 'transport and communications', and 'banking, finance and insurance'.

Unless they move away, young people with higher educational qualifications, have to reconcile themselves to very limited career prospects. This situation is often exacerbated by poor transport and unaffordable housing.³ Issues of employment in rural areas tend to be associated with out-migration, and are very rarely a component of in-migration decisions. This is true at least for *internal* migration flows. In the Lewis study referred to above, employment was second only to education as a driver of out-migration.⁴ The opposite was true for recent buyers of property in the Western Isles, where employment was ranked as the least relevant factor in migration decision.⁵ This finding resonates with other rural research in Scotland, in which retired in-migrants have indicated that suitable employment opportunities would have attracted them to move into the area sooner (Hope et al 2003; HIE 2004).⁶

For young people in rural Scotland who have secured jobs in their communities, these are often in the secondary labour market, and with characteristics which are in stark contrast to those jobs found in the national labour market. This has led some

³ Dey and Jentsch (2000) Quality Jobs and Real Choice for Rural Youth: A Reassessment

⁴ Stockdale (2004)

⁵ MacPherson (2005)

⁶ Hope et al. (2003); HIE (2004)

analysts to conclude that young people in rural Scotland become integrated into one of two distinct labour markets:

- The national, which is characterized by a far distance from rural areas; it offers well paid jobs and good career opportunities.
- The local, which is associated with low pay, insecure and unrewarding employment and with few prospects for career progression (Shucksmith; 2000).

A recent study in the Outer Hebrides has shown a strong link between limited job and career opportunities and out-migration. It recommended that economic development policy should aim to explore possible opportunities of attracting businesses and activities in sectors which provide a wider range of employment for men and (especially) women.⁷

Enterprise

Our research has highlighted a strong enterprise culture in Orkney and this has perhaps helped to underpin a more sustainable population pattern than in other island authorities. One interviewee identified that business start-ups are a key ingredient for the future success of the islands and these should be promoted through schools.

Gross Value Added

The dominance of relatively low value sectors in the economy has resulted in a lower average GVA per head than Scotland. The 'manufacturing' sector shows the greatest divergence: a GVA of £36,637 compares with £52,962 in Scotland. But this is around 50% greater than for Shetland or the Outer Hebrides. A sector breakdown of Orkney's GVA figures over the period of 1997-2004 indicates that the service sector is continuing to grow. And over the more recent period of 2002-2004, GVA figures hint at a halt in the decline of the primary and manufacturing sectors. The signs of growth here could mean a recovery of these sectors.

Importantly, Orkney is at the forefront of renewable energy generation in the UK. Wind turbines can be found across the islands. Orkney's coastal waters, which produce some of Europe's strongest waves and tides, have led to the development of the £12 million European Marine Energy Centre (EMEC). Here, marine energy is being used to test the next generation of renewable energy generators. EMEC is the world's first test facility for new technologies to convert the power of waves and tidal currents into electricity for homes and businesses. It has been argued that this demonstrates that Orkney has a global role to play in the development of a new marine renewables industry. These developments in renewable energy can offer key opportunities for economic growth, and possibly offer 'quality jobs' to well qualified Orcadians.

Unemployment

Unemployment rates in Orkney remain among the lowest in Scotland. Increases and decreases in the employment rates over the year reflect the seasonality of the important tourism and primary industries. At June 2008 the ILO unemployment rate in Orkney was 2.6% compared with 4.5% across Scotland and 5.2% for Great

⁷ Hall Aitken and INI (2007) Outer Hebrides Migration Study

Britain. This rate is higher than the number of people claiming Jobseekers Allowance as it includes those looking for work who are not claiming benefits.

While this situation looks very positive, it needs to be borne in mind that low rates of unemployment in rural and remote areas are often associated with young people having left their rural communities to seek jobs elsewhere. Low unemployment rates may be masked by the out-migration of rural unemployed⁸. There is perhaps a greater stigma attached to unemployment in small farming communities meaning that people will move away to find work rather than face long periods of worklessness.

Migrant labour

There are also areas of rural Scotland which appear to experience labour shortages – highlighted by recent in-migration flows. Industries such as aquaculture, food processing, agriculture, and hospitality have experienced problems with recruiting staff from the local labour market, and have benefited from the employment of migrant workers (HIE 2005, SER 2006).

In Orkney migrant workers have moved into sectors where there is a lot of casualised labour such as food processing, construction and hospitality. The work they do is not necessarily low-paid but requires a high degree of flexibility in terms of hours, locations and shift patterns. However the levels of Eastern European workers coming to Orkney have been lower than in the Outer Hebrides and Shetland. One stakeholder feels that Orkney employers have a slightly more conservative attitude to recruiting foreign migrants. The demand for English for Speakers of Other Languages (ESOL) lessons has plateaued out since 2007 after an initial increase since 2004.

Underemployment

Many people come back to the islands in their late twenties or early thirties and often to start a family. Several interviewees identified a common pattern of people taking jobs in the Council and often taking a pay cut in order to return home. It is seen as an affordable option because they have access to family for childcare and because housing costs are lower than South.

Many people go away to university but many also come back. Those who stay are determined to persevere and make what they can of it. However there are limited opportunities. The issue of temporary contracts is also a problem in people securing a long-term future in the islands. This leads to a lot of people coming back temporarily and then subsequently leaving again when a permanent job becomes available.

3.2 Education

Education has been identified as a key driver of youth out-migration from rural communities. However, those leaving rural areas for education appear to choose to study as close to home as possible. For example, research showed that at the start of this decade, nearly half of the young people from Roxburgh studied in nearby

⁸ Cartmel and Furlong (2000)

Edinburgh, whilst those from Lewis chose Aberdeen (34%) or Glasgow (25%).⁹ Such findings suggest that even if young people leave their rural communities to pursue higher education, they retain an attachment to their area of origin.

This suggests that regional educational institutions can be successful in encouraging young people who seek further or higher education to stay. The UHI Millennium Institute, which aims to bring a University to the Highlands and Islands, could play an important role here. For example, one academic partner of UHI - Lews Castle College in the Outer Hebrides, see their future role as developing specialist courses and graduate programmes to attract back post-graduate students to carry out research.¹⁰ In Orkney itself, the constituent college of UHI, Orkney College, offers courses which are relevant for the local economy, thereby providing students with skills which allow them to seek employment in Orkney.¹¹ Some recent evidence from Careers Scotland suggests that a higher proportion of school-leavers in 2008 chose to study at Orkney College than in previous years. It may be too early to suggest that this is a longer-term trend however.

3.3 Housing & transport

Studies on rural communities have often highlighted the challenges of lack of affordable housing, high cost and poorly available public transport. Such factors were identified as contributing to out-migration (although not as important as employment issues) in the Outer Hebrides and Shetland. Higher transport costs and fewer opportunities to access further education and training lead to lower wage earning potential and hence increased difficulty in accessing affordable housing.

House prices constitute a particular concern in the Orkney context. They have increased at a greater rate in Orkney than elsewhere in the Highlands and Islands and Scotland in recent years. A median price of house sales in 2002 in Orkney was £44,500. In 2005, this had changed to £80,200 – a 80.2% increase. Over the same period, median house prices rose by 70.9% in the Highlands and Islands region, and by 56.1% in Scotland as a whole¹². This may account for the fact that the percentage of housing owned outright in Orkney dropped during 2003-04 to 44.11%, while it increased slightly over the same period in the Western Isles and Shetland¹³.

The shift of Orkney's population towards larger and more central settlements described above, together with the influx of migrants in recent years, has resulted in housing challenges in Kirkwall and Stromness. At the same time, housing needs are changing in Orkney (as elsewhere) due to an ageing population that will require more specialist housing and care provision. Already, such investments are in evidence in communities in Orkney, for example, in Westray. Orkney Housing Association integrates amenity housing into all its developments so that a proportion of its stock will be more suitable for older occupants with mobility problems.

In terms of transport, passenger numbers at Kirkwall airport have risen sharply in 2006/07, at least in part due to the continuing influence of the Air Discount Scheme (ADS) as well as increased services. However, Orkney's geographical location still means high travel and fuel costs for both, journeys within and outwith Orkney.

⁹ Stockdale (2004)

¹⁰ Hall Aitken and INI (2007)

¹¹ Orkney College (undated) <http://www.orkney.uhi.ac.uk/about>, accessed 27/06/08

¹² HIE (2007)

¹³ Orkney Islands Council (2008) Orkney Economic Review No. 23

3.4 Population centralisation

As indicated earlier there has been a continuing drift of population towards Kirkwall and other larger settlements. There is a perception that on islands such as Westray when youngsters leave they will very rarely go back until they are much older. They will tend to go to Kirkwall where there is a much larger range of jobs available. One interviewee thought that the population in Hoy has been declining for some time, while there has been a major increase in population in the greater Kirkwall area. Several stakeholders identify that families (particularly those with teenagers) tend to want to locate within easy driving distance of Kirkwall (14 to 16 miles). This has led to the growth of villages such as Dounby where there is strong demand for housing.

The pressures on Kirkwall for housing and services and the need to make best use of existing facilities have led to a Council policy of dispersing growth to other settlements such as Dounby, Finstown and Quoyloo. The idea is to provide housing to support small-scale employment and local services in these communities as part of a more sustainable population pattern. However the ability to match economic development with housing is undermined by housing legislation which does not allow new housing development to be linked to local jobs. This is a particular issue in the smallest island communities where both housing and jobs are seldom available.

Several stakeholders feel that public agencies should take the lead in this respect by devolving employment out of Kirkwall and into some of these smaller settlements. One issue with devolving employment into some of the smaller communities is the Council's lack of flexibility in working hours. There is no policy towards home working and there is no flexi-time available for the Council staff.

3.5 In-migration to outer islands

The Outer Isles increasingly rely on migration to sustain their communities. In these more outlying areas the pattern tends to be of older people moving there, and this may lead to a greater burden on services in the longer term. One interviewee highlighted that in islands such as North Ronaldsay the people who move there know it will be a hard existence and choose to move there because of this. Although the population is static there are no children coming through into the school in North Ronaldsay. However a proactive initiative by the Orkney Housing Association working with the Council and Development Trust will lead to two new houses for rent being built on North Ronaldsay in the near future.

In many of the Outer Isles there has been a large reliance on in-migration. In some instances this has led to some disagreements about the pace of change. One interviewee identified that many people who move to the islands do not want any significant change.

Population balance is a key issue. For example, there is only one native Orcadian left on the island of Egilsay. In the past there were tensions on the islands among people who wanted to bring more people in and those who wanted the islands to be kept for native Orcadians. However, now everyone accepts that new people are needed to sustain island populations and services. They recognise the need to engage with all groups particularly on smaller islands where things can go badly wrong very quickly. This is certainly the case on North Ronaldsay where the local community and agencies are actively promoting in-migration.

3.6 Community economic development

The voluntary and community sector plays an important role in sustaining local communities and promoting economic development. While there are a wide range of active community groups; Community Development Trusts often take on a key role in local economic development; particularly in the Outer Isles.

Westray was one of the initial areas of rural Scotland designated under Initiative at the Edge and this was a catalyst for subsequent community-based development. Westray is identified as having a strong community with a can-do mentality and since 1988 has developed as an excellent example of how a community can be self-sustaining by promoting in-migration. The island community has successfully attracted back more economically active people to live on the island.

There have been seven wind farm projects being led by Community Development Trusts across the islands. Development trusts have also taken forward initiatives such as Heritage Centres, youth facilities, broadband, small business space and transport initiatives. The common theme is a desire for self-sustaining communities. For example the development of a youth centre and sports hall in Sanday has helped to support the population there.

Community Development Trusts in some islands have also been involved in taking forward discussion on housing needs with the Council, Orkney Housing Association and OIPDL.

The impact of Community Development Trusts has been a positive factor in the Outer Isles, although less so on mainland Orkney. Voluntary sector groups on Mainland are more likely to be broad-based interest groups or groups focusing on a specific activity. However there has been a lot of activity in Stromness more recently focusing on the regeneration of the Pierhead.

3.7 Conclusions

The key drivers of population change in Orkney are a combination of those that are typical of rural Scotland in general, those specific to island communities and some Orkney-specific issues.

Employment and economic opportunities are central to population change. A limited range of jobs and low private sector earnings contribute to out-migration. However a strong enterprise culture, expansion in further and higher education and renewable energy developments all offer good prospects for attracting migrants and returners.

Education remains one of the key drivers for young people leaving Orkney for the first time. This phenomenon is true of all rural communities where local higher education opportunities can never fully compete with those available in larger cities. However many leave the Islands with a firm plan to return if they can. And there are now more opportunities available on Orkney that can help retain young people and attract students from elsewhere.

Housing availability and affordability are issues not unique to Orkney but which are important in influencing decisions to stay or return. Housing need is difficult to identify and address adequately in the smaller islands. A lack of smaller, affordable homes for young people makes it more difficult for some households to return. And

limited supported and residential accommodation for elderly people makes it more difficult for some elderly people to remain in their own communities.

Transport costs and convenience are also an important contributor to migration decisions. The ability to travel to and from work has been a key factor in the drift of population towards Kirkwall. However the introduction of the Air Discount Scheme has seen passenger numbers increasing and has perhaps helped to boost fragile communities such as Papa Westray.

The centralisation of the Orkney population towards greater Kirkwall and the East Mainland is both a symptom and a cause of population change. The increased population perhaps justifies a greater concentration of resources, services and jobs being directed towards this area – which further exacerbates the trend. However the Council has recognised that this leads to services being stretched in Kirkwall while other facilities in smaller settlements are under-used. This has resulted in a planning policy to counter the population centralisation through a planned programme of housing development alongside economic development measures in some of the smaller and outlying settlements. However there are issues with the ability of housing agencies to coordinate housing supply with employment opportunities due to national legislation.

The movement of Orcadians towards Greater Kirkwall has been accompanied by a trend of in-migration to some of the more rural and outlying communities of older and less economically active households. This is perhaps most notable in the Outer North Eastern isles of Sanday, Stronsay and Eday, but is also evident on Hoy and parts of the rural West Mainland. This trend has implications for longer term service provision and may place a greater burden on care services in the medium to longer term.

Community Development Trusts have been a positive factor in promoting a more sustainable future for the Outer Isles. They have been active in developing wind turbines, tourism facilities, employment opportunities and housing. Perhaps more importantly they give local communities a stake in developing a positive future for their islands.

4 Motivations and experiences

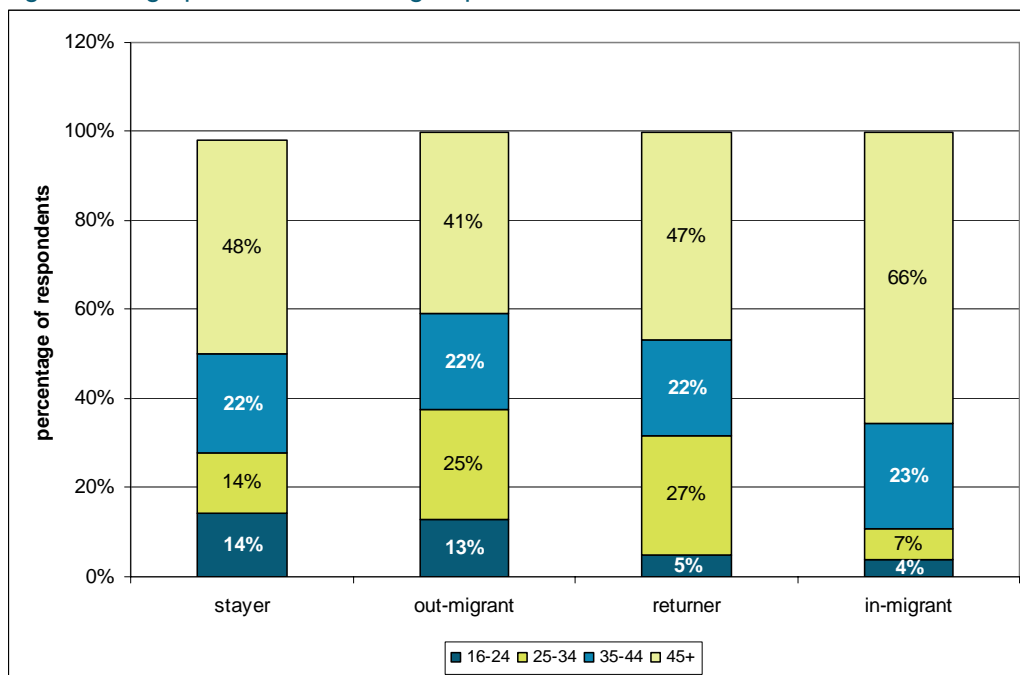
This section sets out some of the more in-depth motivations and characteristics of different population groups. This includes the motivations for those choosing to stay in, return to, or move into the Islands; and the motivations for those who leave.

4.1 Characteristics of different groups

Our survey of those who were brought up in or currently live in Orkney has given us some useful insights into the key reasons for migration decisions. For the purposes of this research we have looked at the population in terms of:

- Stayers – those who have not lived away from the islands for any significant length of time;
- Returners – those who have left to pursue education or employment opportunities but who have subsequently returned;
- In-migrants – people who have made a decision to move to Orkney from elsewhere; and
- Leavers – those brought up on Orkney who are currently living away from the islands.

Figure 12 Age profile of different groups



Source: Hall Aitken e-Survey 2008, n=1374

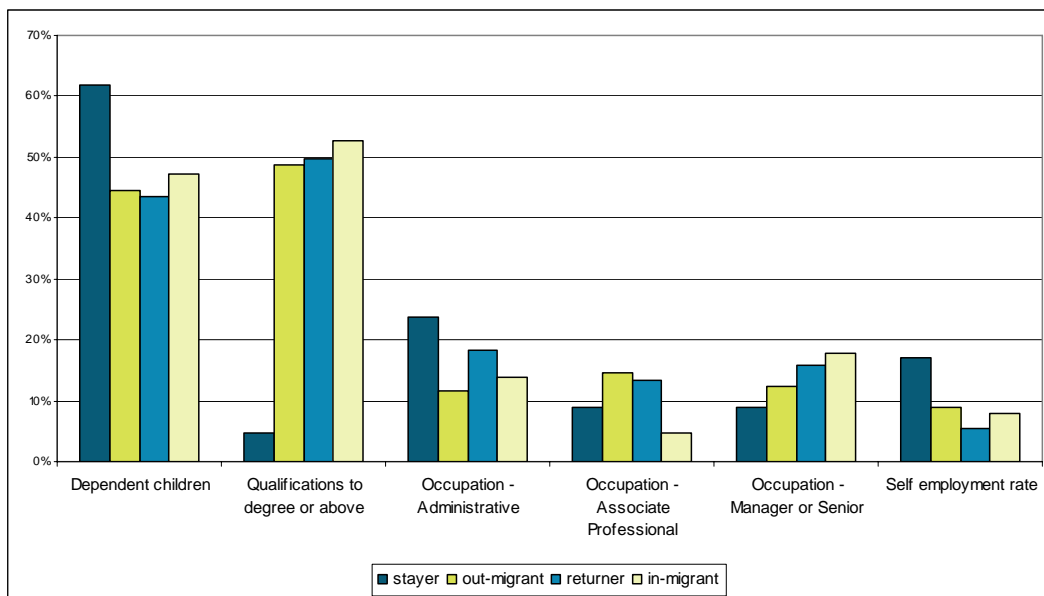
As Figure 12 shows, there are clear differences in the age characteristics of the different population groups. Two thirds of the in-migrant population surveyed were aged over 45. However more than half of those returning to live on the islands were aged under 45. The group with the youngest age profile were those who had left the

islands, where 38% were aged under 35. Given that the main motivation for leaving is for higher education then this would be expected.

Characteristics

As Figure 13 shows, those who remained on the Islands were most likely to have dependent children. This supports findings from focus groups that suggested many people who wanted to raise a family chose to remain in Orkney to do so because it was perceived as a good place to bring up children.

Figure 13 Family and work characteristics of groups



Source: Hall Aitken e-Survey 2008, stayers n=106 , out-migrants n=146 , in-migrants n=150 , returners n=131

Those staying on Orkney were more likely to be in administrative occupations or to be self-employed. This perhaps reflects the career choices made by those who do not opt to study in Mainland Scotland, or who choose to pursue a career in the traditional sectors such as farming or fishing.

In-migrants to the islands are more likely to have dependent children than returners and are also more likely to have a degree level qualification and to work in senior occupations.

The profiles of returners and those still living away from Orkney are remarkably similar. The main difference is the higher proportion of returners working in administrative jobs. This perhaps reflects the more limited career opportunities that are available to some more qualified individuals choosing to return to Orkney.

4.2 Stayers

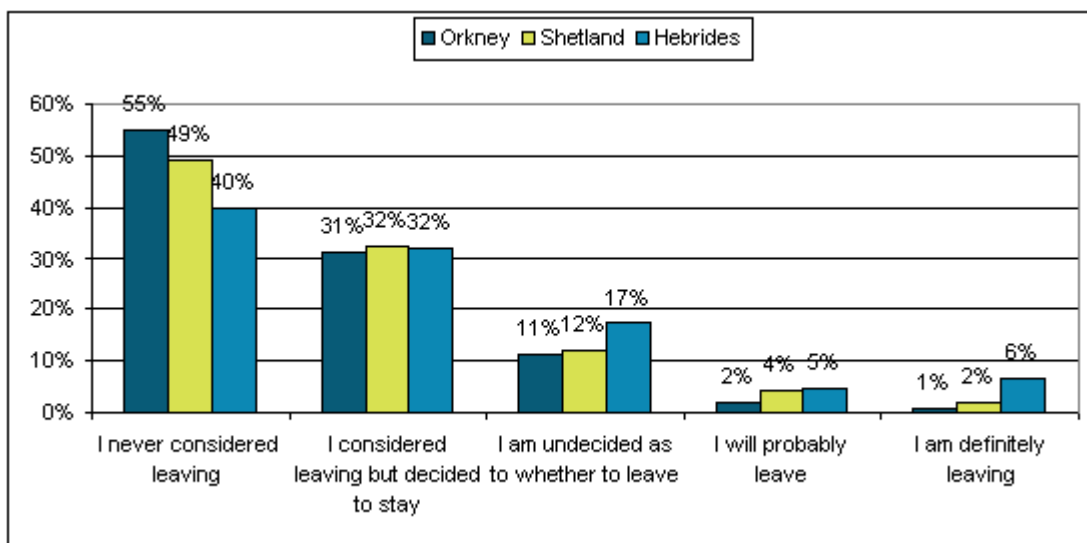
Over half of stayers (55%) never considered leaving. For those that have considered doing so, family is the predominant factor behind their reasons to stay. Two thirds felt that being able to be close to their family was a very important factor

in their decision to stay. Raising a family was also an important consideration for more than half of those who stay as outlined earlier (55%).

Other reasons that were important in their decisions were the natural and safe environment. Issues of job choice, pay and career all fall well behind this (7-10% each).

As Figure 14 shows, stayers in Orkney were more likely not to have considered leaving than their counterparts in Shetland and the Outer Hebrides. More than half had never considered leaving, compared to only 40% of stayers in the Outer Hebrides.

Figure 14 Decisions about leaving (Orkney, Shetland and Outer Hebrides)



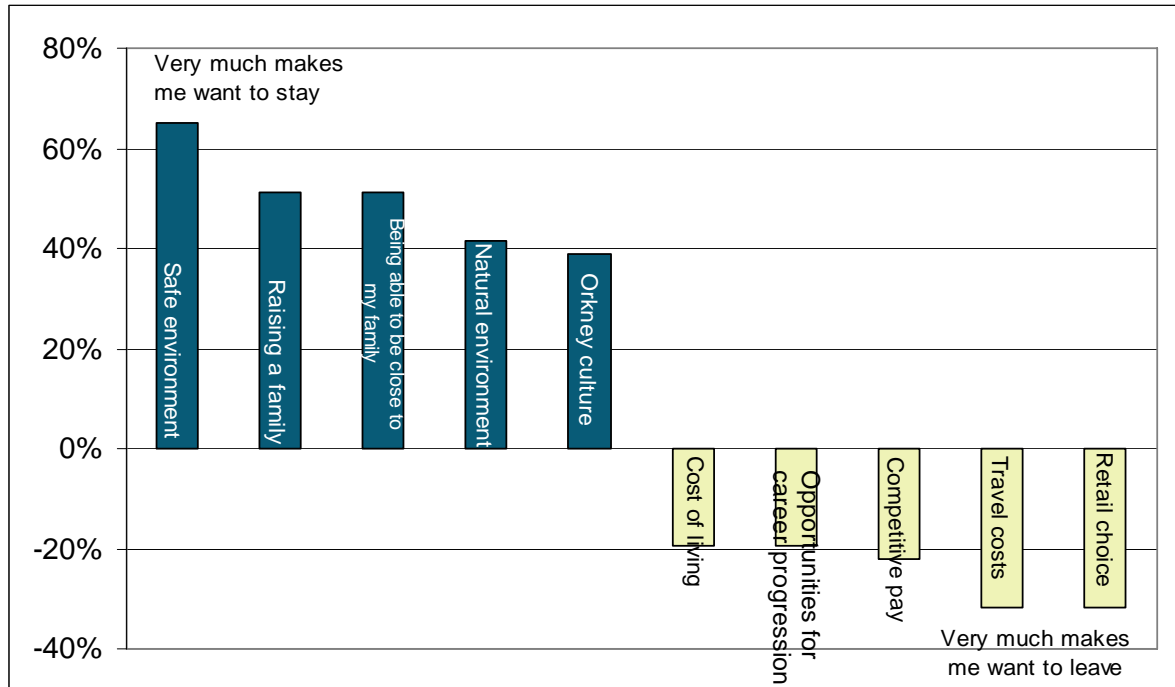
There were also fewer stayers who stated that they were probably or definitely planning to leave – only 3% compared with 6% in Shetland and 11% in the Outer Hebrides. This suggests that Orkney stayers are perhaps more settled and enjoy wider social and economic opportunities than their Shetland or Outer Hebrides counterparts.

Stayers thoughts about leaving

Those thinking about leaving have an average age of 29. They are an equal split of males and females. Around half are single and only one in five has dependent children. Only one (3%) was not in work. However, one in five of the group has a longstanding disability.

The factors that have greatest pull over stayers who are thinking about leaving are family and life in Orkney. Its safe environment was most commonly cited (65%) as a factor that made respondents ‘very much want to stay’. Figure 15 shows factors most commonly cited by stayers who are thinking about leaving - what would very much make them want to leave and what would very much make them like to stay.

Figure 15 Factors influencing the thoughts about leaving Orkney



Source: Hall Aitken e-Survey 2008, N=41

However, the predominant factors that make stayers very much want to leave are clearly economic, related to choice and cost. Retail and travel costs are important as are pay and career progression. For females, retail choice (50%) was more important as factor which made them very much want to leave. Diversity of work was also slightly more important but they were also more likely to feel the pull of being close to their family and the prospect of raising a family in Orkney.

The experience of those who considered leaving and then stayed shows that ultimately other factors can intervene such as family and friends (for example, one in eight stayers has a caring responsibility) and meeting a partner and their opinions and feelings.

Stayers that move within Orkney

The number of stayers who relocate to the Mainland is significant and shows that choosing to remain in Orkney is not the same as choosing to remain in one's own community.

The move towards Kirkwall for work is obvious from the comments and the data. Only 43% of Orkney stayers were brought up in the East Mainland but 56% live there now, demonstrating the pull of Mainland for those who choose to remain. Respondents have commented that it is often a logical next step from being in Kirkwall for secondary school to being there for work. This movement from the Outer Islands to the Mainland was most significant for Sanday with all 13 respondents who were raised there, now living in another part of Orkney.

Stayers from Westray and Papa Westray

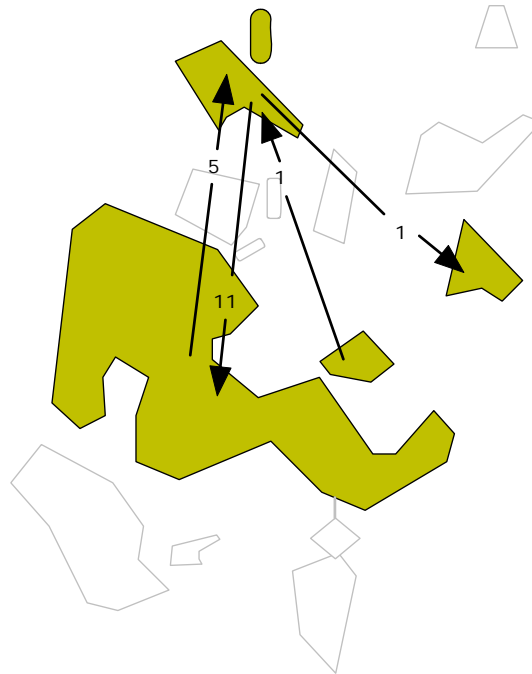
Our survey of islanders has found that 20 stayers were brought up on Westray and Papa Westray, and 15 now live there. However, the nature of the movement in and out of the Islands is more complex than a simple net loss of five people. Overall:

8 people were brought up there and still live there. Two thirds of these are male and they have an average age of 38. All are employed or self-employed.

12 people left Westray and Papa Westray for other parts of Orkney. With an average age of 38, three quarters of these are female. Work is the main driver and all are employed.

7 people moved into Westray and Papa Westray from other parts of Orkney. They have an average age of 48, split between male and females. Relationships are the main driver.

This perhaps highlights the importance of employment opportunities to peoples' ability to remain in their own community, and the difficulties for women accessing suitable employment in the Outer Isles which are more dominated by primary employment sectors.



4.3 Returners

Motivations for leaving

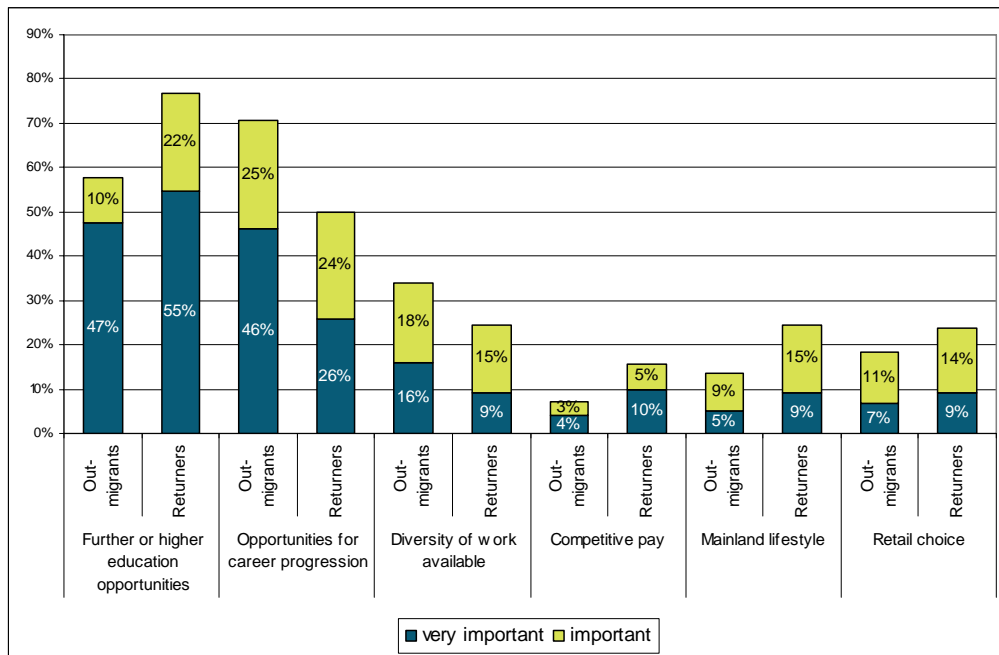
The factor most cited as 'very important' by returners for initially leaving the islands was further or higher education opportunities. Over seven out of ten cited this as a very important reason (72%), with opportunities for career progression the second most cited (67%).

A number of factors point to returning always being a very real plan for some of those who leave. Almost half of those who returned did so before the age of 25 (49%) with 85% doing so by the age of 35.

When compared with those who remain away:

- they leave at a younger age (aged 19 on average compared to 23); and
- are half as likely to consider opportunities for career progression as an important or very important factor in their decision to leave (26% against 46%) which probably reflects their decision made at a younger age.

Figure 16 Factors that made out-migrants, and returners (when they first left) want to leave Orkney

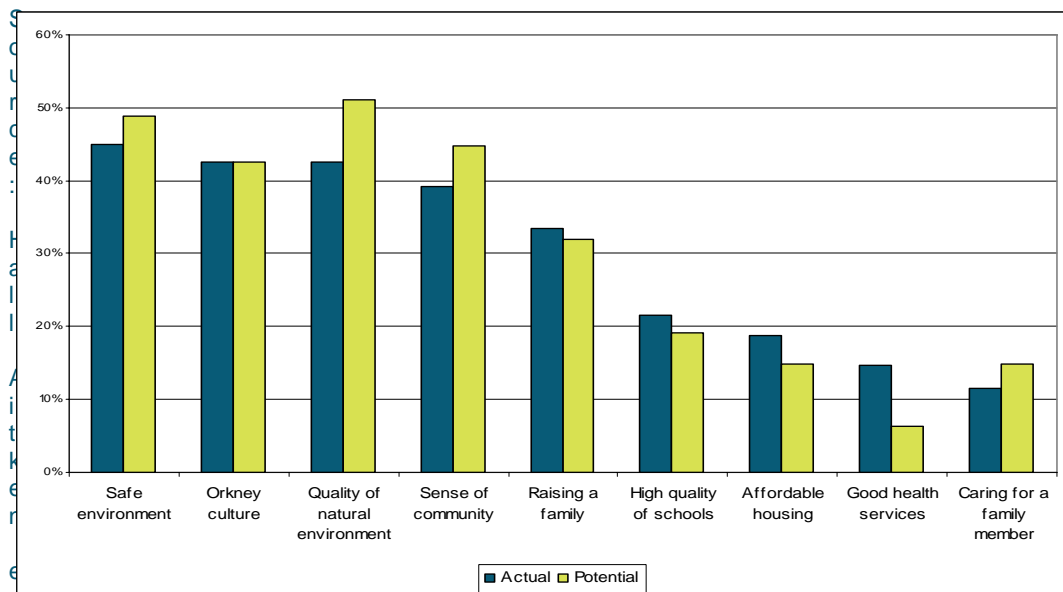


Source: Hall Aitken e-Survey 2008, returners n=240, out-migrants n=291

Returning

In terms of their motivation to return, their priorities in their return are similar to those of stayers and their reasons for remaining in Orkney. Figure 17 shows the motivation of those that have returned and those that are considering returning.

Figure 17 Motivation to return (actual and potential)



Source: Survey 2008, actual n=245 (those who have decided to return), potential n=47 (those who are thinking about returning)

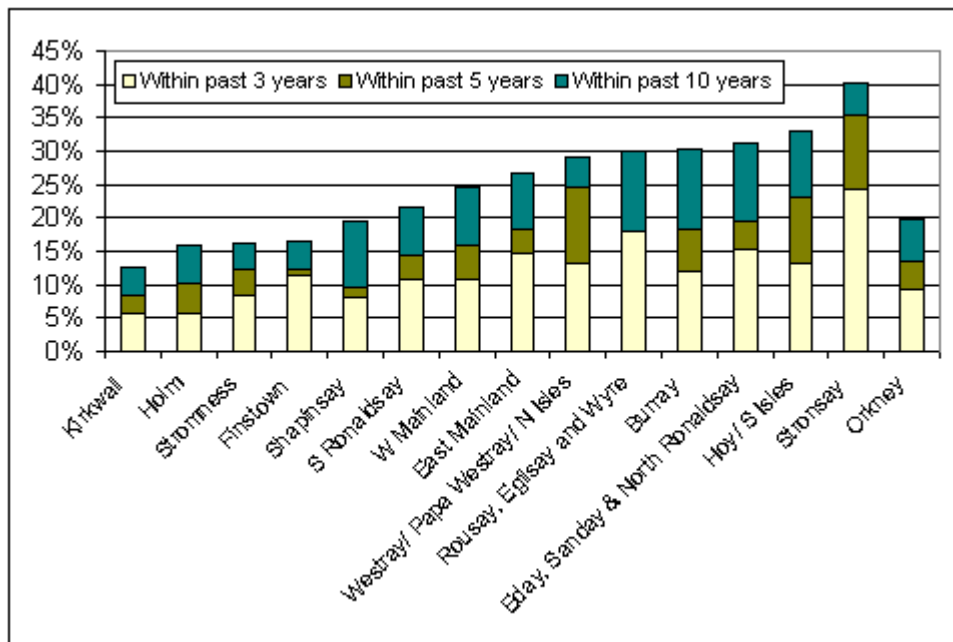
There is much to suggest that this group places priority on living in Orkney ahead of job satisfaction. This was highlighted in the focus groups and by stakeholders as well as in previous studies – where underemployment (or no employment) is accepted as the price of the decision to return.

Females in particular were more likely to cite “being close to their families” (69%) than males (33%) as a very important reason for returning. But they were half as likely to cite factors such as career progression and competitive pay as important reasons for returning (8% against 16% and 7% against 15% respectively).

4.4 In-migrants

Orkney relies considerably on in-migrants for sustaining population and this is a more important factor in some of the more outlying islands. The populations in more remote islands tend to increasingly rely on in-migrants to sustain them. Generally, Islands with less than around 60 inhabitants are considered to be very marginal communities. School provision, health services and social care all become very difficult to justify and supply for such small communities. Currently Wyre, Papa Stronsay, North Ronaldsay, Graemsay and Egilsay are within this category. Papa Westray has managed to increase its population to around 70 which has taken it out of this category.

Figure 18 Proportion of households coming from outside Orkney in past 10 years



Source: Orkney Island Council; Housing Needs Survey (2008)

As Figure 18 shows, across the islands as a whole around 20% of households have moved to Orkney within the past 10 years. And 9.5% of Orkney’s households have lived in the Islands for three years or less. For some islands 30% or more of the households have moved to Orkney over the past 10 years, notably:

- Stronsay (40%);
- Hoy and the Southern Isles (33%);

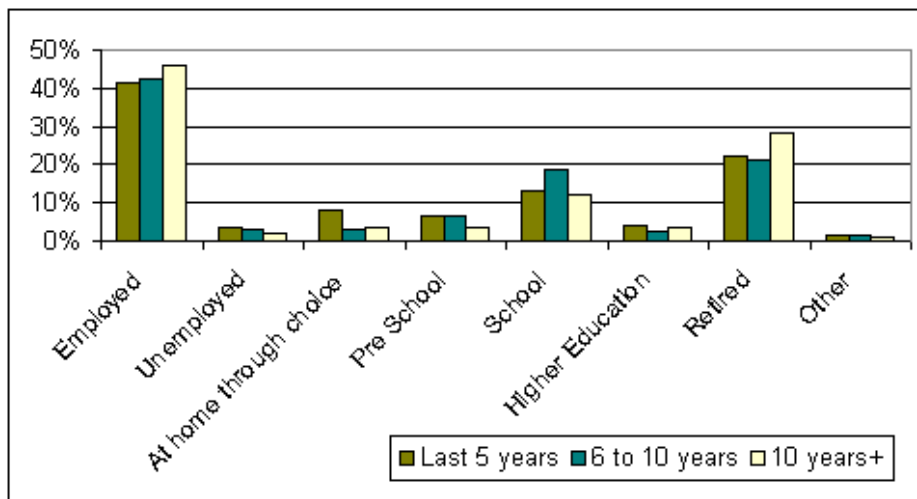
- o Eday, Sanday and North Ronaldsay (31%); and
- o Burray (30%).

However a high proportion of in-migrants does not necessarily identify a strong or sustainable community. The proportion of in-migrants may be high because many indigenous households have left; and the types of in-migrants coming in may be older or less economically active. So we need to look at these trends in the context of other information. For example – whether the overall population of a community is growing or contracting, and how its age profile is changing.

Economic status

We looked at the profile of people coming to the islands over the past 10 years to identify how this compares with longer-term residents. As Figure 19 shows, while there are lower proportions in employment, the proportion of retired people is lower than in the existing population. Around one in five people migrating to live in Orkney is retired, compared with 28% of those who have lived in the islands for 10 years or more. However recent in-migrants are more likely to be unemployed or staying at home through choice.

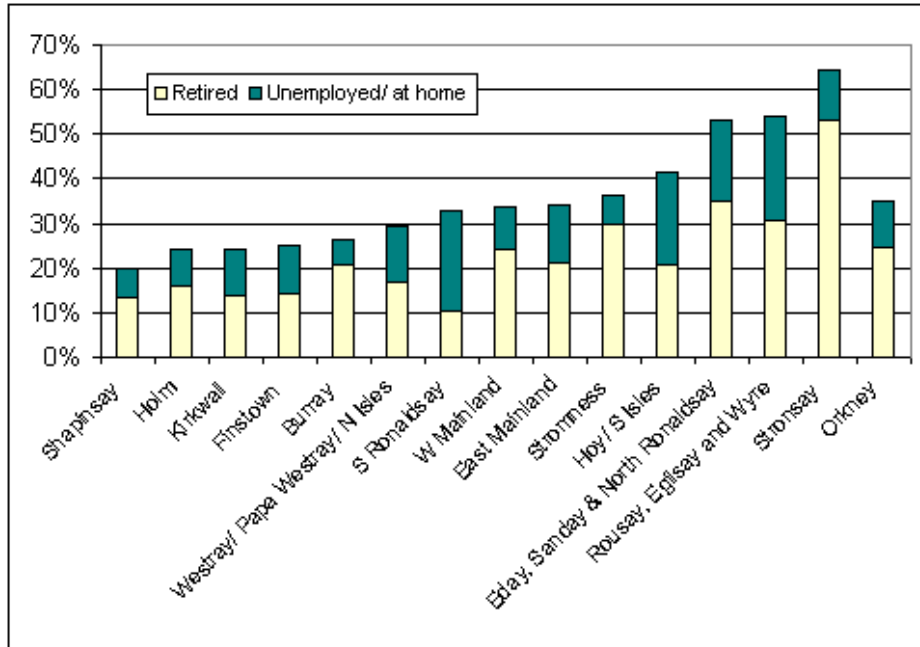
Figure 19 Status of Orkney population (in-migrant and long-term resident)



Source: Orkney Island Council; Housing Needs Survey (2008) (n=7,476)

However there are major differences between different parts of the islands as might be expected as Figure 20 shows. The highest proportion of retired and inactive household moving to Orkney in the past five years were in Stronsay where nearly two thirds of the people moving to the island were retired, unemployed or at home through choice (64%). In the other outer North Eastern isles of Eday, Sanday and North Ronaldsay more than half of recent in-migrants were either retired or inactive; and for Rousay, Egilsay and Wyre the figure was 54%. The figures for Hoy and the South Isles were higher than the Orkney average at 42%.

Figure 20 Proportion of recent in-migrants who are retired or not working



Source: Orkney Island Council; Housing Needs Survey (2008) (n=956)

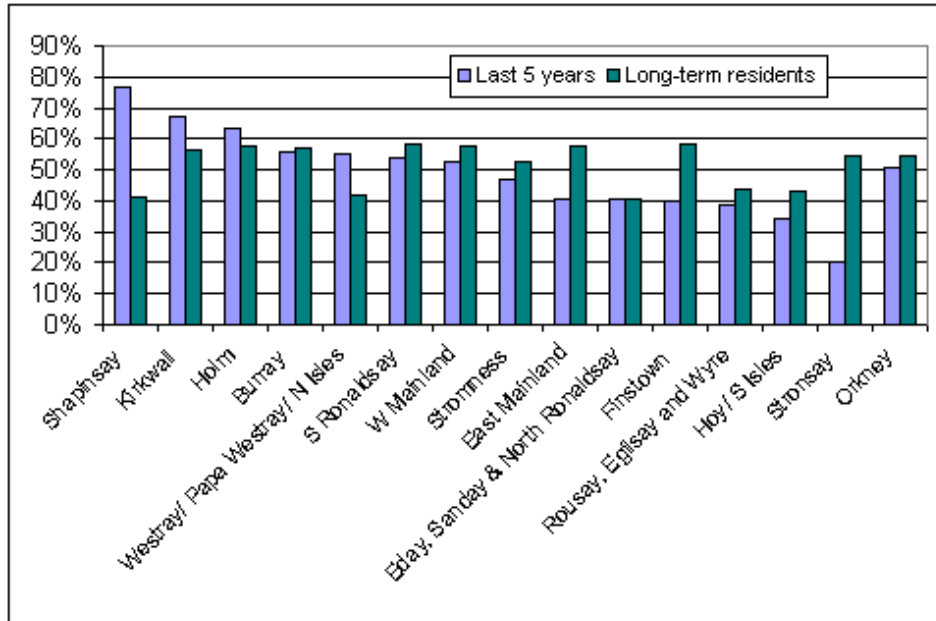
Perhaps more surprisingly, Stromness also had a higher proportion of retired in-migrants than across the Islands as a whole. However the proportion was slightly lower than those among long-term residents in Stromness.

The areas with the lowest proportion of retired and inactive in-migrants are Kirkwall and those areas located within easy commuting distance including Holm, Finstown and the islands of Burray and Shapinsay. Westray, unlike the other Outer Isles, shows a lower proportion of retired and inactive in-migrants over the past five years than across Orkney as a whole (29%).

Working adults

Clearly for the economy and labour market to be sustainable, the proportion of adults working needs to be maintained at similar levels. Figure 21 shows the proportion of the adult population that are working, and compares recent in-migrants with the longer term population. It shows that across Orkney as a whole, a lower proportion of adults who have moved to the islands over the past five years are working compared with the long-term resident population. This points to a contracting workforce. As noted earlier this is possibly due to higher proportions of the in-migrant population choosing to stay at home – perhaps because they do not need to work because they are financially secure. The lowest proportions of working adults moving to the islands were noted in Stronsay (20%); Hoy and the South Isles (34%) and Rousay, Egilsay and Wyre (38%). Some parts of mainland Orkney have also seen lower rates of working adults moving in – including Finstown and East Mainland, however these may well be the partners of working adults who are at home for childcare purposes.

Figure 21 Proportion of adults working (in-migrants and long-term residents)

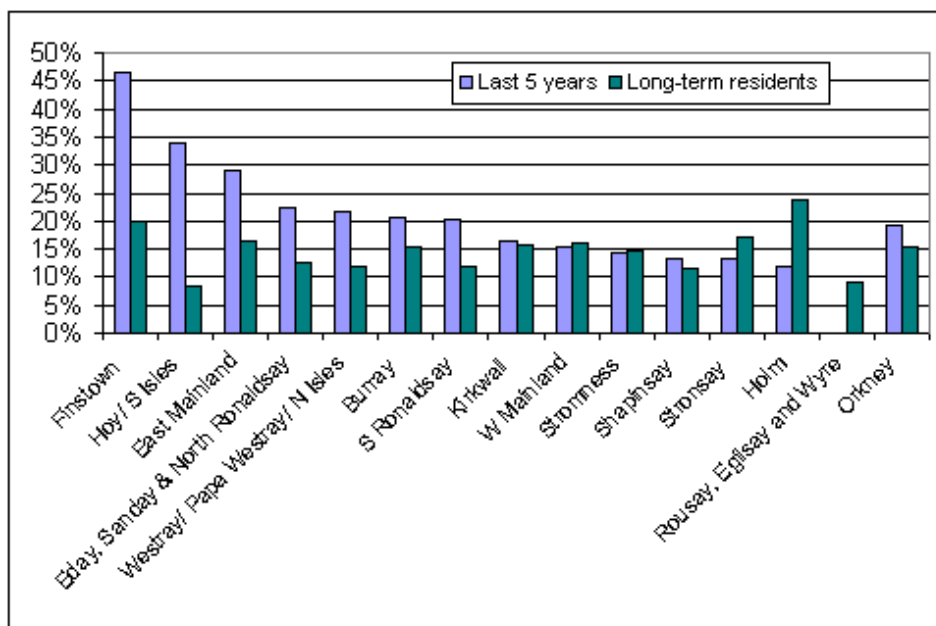


Source: Orkney Island Council; Housing Needs Survey (2008)

Children

The proportion of children who move into the islands provides an important barometer of longer-term population sustainability and is also important in order to sustain schools and other family services. As Figure 22 shows, the highest proportions of children among recent in-migrants have been in Finstown, Hoy and the South Isles and the East Mainland.

Figure 22 Proportion of children (in-migrants and long-term residents)



Source: Orkney Island Council; Housing Needs Survey (2008)

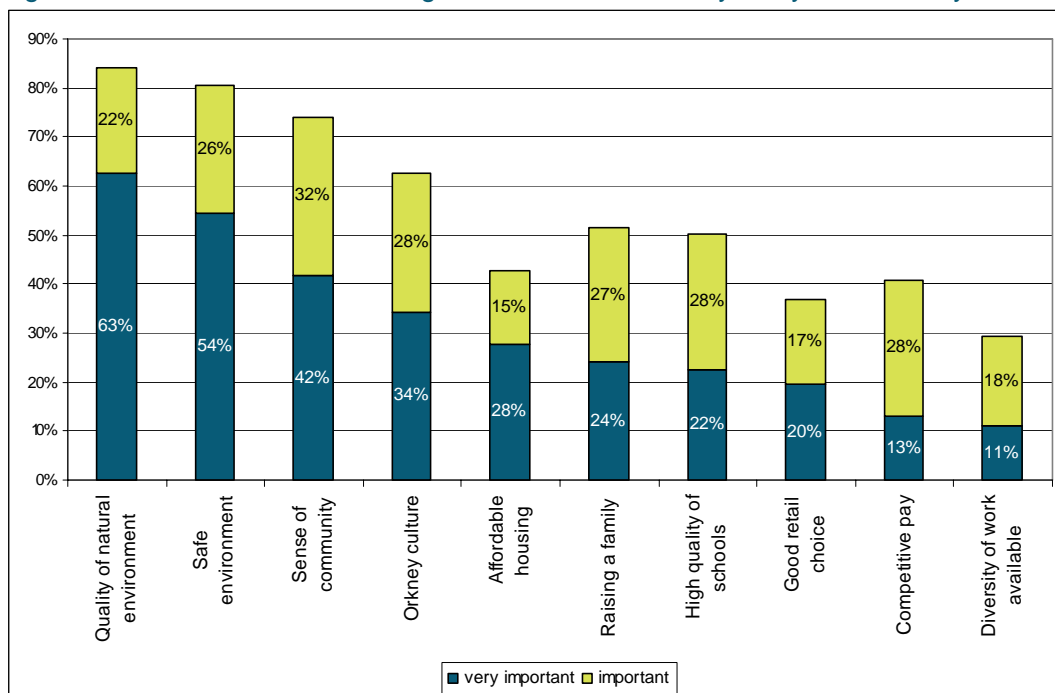
Across the islands as a whole, the proportion of children among the in-migrant population is higher than among the long-term resident population which suggests a positive trend. Among the islands where there have been increasing trends in the number of children are: Westray, Sanday, Burray and South Ronaldsay. Shapinsay also shows a higher proportion of children among those moving to Orkney in the past five years, although the proportion of children is below the average for all areas.

Areas where the proportion of children moving in the past five years is lower than previously include: Stronsay, Rousay Egilsay and Wyre and the Mainland areas of Holm, Stromness and West Mainland. Although smaller islands have been grouped with neighbouring islands because of small sample sizes it should be noted that there were no children among households moving to the islands in the past five years surveyed on Papa Westray, Eday or North Ronaldsay.

Reason for moving to Orkney

There is a lot of anecdotal evidence that suggests the importance of lifestyle motivations in people's decisions to move to the Islands. Both our Survey and the Housing Needs Survey identified much greater proportions of in-migrants moving for lifestyle factors rather than for work. Our Survey asked in-migrants which factors they regarded as important in their decision to move to Orkney. As Figure 23 shows, in-migrants most often cited quality of the natural environment as a 'very important' reason for moving to Orkney (63%). Four of the five factors most often cited as 'very important' in their decision to move to Orkney were social and environmental (safe, sense of community and culture). But for more than one in four in-migrants, the availability of affordable housing was a 'very important' factor in their decision.

Figure 23 Factors that made in-migrants want to move/stay away from Orkney



Source: Hall Aitken e-Survey 2008, n=464

The Housing Needs Survey asked respondents what their principal reason for locating where they did was. Among those who have moved to Orkney over the past ten years, lifestyle reasons were the most frequently stated motivation accounting for 44% of households. Work was the next most common reason and accounted for the decisions of around one in five in-migrant households (21%). A further 19% had moved to be closer to family or friends and 16% to retire.

Those in-migrants that are self employed are sometimes considered to be lifestyle migrants. They were more likely to cite social and environmental factors than those who were in employment. For example, seven out of ten self employed people cited Orkney’s natural environment as an important factor in their decision to move compared to 56% of those in employment. They were also more likely to cite housing affordability and cost of living as important in their decision to move to Orkney.

Lifestyle migration

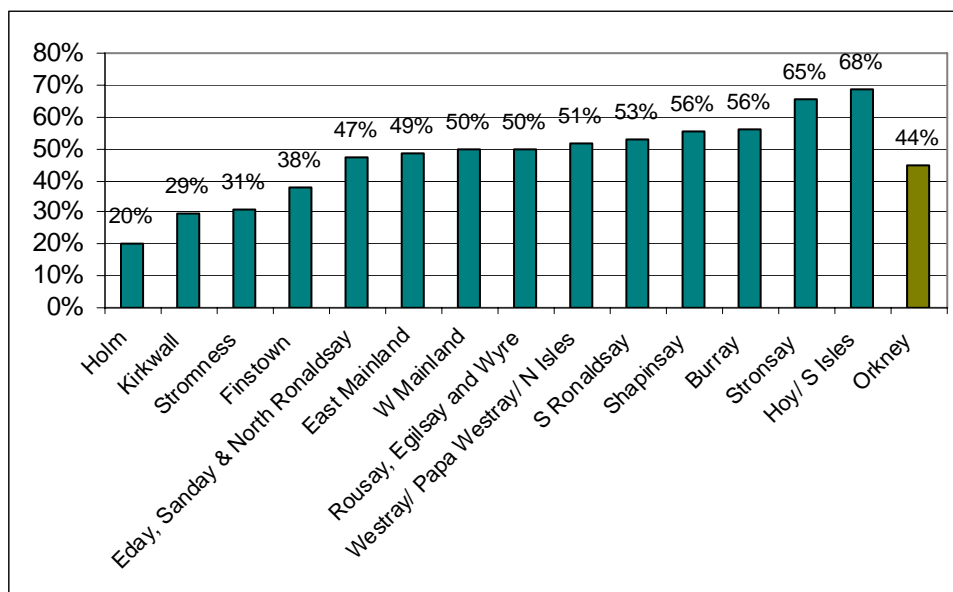
Lifestyle migration is an international phenomenon. O’Reilly (2007) defines it broadly as:

‘relatively affluent individuals, moving, en masse, either part or full-time, permanently or temporarily, to countries where the cost of living and/ or the price of property is cheaper; places which, for various reasons, signify a better quality or pace of life... often, but not always, later-life migrants and often partially or fully retired.’

Those that prioritise a relatively low cost of living and lifestyle factors appear to have two characteristics:

- Age – older people seeking an environment which fits with their lifestyle and changing needs; and
- Self-employment – where individuals construct a working life around lifestyle.

Figure 24 Proportion of in-migrants identifying lifestyle reasons for moving by area



Source: Orkney Islands Council (2008) Housing Needs Survey

In-migrants defined as those moving to Orkney over the past 10 years (n=508 Households)

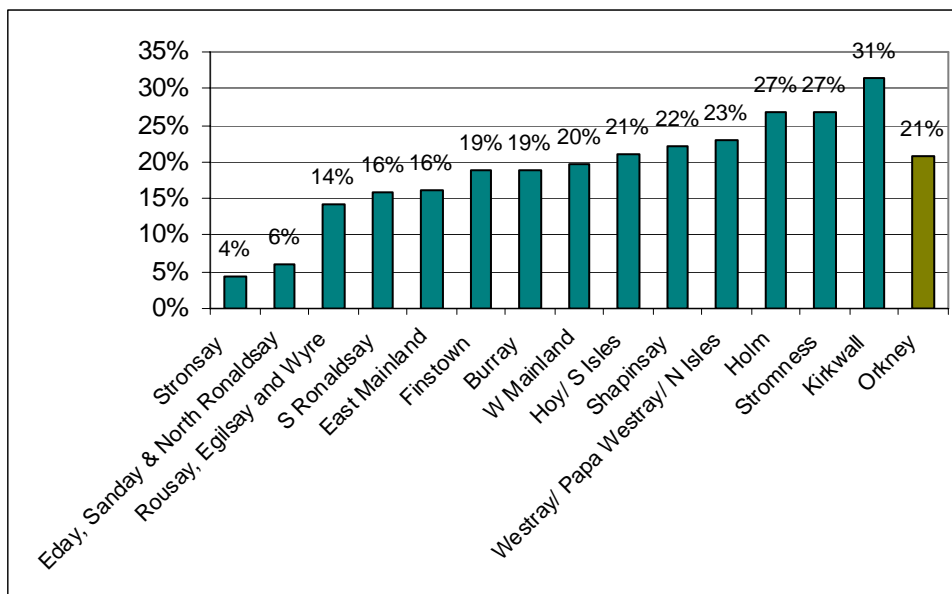
There are interesting variations across the different island communities. As Figure 24 shows, the highest proportion of in-migrants identifying lifestyle reasons are in Hoy and the South Isles and in the northern isle of Stronsay. Two thirds of in-migrants came here for lifestyle reasons. There were also higher proportions of lifestyle migrants in the islands of Burray, South Ronaldsay and Shapinsay – which are all within commuting distance of Kirkwall. The lowest proportions of lifestyle-motivated in-migrants were in the Mainland settlements of Holm, Kirkwall, Stromness and Finstown – suggesting a clear distinction between the motivations of in-migrant households between rural/ island communities and Mainland Settlements.

This distinction was further reinforced by looking at the proportions that had moved to be closer to family or friends. This reason was given by at least 30% of in-migrants within the four Mainland settlements compared with an overall figure of 19% across the Islands.

Economic migration

Figure 25 shows the proportion of households identifying work as the main reason for moving. As might be expected Kirkwall has attracted the highest proportion of those moving to Orkney principally for work (31%), followed by Stromness and Holm (both 27%). The lowest proportions of work-motivated in-migrants are in the North-eastern isles of Stronsay, Eday, Sanday and North Ronaldsay.

Figure 25 Proportion of in-migrants identifying work reasons for moving by area



Source: Orkney islands Council (2008) Housing Needs Survey

In-migrants defined as those moving to Orkney over the past 10 years (n=508 Households)

4.5 International in-migrants

While international migrants have originally moved to larger towns and cities, following EU enlargement in 2004, there has been evidence that migrant workers subsequently moved into more rural labour markets in the UK. This is also reflected in the evidence on recent migration flows to Orkney. A recent study on the impact of

migrant workers in Orkney reports that the employment of migrants has increased significantly from as early as 2002. According to employers, the main reason for migrants' employment appear to be widespread recruitment problems within the islands, which migrants help to resolve. Employers therefore did not feel that migrants had a significant impact on the employment opportunities of locally established people, nor did they lower wage rates. The industry particularly dependent on migrant workers was food processing.

Similar to employers elsewhere in Scotland and the UK, employers in Orkney appreciated that migrant workers showed better attitudes and motivation compared with locally established counterparts. However, there were also challenges which had to be addressed. They included accommodation, language, expensive recruitment and opening bank accounts. Moreover, skill levels of migrant job applicants were difficult to assess. Employers showed neither a high level of use nor of awareness of support services for migrants, and were critical of language service provision.

On the whole, the study's main conclusions and recommendations are very similar to those in other local authority areas in Scotland. The study reports widespread agreement that migrants were well integrated into businesses and communities. However, it was felt that integration could be further promoted through an appropriate provision of language classes and library materials. It also recommended the production of a guidance booklet for migrants, as well as for employers to support them with legal issues. A welcome pack for Polish workers has subsequently been produced and is available on the Orkney Communities website. The provision of English Language classes has also been expanded following the report's production and more funding being made available from the Scottish Government.

As elsewhere in Scotland (in particular in rural areas) accommodation for migrant workers was acknowledged to be a serious problem, this was also recognised as a challenge for locally established workers.

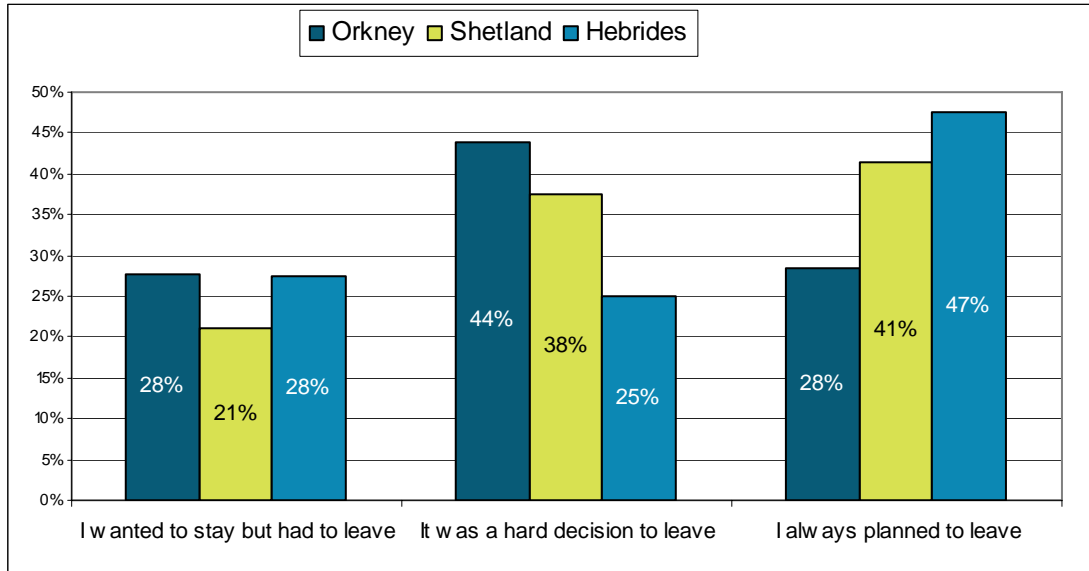
4.6 Leavers

At the time they last moved away, the average age of female leavers was 21 while male leavers were 24. Our sample had an almost even gender split. Around a third of Orcadian leavers always planned to leave Orkney but almost 3 in 10 felt they had no choice.

Female leavers were less likely to report difficulties about the decision to leave. While a similar proportion of female leavers felt they had no choice, one third always planned to leave compared to less than a quarter of males. And they were less likely to call it a difficult decision. A youth worker at our focus groups also felt that females are more likely to feel under pressure to leave.

Compared to the Outer Hebrides and Shetland, Orkney leavers appear to be more reluctant to leave. Figure 26 shows how leavers from each of the Island groups felt about leaving. Orcadians were less likely to have seen leaving as a long term plan and were more likely to struggle the decision than Outer Hebrides or Shetland leavers.

Figure 26 Which of these statements most closely matches your experience with leaving?



Source: Hall Aitken e-Survey 2008, Orkney n=274, Shetland n=176, Outer Hebrides n= 447

Motivations to leave

Leavers were more likely to cite economic and career factors as a reason for leaving than returners (Figure 16). Leavers most often cited “opportunities for career progression” (55%) as a ‘very important’ factor in their decision to leave. Further or higher education opportunities were cited by less than half (48%) as a very important reason.

The difference in the motivations of leavers and returners has been identified in previous studies. Here, as in Shetland the Outer Hebrides, returners have more in common with stayers in terms of motivation than leavers. Leavers may have completed further/ higher education already or are even heading away from the Islands for a second time. Or they may simply have decided to move away after leaving school and working. Either way, opportunities for career progression as well as ‘diversity of work available’ elsewhere is more important for this group than for those who leave and actually return.

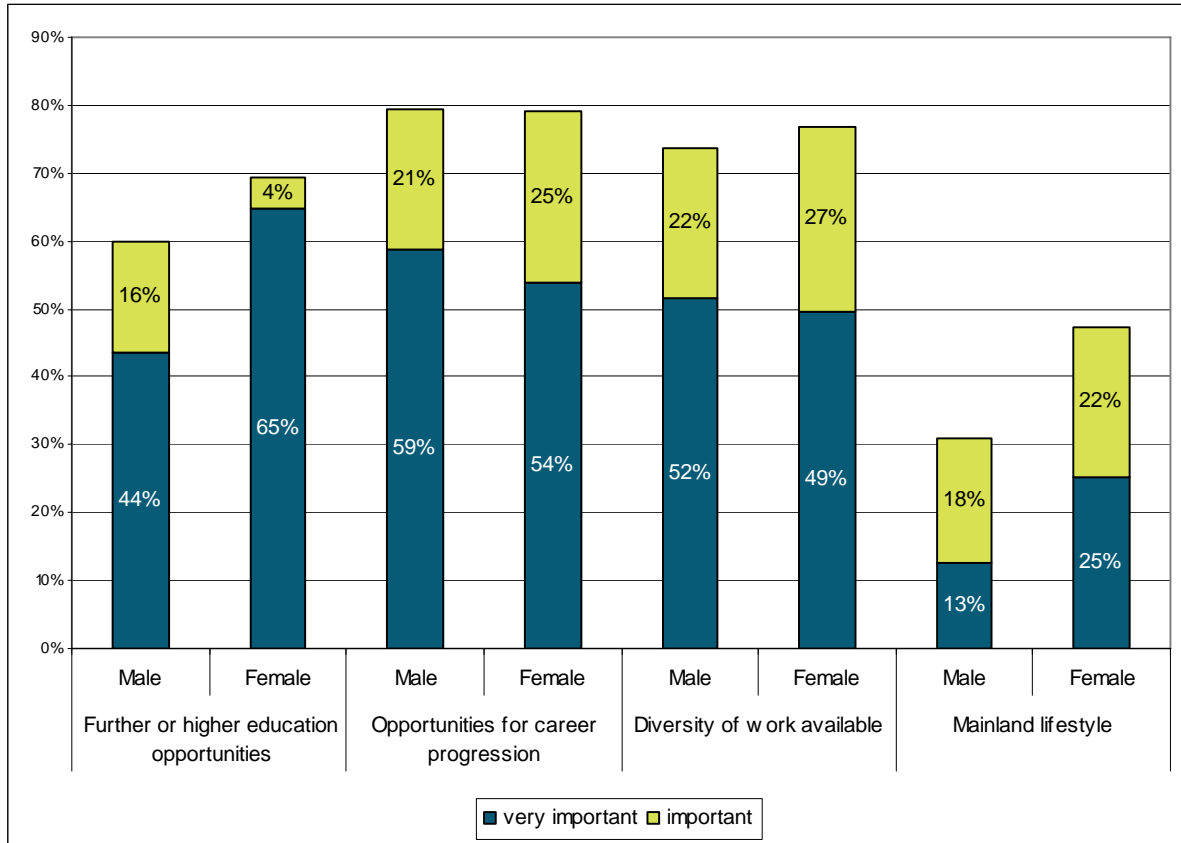
Male and female motivations for leaving

Figure 27 compares female and male leavers’ motivations in the 16 to 44 year old age group. The greater proportion of females leaving initially for further education reasons is reflected in the qualifications data – female leavers are generally more likely than male leavers to have a degree or postgraduate qualification – 50% against 36%.

Marriage or cohabitation is much more commonly given as qualitative reason for leaving and remaining away by female leavers than males. A ‘husband’s job’ was

identified several times as reason for leaving and remaining away from Orkney but there were no reports of 'wife's job' keeping an Orcadian man 'south'.

Figure 27 Factors that made out-migrants aged 16-44 want to leave Orkney (by gender)



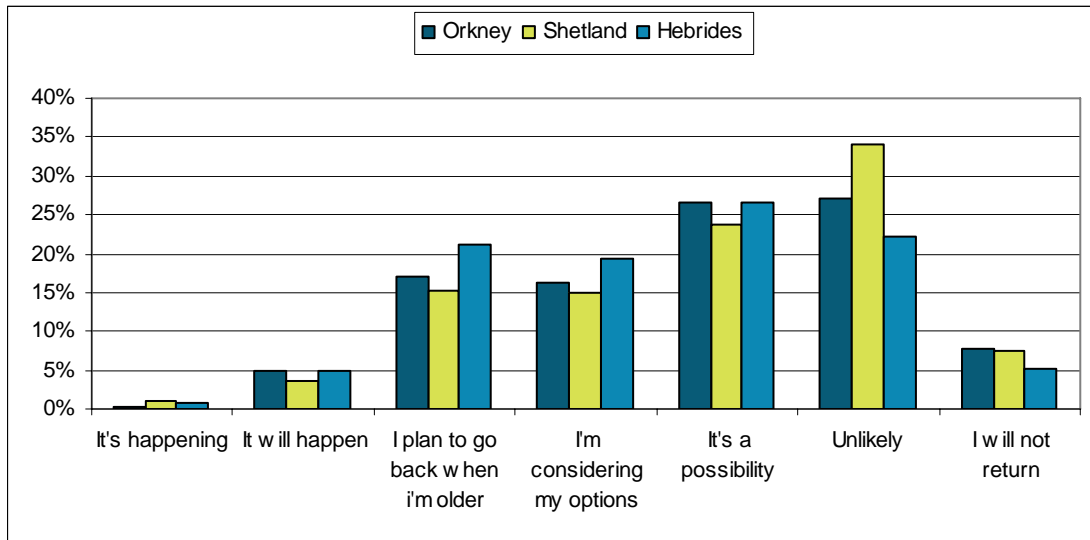
Source: Hall Aitken e-Survey 2008, males n=87, females n=91

Motivations to return

Around 8% of leavers rule out returning and a further 27% feel that it is unlikely. But more than twice as many Orcadian female leavers (10.8%) are likely to rule out returning as males (4.8%). This may be due to the perceived lack of suitable jobs, but may also link to other factors such as marriage and relationships.

The studies in Shetland, Outer Hebrides and now Orkney show that around 1 in 20 leavers are currently planning to move back to their home islands. The age profile of these Orkney leavers currently planning their return shows an unusual pattern - though numbers are small (16). Six of the group are aged 38-42 with five under the age of 37.

Figure 28 Likelihood of returning to island communities



Source: Hall Aitken e-Survey 2008, Orkney n=322, Shetland n=215, Hebrides n= 457

Factors that influence returning

For female leavers, the top three factors that make them “very much want to stay away” were:

- Opportunities for career progression (20%)
- Diversity of work (19%)
- Retail choice (19%)

4.7 Conclusions

Staying or returning to Orkney does not mean staying or returning to the community of one’s upbringing. Stayers tend to migrate towards Greater Kirkwall for employment or remain there after school for work. Returners show similar patterns in that they also gravitate towards Kirkwall.

Seven out of ten returners cited further or higher education as a very important reason for leaving Orkney and half of the returners came back to Orkney before turning 25. This suggests that leaving was part of a planned process which involved gaining qualifications but returning to Orkney for work if possible.

Family and the quality of the Orkney environment are strong reasons to stay and return. For stayers who are thinking about leaving economic factors are the main negative factors including travel costs, competitive pay and career progression. However retail choice is also an issue, particularly among females.

Female returners place greater importance on family than males and were more likely to identify pay and work issues as unimportant. However, females who are thinking about leaving were more likely to identify work related issues as a motivation to leave than men.

In-migrants are an essential part of the Orkney population. One in five people living in the Islands moved to Orkney within the past 10 years. Some communities have higher proportions of in-migrants than others with this group representing around 40% of Stronsay's population.

There is a common perception that many in-migrants are retired or economically inactive. However the reality is that there are lower proportions of retired people and higher proportions of children among in-migrants than among the long-term resident population. However there are higher proportions of unemployed people and those who choose to stay at home among recent in-migrants.

Again there are significant variations in the patterns of economic activity among in-migrants to different parts of the islands. In Rousay and the outer North-eastern isles of Stronsay, Sanday, Eday and North Ronaldsay, more than half of those moving to the islands in the past five years were not working.

There is a big difference in the motivations for migrating among rural and island communities and Kirkwall and the Mainland villages. In more outlying and rural parts of the islands, lifestyle reasons predominate while in the Mainland communities employment and being close to family and friends are much more significant.

Those that leave the islands and remain away are a more diverse group in terms of their motivations to leave compared to those who leave and return. Twice as many identified opportunities for career progress as a reason for leaving. Their older average age at leaving indicates a much greater experience of the labour market and indeed Orcadian society than those who do return.

Twice as many female leavers as male leavers rule out returning reflecting both work issues but also other factors like relationships ("husband had job south"). For those consider returning, jobs and career progression are most commonly cited as barriers.

5 Addressing population change

This section explores the views of residents, leavers, businesses and service-providers on the likely impacts of current and future population change. This section is based in focus groups in Kirkwall, Westray, Shapinsay and Sanday to explore perceptions of island life, population change and ways to address it. We also held a focus group in Glasgow with those who are living away from Orkney.

We interviewed ten businesses across the Islands and explored the current and likely impacts of population change. We also explored ways to grow business and population base. We also spoke to around 16 stakeholders involved in forward planning or service provision in the islands to find out what they thought the impacts of changing population patterns were.

5.1 Views and experiences of Orkney life

Jobs and careers

Resident respondents identified a number of issues relating to jobs and careers in Orkney:

- **Underemployment** and people being underemployed relative to their skills – which women in particular identified;
- **Low wages** and high inflation;
- **“lots of little jobs”**, particularly in the Outer Isles;
- **Temporary and short-term contracts** – particularly among public and voluntary sector employers; and
- **A job for one partner but not for both** where an in-migrant has secured employment but not their partner.

Leavers had a similar perception of work but also that *“Other than in public services, farming, banking, opportunities to move on in life are limited living in Orkney”*.

Compared to stayers and returners, leavers are a third less likely to work in the public sector and 50% more likely to be employed in a professional or managerial position. Perhaps reflecting this, they were much more likely to think that developing their skills would be difficult in Orkney (27% against 19%).

Housing

Housing availability and affordability in Kirkwall

Population pressure on Kirkwall (of stayers and returners) is affecting its housing market negatively. It has led to increases in the price of plots, houses and longer social housing waiting lists.

Housing costs and availability were raised as issues at both the Glasgow leavers' session and the Kirkwall session.

- Land prices comparable to 'South' (for example, Aberdeen) and property generally being out of keeping with earnings;
- The wait for, and low turnover of, social housing where people were waiting for 'dead people's homes'; and
- The cost of rent relative to wages and
- the quality of rental accommodation was perceived by some of the Kirkwall group as being 'dire'.

Beyond the East Mainland

Outside of commuting distance of Kirkwall, participants identified similar issues with the provision of social housing, identifying a long waiting list and also temporary accommodation being offered away from their home island.

- Difficulty in getting trades people – and the increasing cost associated with this; and
- General house and property price inflation with prices having 'risen steeply'.

These factors are felt particularly acutely in the lower wage economies of the Outer Isles. Participants gave examples of 'making do' and living in damp housing because the cost of renovation was so high.

Transport

To and from Orkney

The Glasgow leaver participants had a positive view of:

- The Air Discount Scheme; and
- The Pentland Firth ferry service.

The Pentland Ferries service was popular in the group as they felt the (Northlink) service from Aberdeen was too long to spend on a boat.

Almost 6 in 10 (57%) leavers thought it would be difficult or very difficult in Orkney to visit friends or family. In-migrants were much more likely to feel this way (71%) reflecting perhaps their different experiences living off Island and also their stronger social networks off Orkney.

Unsurprisingly, residents in the Outer Isles were more likely to feel it was difficult or very difficult to visit family or friends off Orkney. The vast majority (85%) of residents on Eday, North Ronaldsay and Sanday, and Rousay, Egilsay and Wyre felt this way. But this is perhaps an interplay of the high proportion of in-migrants in these Islands and their geographic position.

Within Orkney

The price of fuel was a consistent issue in the focus groups and ferry timings also were an issue. There were positive comments too - Kirkwall participants praised through ticketing and the positive effect it had on journeys.

Ferry timings were an issue for people trying to access services and jobs on the Mainland. However, it appeared to be part of a broader issue around timing of

services such as the screenings at the Pickaquoy Cinema and the absence of flexitime at the Council.

The inter-island air service was praised by people on Westray but participants also found it difficult to get a seat as seats were often taken up by teachers or other public sector workers. Here they were realistic about getting faster ferries, recognising that they would have less capacity for freight.

Business development

Setting up and running a business in Orkney is challenging. 'Entrepreneurial spirit' was remarked on, particularly the high number of young people setting up a micro business as part of the Prince's Trust scheme. However, the overheads involved ("fuel, fares and haulage") are significant barriers. A number of additional issues were identified and we explore these below.

Doubts over business succession

Three of the ten businesses interviewed felt that selling or passing the business on to a successor on retirement might not be so easy. This was supported by comments in the survey of residents and past residents

"local taxi folk have provided an excellent service for many years but they are... a fair age now, so of course they want to take it a bit easier....but nobody is filling the void in our community left by the loss of their essential service".

Population change and agricultural sustainability

Participants in the Shapinsay, Westray and Sanday focus groups as well as a food processing business raised concerns over agriculture and the declining numbers of people going into that sector. This was also an issue with the creel-boat industry that supports a processing plant on Westray.

Orkney is renowned for the high quality of its food and drink produce. However food processing businesses rely on local supply chains for their produce. One business felt that a lack of people going into farming was likely to affect them negatively as local agricultural production would be likely to fall. This would mean fewer and fewer suppliers and would endanger the ability of processors to meet the demand for Orkney produce. Given, that agencies have worked hard to build up an Orkney niche in the meat and dairy produce and processing market, this could have wide implications.

The lack of people going into farming was discussed at the Westray focus group where participants agreed that only around a quarter of Farms had a son or daughter who would eventually take over the working farm.

Business accommodation

This was not an issue for the businesses we interviewed. However, most of these either could not see the demand or in two cases, were not interested in expanding a lifestyle business. But there were concerns over what is available for new businesses and businesses that wish to expand. Issues identified in the focus groups included:

- Regulations that prevent businesses changing accommodation – where small businesses are forced to remain in existing premises because the cost of bringing new premises up to legal requirements is too great (Westray); and
- A lack of small business accommodation (Shapinsay and Sanday).

Business idea support and advice

Around a quarter (26%) residents felt it would be easy or very easy to get support or advice for a business idea with around a fifth thinking it would be difficult or very difficult.

But this varied widely across the settlements with around 40% of residents in Rousay, Egilsay and Wyre and Hoy, Graemsay and Flotta feeling it would be difficult or very difficult to get such support or advice to 15% in the West Mainland to under 10% in Westray & Papa Westray.

Westray focus group participants explained that they felt there was plenty of support on offer in terms of developing business ideas. But they felt that the cash to realise these ideas was less likely to be available.

Setting up a business

In terms of actually setting up a business, a fifth of residents felt it would be easy or very easy to set up a business with around 15% feeling it would be difficult or very difficult. Again, this varied widely with residents in Hoy, Graemsay and Flotta, and Eday, North Ronaldsay and Sanday much more likely to feel this would be difficult

However, feedback from the Glasgow group indicated that there is a fear of setting up a business and failing. This was seen as especially difficult in a small community where creditors are “every day neighbours”.

Education, Health and other services

Health

Some 7 out of 10 resident respondents regarded accessing health services as easy or very easy with only around 11% regarding it as difficult or very difficult. Residents of the Mainland were more likely to report this as easy or very easy. Residents in the South Isles (Hoy, Graemsay and Flotta) and the North Isles (Eday, North Ronaldsay, Sanday, Westray and Papa Westray) were more likely to feel this was difficult (20-25%).

However, Shapinsay showed a high proportion reporting difficulties. While the response rate was small (less than 20), focus group respondents there felt that they had little consistency in their health services with a high turnover of on-Island staff and having to use various medical professionals in Kirkwall (“*We just have to explain ourselves over and over again*”).

The availability of dentists would appear to be a general issue in Orkney.

Education

All migrant groups regard Orkney education provision positively with it being a significant factor in staying, returning and in-migrating. There were positive views of further education provision on the Islands from the Glasgow leavers group who felt that this had improved significantly over the last '10-12' years.

Island life

We found generally that residents were proud of their communities and felt they were good places to live. Strength of community and Orkney's environment feature heavily in the motivations of stayers, returners and in-migrants. It also figures positively in the thoughts of leavers.

Within the focus groups, levels of volunteering were felt to be high. However, there are issues with 'volunteer overload' and some communities are suffering from a lack of confidence.

Declining confidence in some communities

Residents and leavers alike generally feel strongly about their communities. However, community confidence appeared lower among the Shapinsay and Sanday groups.

Focus group participants in Sanday could not identify anything that would attract people to live there. They outlined their picture of the Island – one supported by the housing needs analysis survey – as one where many families are leaving and are being replaced by retirees and people on benefits. Many people worked away from the Island, few value-added products were produced there and tourists spent very little 'bringing groceries with them'. House and farm prices are high but there are lots of empty and derelict properties.

Shapinsay's services appear to be undermined by its status as an 'island suburb' of Kirkwall. The island has no pub and few social facilities other than the local gym and badminton court. Islanders now either socialise at each other's houses or charter a boat to Kirkwall for a night out. While Shapinsay offers the possibility of commuting to Kirkwall, the difficulties in accessing social facilities in the evening will not make it an attractive place to live for younger people. While 1 in 10 residents across Orkney felt that meeting people/ socialising was difficult or very difficult, the figure in Shapinsay was 23% and in Eday, North Ronaldsay and Sanday almost 50%.

Volunteering appears to be the main outlet for community expression in some of the outer island communities. Focus group participants there felt that engagement in volunteering was strong. Volunteering can engender community spirit and be fun. But volunteering in fragile communities can lead to pressure and 'burnout' (as identified in Westray).

Perhaps related to this (and issues around accessing health services) were the high proportions of Shapinsay and Sanday residents who felt it was difficult or very difficult to get advice or support for a personal problem. While 12% of Orkney residents felt this way, 38% of Eday, Sanday and North Ronaldsay residents felt this way and 20% of Shapinsay residents.

Elsewhere, Stromness was felt to have declined in vibrancy since the move of the Aberdeen ferry to Kirkwall.

In other areas, population sustainability is not in doubt but the importance of Kirkwall has affected the vibrancy of other communities. In the Glasgow group, St Margaret's Hope was also identified as an area where the sense of community had declined and it was felt this was related to Kirkwall's increased dominance.

Volunteer fatigue

As populations grow smaller and less sustainable, there is pressure from public services to reduce expenditure. What was previously provided by the council may now be available only through various grant schemes requiring community leadership. This is part of a much broader move in the UK to reduce expenditure and make the cash available for many basic interventions on a "challenge fund" basis.

Councils also understand that encouraging communities to bid to funders such as the Big Lottery Fund means additional cash is being brought into the islands outside of their budget – cash they would find hard to access as a statutory body.

The need to push for capital funds as well as revenue funds can create significant workloads for communities in the Outer Isles. There were reports of hard-won successes. But also of volunteer fatigue associated with Mainland meetings as well as a feeling of expectation - "the more you do, the more they expect you to do".

5.2 Impacts of population change on businesses

Businesses not yet feeling the pinch

None of the businesses we interviewed (in late 2008) felt that population change was having an immediate negative effect on their business turnover. However, one company did highlight that it had relocated to Kirkwall to have a more central location and another Kirkwall based company felt it had 'probably benefited' in the population movement towards the town. Recruitment had not been an issue for the businesses interviewed - they had little difficulty in finding people.

A construction company felt that a decline in working age population would mean in the future fewer businesses being set up and a fall off in demand for industrial units.

An ageing population mattered little in terms of turnover to those businesses that rely on off-Islands consumers such as tourists and Scottish mainland businesses. For those who sell chiefly to consumers on-island, they felt that older people will still be consumers - needing to eat, drink and socialise.

A fragile labour market

Any large scale job creation will bring benefits for population sustainability. But given the low unemployment rate, it is likely to hurt other businesses in terms of their recruitment and retention and they may need to recruit from outside the islands. Housing availability and affordability are issues now and are likely to become more serious issues should, for example, the container hub go ahead.

This is also the case for other developments, such as, for example, the care home on Westray which resulted in hard to fill vacancies in the home care sector as workers from elsewhere moved across.

5.3 Stakeholder views on impacts

Key drivers

The key population drivers highlighted by stakeholders are:

- Employment opportunities;
- Entrepreneurship
- Housing;
- Transport links and
- Social and leisure activities.

Employment issues

Changing population patterns across the islands have had an impact on the teaching staff at the Council. Reductions in the primary school roll have led to a drop of ten teaching posts in the Education Department. There has been less impact on the secondary school provision. The changing patterns of population are also leading to small and variable school populations in some of the smaller and more marginal island communities.

The OIC funded Youth Development posts (Westray and Sanday) aim to provide young people with a wider range of opportunities for employment. They link with Community Development Trusts.

One issue identified by many stakeholders and by participants in the Kirkwall focus group is that many jobs in the public sector are being offered on short-term contracts. This has been a real problem in some sectors such as social care where there were 36 people on temporary or relief contacts until recently. This was due to changes brought about through single status and problems securing funding. Several people working for the Council have been on temporary contacts for so long that they qualify for a permanent post.

The college helps to attract people to higher pay and skilled jobs on the Islands. Research institutes in the college such as the Higher Education Agronomy Institute attracts researchers from all over the UK and abroad. There are three researchers in the Agronomy Institute and three in the cultural studies centre. Archaeology also attracts large numbers of women to work on the islands. The Masters in Archaeology attracts a large number and many gain employment on the Islands.

And one interviewee highlighted that ten years ago there were no probationary teaching opportunities. Now there are many good jobs with in-service training opportunities. However there are issues with some professions and skills in terms of having a very small pool of professional workers. This can lead to professional isolation and skills gaps developing.

However there is a major issue with under-employment. Several people doing reception or admin jobs for example have business degrees. But one stakeholder also pointed out that even if one partner is under-employed a job can still bring significant economic and population benefits.

Private sector pay is generally lower than rates in the public sector and this can be a disincentive for people interested in starting up a business.

Stakeholders identify a strong loyalty among building staff and employers in the local construction sector. However this depends on there being a steady stream of local contracts. At the time of writing there were several major building projects in the pipeline including the new Grammar School, care homes and a major housing programme. Once skilled trades people leave they are unlikely to return.

The small-scale wind farm developments on the outer islands have not led to major employment opportunities. The basic electrical and mechanical engineering needs do not justify a post on each island. So one higher-level post covers many of the facilities.

The tourism sector in Orkney has traditionally been fairly strong with fewer peaks and troughs than, for example, in Shetland. This means that staffing turnover is not as high, and many employers are able to retain staff all year.

Recruitment issues

The Education Department has experienced difficulties in recruiting for some posts – particularly those that are highly specialised. Orkney suffers from the sharp end of wider staffing problems – such as shortages of Maths teachers. But there have also been problems in recruiting Head Teachers in some of the smaller island communities. One post was offered with a salary of over £50k but only received one applicant.

There are never any problems in filling clerical and administrative posts or skilled and semi-skilled manual positions such as janitors. This is because the Council is viewed as a good employer and the terms and conditions are better than for comparable private sector jobs. Jobs in schools and sports centres are seen as plum jobs on Orkney.

There have also been problems in recruiting experienced Community Learning and Development Professionals in the Council. The level of skills required along with an increased amount of regulation in the sector have led to a decline in the number of applicants. This has resulted in a greater reliance on training up existing staff and they bring people on through training and work based learning. However there needs to be people with a requisite level of skills to actually pass on knowledge from fellow co-workers. Only one out of four can be a trainee at any one time.

There were also similar problems with recruiting professional staff in the Planning Department. One senior post took six months to fill. Because of the lack of suitable applicants the Council decided to fund existing staff to go through the professional planning course. One of the key problems is lack of availability of jobs for partners. For example, there are very few full time primary school teaching jobs available and many teachers have to go on a supply list. Temporary posts for two-year periods tend to be the standard. However some posts are then made permanent.

Specialist posts are sometimes difficult to fill in the NHS too. Re-grading of posts due to single status has led to some higher-paid posts being graded downwards. Solutions have included joint appointments with NHS Grampian. For example a Clinical Psychiatrist has been appointed as a joint post, working two days a week on Orkney. This has the advantage of reducing up-front costs, sharing overheads, getting a wider level of clinical exposure and also wider access to training and support in Aberdeen. However there is a limit to the amount of joint commissioning that NHS Orkney can commit to without risking its independent status.

For other posts, professional workers have been recruited from Eastern Europe, including two Polish Dentists appointed by the NHS.

Short term funding and temporary posts can also be a problem in trying to attract and retain people in professional posts. The two isles-based youth development posts were both appointed locally. They run for five years but are non-qualified posts. Another example was the Coordinator post for the World Heritage Site at Skara Brae. It was a two-year post but there was no demand. People were interested but it was difficult to commit for only a fixed term appointment.

There have also been difficulties in appointing skilled staff for teaching the maritime courses at Orkney College. One full time member of staff was advertised in Stromness but the majority of applicants of came from India or Sri Lanka and had no teaching experience. This is because the rates of pay available for skilled mariners on boats are much higher than the Senior Lecturer salary that was on offer. The job is only attractive for people who want to settle down or move to Britain for the first time.

Several stakeholders identify that one of the main reasons that recruitment is difficult is that couples often look for two jobs on the same island which are difficult to get and there is never a perfect fit for two jobs. If there is too big a compromise in terms of downgrading their qualifications or pay then people will not stay for long. This also often leads to under-employment for one partner – usually the woman.

Other stakeholders have identified growing problems in recruiting social care staff with younger people not seeing it as an attractive career option. Workers from Eastern Europe have taken up some of the jobs that were hard to fill. However OIC and the NHS are being more proactive in marketing social care jobs with a supported career pathway all the way from SVQ to becoming a qualified social worker.

Service provision

There is unlikely to be any further rationalisation of the school services across Orkney – as there is little scope for further change. However if the population profile ages significantly then there may be a need to shift resources from services directed towards young people towards providing elderly care.

The Council will need to think carefully about how it provides facilities to some of the more remote island communities – particularly in terms of the operating costs. A move towards more flexible and shared facilities will be more sustainable in the light of declining and fluctuating populations in some islands.

Population change has not had any noticeable impact on the demand for recreational services. The demand for services tends to be even across different age groups.

Education & training

At further education level Orkney College supports local employment in areas such as maritime, agriculture, business, IT, and health and child care. The overall strategy is to strengthen the level and range of qualifications available to local people. The College's facilities have developed rapidly since 2002 and the numbers in Higher Education courses have doubled over the four years to 2008.

Orkney employers generally have a positive attitude to post-school qualifications and have been prepared to fund students to gain qualifications.

However there have been noticeable changes in some sectors such as agriculture. There have been declines in the numbers going into agriculture courses since 2002 due to changes in wage regulations making it more difficult for farms to sponsor trainees. There are also fewer employment opportunities in the agriculture sector.

The demand for care and social care qualifications has been increasing. A lot of students are coming from existing businesses and the increasing levels of qualifications are driving up employer's expectations. However, the numbers going beyond SVQ Level 2 are small because employers snap them up once they are qualified. There have also been problems with people moving from the private and third sector into OIC jobs once they are qualified because the pay rates are higher.

The increased requirements by employers in the care sector mean it is more difficult now for school leavers to go directly into a job in the sector.

Up until 2008 the numbers going into construction qualifications was fairly steady at between 10 and 14. The subjects provided have widened to include bricklaying, for which students previously had to travel to Inverness. Building firms on Orkney have always supported local apprentices and have not turned to Eastern European trades people to the same extent as other parts of Scotland.

Training provided by Direct Training geared towards vocational qualifications and to overcome barriers to employment is difficult to deliver in some parts of Orkney. The minimum number of people required to run a course is five, and this makes it difficult to justify providing courses for some qualifications and in most of the Outer Isles. The costs of providing outreach to the islands are also prohibitive. Usually people in the Outer Isles would have to travel to Mainland to access this type of training. Accommodation for people moving to Orkney for training and further education is an issue – for those coming from the Outer Isles and more generally.

The college's role in the Outer Isles is largely through video conferencing and computer learning. This is done through the community schools and they provide a small retainer to someone on the islands to help people to use the computer facilities. There is a learning centre as part of the school and sports hall in Westray, however there isn't a lot of outsource learning available at further education level. Again the lack of a critical mass of students makes it difficult to set up direct provision for the Outer Isles.

Wider and more flexible courses available at the College and elsewhere have made it a bit easier for people to stay on Orkney to pursue a skilled occupation. However

there are concerns that restrictions on funding those over 18 for vocational courses will limit the impact of the College on helping people to stay.

Young people in Orkney see education as a passport to jobs and careers. They are interested first of all in getting access to employment and then looking at opportunities for business.

Health and care

The way that primary care services are delivered is also key to the islands' future. The health service is being reviewed in terms of having a resident GP on each island. However people often perceive that having a GP and a primary school are key services and that when these go the islands are under threat. However the geography of the islands makes any major changes to the model of provision difficult. There is an 18 month pilot of a joint GP service covering Eday from Stronsay with a Nurse Practitioner providing cover when the GP is not there. However services are very reliant on transport links.

The provision of many specialist health services relies on professional staff having a certain amount of clinical exposure – that is dealing with a certain minimum number of cases. There are also minimum staffing levels needed to maintain an appropriate standard of services (for example the number of midwives available at any one time). Both of these issues make it difficult to support a full range of services across Orkney. Because of this NHS Orkney buys in certain specialist services from NHS Grampian.

One stakeholder identified a steady rise in the number of people coming to Orkney with specialist social-care support needs. These are expensive to provide for and often require specialist residential services on mainland Scotland. People have a high expectation of the level of services that can be provided on Orkney but these are not always possible to deliver.

There is demand for residential care homes in both Stronsay and Sanday however there are other funding priorities in the short to medium term including the replacement of the care home in Stromness. There will be a new residential care unit in Kirkwall with 40 beds and respite provision. There are also 6 to 8 Very Sheltered units planned for St Margaret's Hope.

The air ambulance service was re-tendered around four years ago with a move to a service provided by a helicopter based in Inverness. There was significant resistance to these changes with a perception among many people in the Outer Isles that it is less reliable.

English for Speakers of Other Languages (ESOL)

The ESOL courses provided through the Learning Link are now core funded although demand for the services has started to tail off. There are a significant number of Polish people working for the Orkney Fisherman's Society. Demand from these workers started off high but as more shifts become available it is more difficult for them to sustain their interest. There is also a group of Chinese workers associated with the restaurant in Kirkwall who are involved in one ESOL group.

Many overseas workers are under-employed in terms of their qualifications, and this is mainly due to their limited language ability and their inability to transfer their qualification to the Scottish context. Examples include a vet working as an abattoir

employee and a former staff nurse working as an auxiliary nurse. However the team at the Learning Link have helped several people to move up the career ladder through language classes and practical support to transfer qualifications.

Housing

There is generally perceived to be a shortage of affordable housing accessible to younger people. One stakeholder identified that anyone earning a salary below a senior level in the NHS is unlikely to be able to afford to buy a house. Another highlighted that there are few flats being built and most builders focus on the higher end of the market. Similar views were expressed among focus group participants. However housing providers identified that it is difficult to secure funding to build housing for students and key workers.

To help bridge the affordability gap Orkney Housing Association has a planned programme for shared equity housing. This includes both open market schemes, where they support an individual who finds the property on the open market, and new build shared equity developments. This option will help to make access to the property ladder easier for younger and lower income households. Priority groups are:

- Existing tenants;
- Those with an employment need;
- People in training or education; and
- Those giving or receiving care.

Affordable housing is also highlighted as a key issue in the Outer Isles, and sometimes this amounts to a physical absence of suitable housing as opposed to solely a cost issue. Housing agencies including the Council and Orkney Housing Association have difficulties in assessing demand on some of the smaller island communities and have worked with local communities to get a better picture. In some instances they have to take a chance that if they invest in housing development the demand will be there. This is the case for the current development of two homes on North Ronaldsay.

One issue highlighted with the more fragile communities – is the requirement to comply with equality and homelessness legislation for all rented housing built. This makes it difficult to ensure that local need is always met and makes it difficult to link housing to local job opportunities for example. Housing agencies feel that given the limited opportunities for new housing development in the smaller island communities it is essential that this investment supports population stabilisation.

To address the limited availability of housing two of the Community Development Trusts have built what they call gateway houses, where people coming into the islands can live until they build their own accommodation. This also allows new residents to test out how they feel about island life.

The Council are promoting sites for mixed tenure and affordable housing in many of the smaller settlements and islands in support of its policy of dispersing population away from Greater Kirkwall. However one issue is that many of the sites that are identified on the islands are not 'effective'.

Orkney Housing Association has plans for developments on Shapinsay and Burray and will be assessing the need for housing in the Outer Isles. In partnership with OIPD the Council is promoting new housing development in several parts of the islands including Stromness, Dounby and Burray.

Rural Home Ownership Grants (RHOGs) were previously one of the main ways of new housing development in rural parts of Orkney. Orkney Islands Property Development Ltd facilitated these and they contributed 330 new houses over the ten years to 2008. Rural self-build allows people to build housing close to either their employment or where they have family support and provides flexibility. However the budget for RHOGs has been halved and there are uncertainties about the future level of funding that can support self-build.

There will be increasing needs for amenity housing as the population ages. Orkney Housing Association provides amenity housing within all its developments. There is also an issue for older people in terms of sheltered housing and care services available on some of the Outer Isles. However, the issue of sheltered housing and care is not just one of physical infrastructure, there are also problems with getting younger people to help.

However, the development of a residential care home in Westray has been very successful in terms of providing a wider range of employment opportunities; particularly for women on the island. In the longer term it is hoped to develop another care complex on one of the Outer Isles.

There is limited availability of very sheltered housing in the Outer Isles and people from these areas would have to move to either Dounby or Kirkwall to access this type of supported housing. This often means elderly people putting off moving into higher levels of care until the last possible stage – meaning many frail people living in unsuitable housing in the Outer Isles.

Several stakeholders identify issues with the provision of housing for young people seeking to access training or tertiary education. This need is recognised by the Orkney Housing Association who identify those in training or education as one of their priority groups for shared equity housing.

Others also highlight a shortage of supported accommodation for young people who need to develop life skills. OIPD provides a support worker to look after a small number of properties in Kirkwall – although the funding for this post is coming to an end.

There are some issues around second homes, winter lets and holiday homes in parts of rural Orkney. This often means that a lot of people end up looking for housing in March when winter lets come to an end. Anecdotally areas identified as having a higher proportion of holiday homes include Sanday and the northern part of Hoy. One interviewee identified that some people moving to the Outer Isles only spent half of their time there with the rest spent South.

One interviewee also identified problems around Stromness with poor quality housing and disrepair. The regeneration programme in Stromness provides opportunities to develop affordable housing as part of the wider initiative.

Transport

People rely heavily on their cars in Orkney. Many people who work in Kirkwall like to get home at lunchtime and this contributes to the demand to live within close driving distance of the town.

Most public transport is geared around the needs of full-time workers and it is more difficult for those working flexible patterns to rely on buses. It is only possible to commute by bus on the main routes. The current bus contracts are up for review and there is consideration underway of a different system of serving the outlying communities. This would be based on the buses from Kirkwall going to various places on a many to one basis. They hope this will encourage more people to start using the buses to get to work. The Council is also trying to promote more car sharing.

In the longer term the issues of fixed links has been identified with the possibility of combining transport links and renewable energy. Those discussed include linking Westray to Eday; linking Rousay to Egilsay or Rousay to mainland. A link between Shapinsay and mainland has also been discussed. However changes to existing links would be likely to open up new debates around service provision and some communities would see it as a means of rationalising service provision. One stakeholder pointed out that Norway had 14 or 15 such links and that they could be commercially very attractive in the longer term – both in terms of energy revenue and service cost savings. He thought there was a lack of political will in Orkney to tackle this issue.

Partnership working

Most stakeholders feel that partnership working is strong on Orkney and has improved significantly since 2005. There is evidence of this in many areas of activity from youth services to social care and economic development. However partnership between the OIC and NHS has been hampered by funding arrangements. While the Council is committed to working towards the Single Outcome Agreement, NHS budgets are still ring-fenced and directed towards slightly different targets. And the Scottish Government would not allow a joint Director of Finance Post between the Council and NHS.

5.4 Conclusions

Residents and stakeholders have identified several issues relating to the labour market in Orkney that impact on population. One key issue in attracting skilled staff is that often two professional or skilled people are looking for jobs at the same time. Whether this is an Orcadian couple looking to move back or a family wishing to migrate to Orkney. The smaller pool of professional jobs available means that:

- Many professional or specialist jobs are difficult to fill – particularly in the Outer Isles; and
- Many skilled or qualified people take on jobs well below their capability – and these tend to be women.

Wages tend to be lower in the private sector which means that people looking to return often look for public sector jobs.

A lot of public and voluntary sector jobs are being offered on temporary contracts because of funding or budgetary issues. However this can have negative impacts on the labour market and population through:

- Skilled people not prepared to commit to a major move on the basis of a temporary contract;
- Young people returning to work are unable to make long-term commitments such as buying a house and are attracted South to permanent jobs.

In the Outer Isles the limited funding for certain third sector jobs and the variable nature of demand means that some people end up taking on several small jobs in order to earn an acceptable living.

Other issues highlighted by those living in the islands are the difficulties faced in accessing affordable housing whether to rent or buy. Difficulties in assessing demand in the Outer Isles and restrictions due to national legislation make it difficult to direct housing to support population stability.

Enterprise was a fairly common option for younger people wishing to stay in or return to Orkney – particularly in the Outer Isles. Several issues emerged about starting or sustaining businesses:

- There were too few younger people entering the agriculture and fishing sectors – with succession for farms a big issue. This may cause problems for the food processing sector if not addressed.
- There are too few affordable start-up units/ workshops; and
- the costs of transport and fuel were a major disincentive to business start-ups.

Residents in some of the Outer Isles identified issues in accessing health services, these included a lack of dental services; high turnover of health practitioners and a down-grading of the air ambulance service.

Education provision was highly regarded and seen as a positive factor in attracting families to the islands. Further and Higher Education were also identified as having improved significantly over the past decade.

While Orkney communities were viewed as strong by most people there are signs of community confidence being eroded by negative demographic trends. The heavy burdens placed on volunteers and the difficulties in accessing social activities and services were contributing to this.

While most businesses do not identify any immediate impacts from demographic change; one business had relocated to Kirkwall to improve market access. And another business had benefitted from the increasing population in Kirkwall.

Changes to population patterns will have various impacts on service provision. The Council is looking to provide facilities in some of the Outer Islands that are more flexible in how they can be used. Health and Care services will also need to be provided more flexibly – with the likelihood of growing care needs in the Outer Isles to meet the needs of an ageing population.

The shift of population towards Kirkwall means that facilities in some of the other communities have spare capacity. The Council is therefore promoting a policy aimed at encouraging population growth through housing and economic

development to take advantage of this capacity and support services in more fragile locations.

With such a small population it is even more essential to coordinate delivering services through partnership working. Public agencies in Orkney clearly demonstrate a commitment to working together to improve service outcomes and value for money.

6 Population projections and implications

This section looks at the current components of population change and uses them to project forward population estimates up to 2030 for Orkney. It looks at the likely impacts of different policy measures on future population patterns and offers an indication on of the impacts of trends continuing as they are.

6.1 Baseline population modelling

The population model uses information from the General Register Office for Scotland (GROS). This information on population at local council level includes births, deaths and migration. We used the mid 2007 population estimate for the Orkney Islands Council area as our baseline for the population model. From this baseline we added in elements to cover natural change, in-migration and out-migration.

The most recent long-term population estimates from GROS show an increase in the population to around 22,000. However these figures should be viewed cautiously as they are based on assumptions that are applied uniformly across Scotland rather than based on local trends. These include a doubling of the number of net in-migrants (in contrast to many contrary indicators); and more than two thirds of in-migrants being aged 16 to 29 (in Orkney there is net out-migration in this age group).

Purpose

The population model provides a transparent tool that will allow local agencies to test the implications of different trends and factors on population outcomes. It is not a population estimate or prediction, but can be used to compare the likely implications of policies on population sustainability and service provision. Its key differences to the GROS long-term estimates are:

- Using local birth rates based on 2007 data;
- Using local migration data from 2006/07; and
- Assuming current trends continue.

Inputs and assumptions

Figure 29 shows the inputs for the population model with the data source. Most of the data used is from the GROS.

Figure 29 Inputs for the population model with source

	Source
Baseline population estimates by gender and age	GROS – mid-year population estimates
Births	GROS quarterly returns
Deaths	GROS quarterly returns
In-migration	Custom data from GROS
Out-migration	Custom data from GROS

To calculate the baseline situation for future population figures we made several assumptions:

- The rate of live births per 1,000 women of childbearing age (15-44) will remain broadly the same in each year;
- Death rates within gender and age ranges will remain broadly the same for each year; and
- Rates of in-migration and out-migration by age and gender will remain constant (based on 2006 to 2007).

The model created in Microsoft Excel uses several linked spreadsheets to calculate the final figures and produce charts and tables that outline population components. We have subsequently run several iterations of the model to test the impacts of different trends on future population. We have based these on local knowledge collected through our interviews and focus groups to inform the assumptions in the model. The baseline iteration of the population model assumes that the current trends continue.

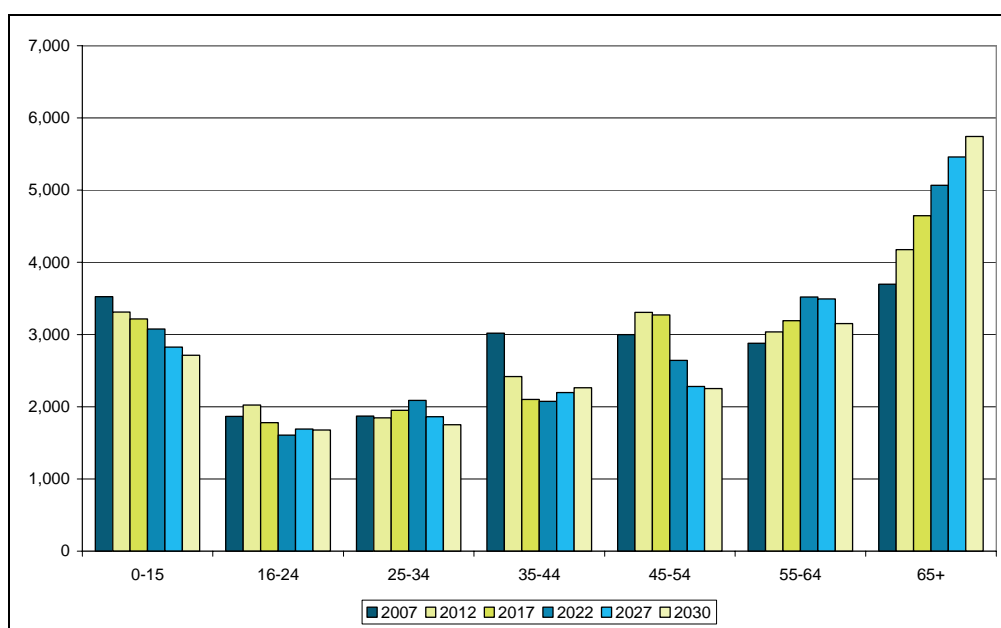
Population age profile

Results from the model based on the assumptions outlined above give the results shown in Figure 30. These results from the baseline iteration of the model show a sharp shift in population, including:

- A steep drop in the numbers of children under 16;
- A decline in the numbers of 45 to 54-year olds after 2017;
- A rapid and continuing increase in the elderly population over 65.

The overall population would, if current trends continue, drop from just under 19,900 to about 19,500 by 2030.

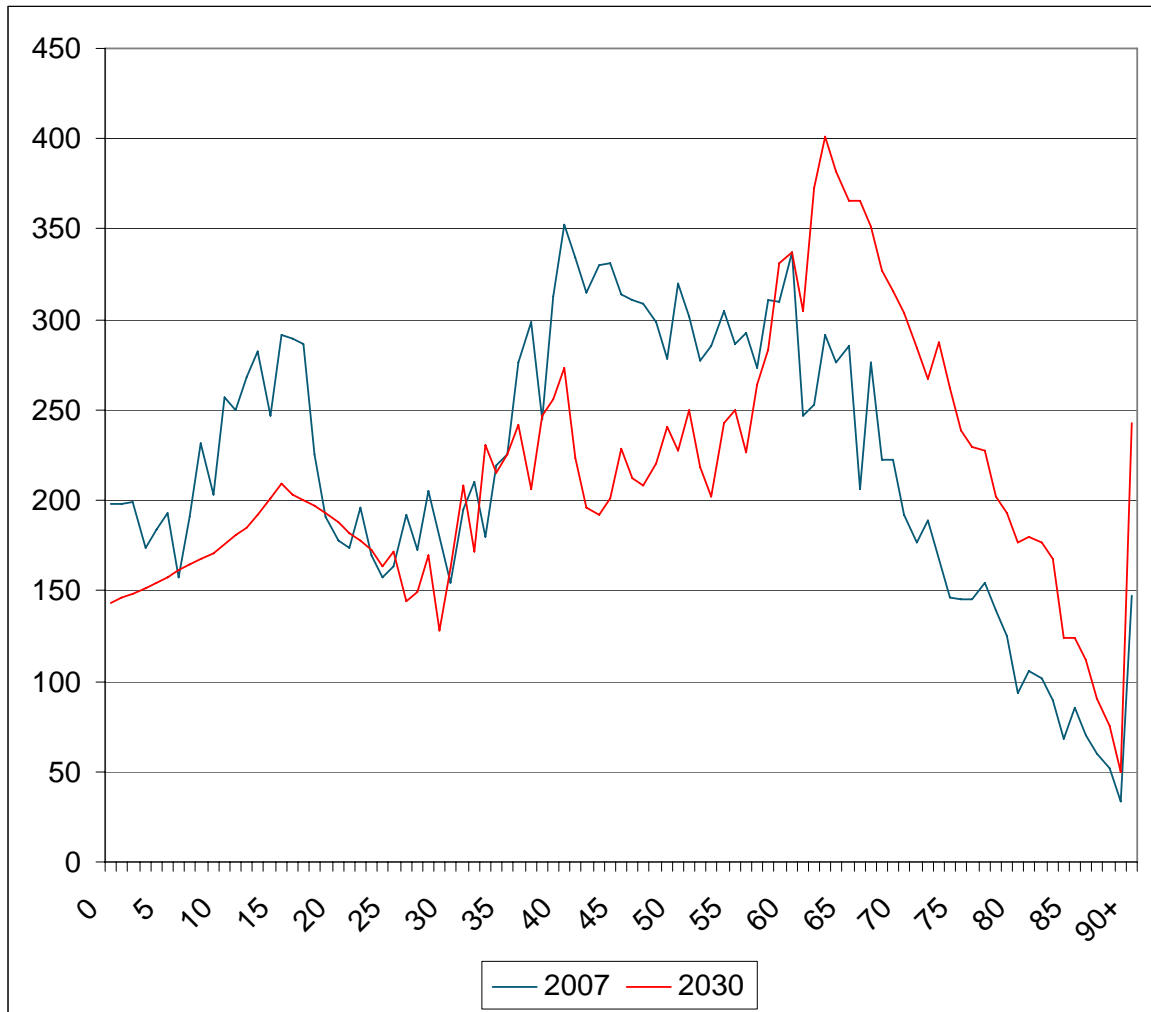
Figure 30 Population changes by age band (Baseline model)



Source: Orkney Population Model

Figure 31 shows the clear change in the population age profile between 2007 and 2030. It shows a clear drop in the 40 to 60-year old population and a large increase in those aged 60 and over. The number of people aged 65 and over would almost double between 2007 and 2030 based on this scenario. The drop in the number of children is also notable.

Figure 31 Population age profile at 2007 and 2030 (Baseline model)

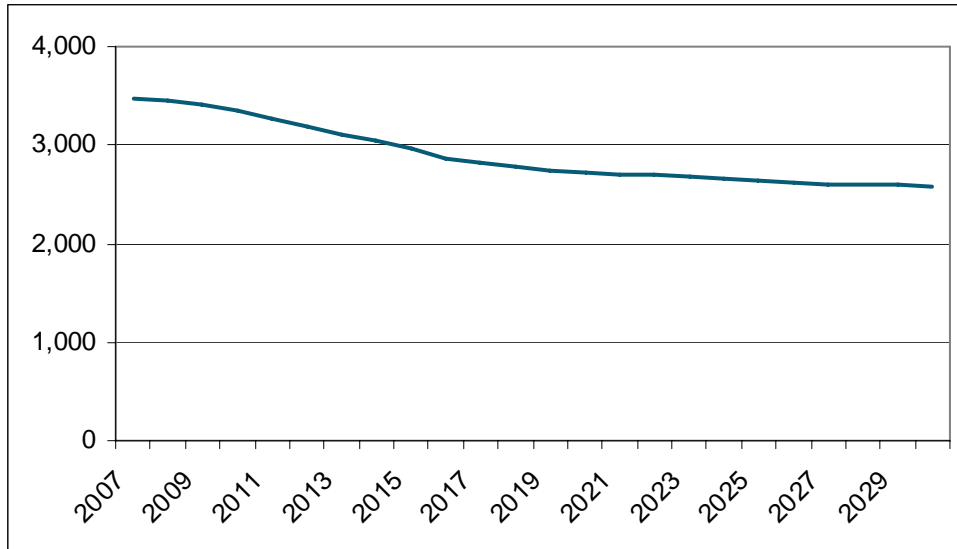


Source: Orkney Population Model

Women of childbearing age

In terms of population sustainability the number of women within the key childbearing age group is important. As Figure 32 shows, the number of women within the 16 to 44 age group would decline from 3,500 to around 2,800 by 2016 and then decrease at a lower rate to 2,600 by 2030. Overall there would be a 26% decrease in the number of women in the 16 to 44 age group.

Figure 32 Changes in number of women aged 16 to 44 (Baseline model)

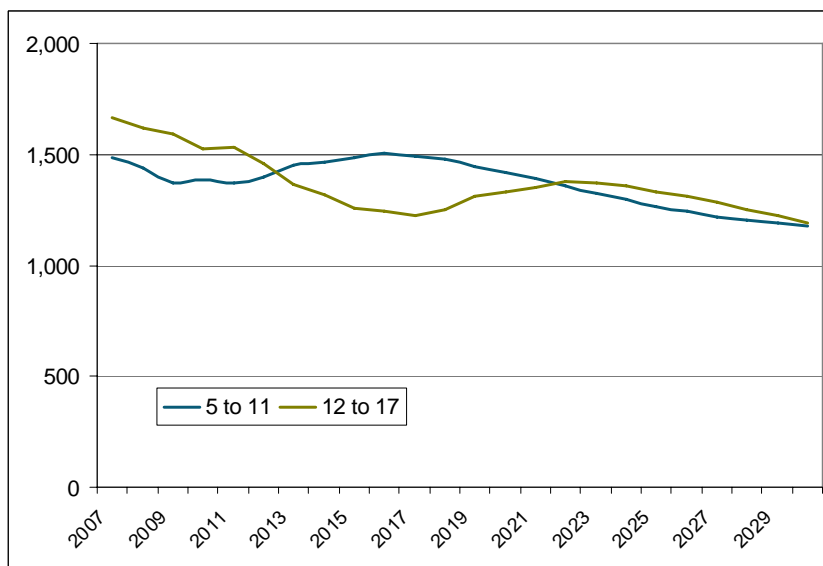


Source: Orkney Population Model

School-age population

There will also be implications from population change on the size and distribution of the school roll. As Figure 33 shows, if current trends continue both primary and secondary-age numbers will drop from around 3,100 in 2007 to around 2,400 by 2030. Primary school-age numbers will peak at over 1,500 in 2016 but will then decrease gradually to 1,200 by 2030. For secondary-age pupils the numbers fluctuate slightly increasing to around 1,400 in 2022 before decreasing to around 1,200 by 2030.

Figure 33 Changes in School-Age population (Baseline Model)



Source: Orkney Population Model

6.2 The impacts of different approaches

Using the population model we have tested some different options in terms of population change to identify their potential impacts. The implications of these options are summarised in Figure 34 and Figure 35. The options of increasing the number of people returning among the 25 to 34 and 35 to 44 age groups (by 20%) would result in a slightly higher population than at present. But this would still result in a declining school roll, fewer annual births and a shrinking workforce by 2030.

Reducing the rate of out-migration among 16 to 24 year olds would have a similarly marginal impact on the population outcomes by 2030.

The most favourable population scenario would be one where in-migration was increased among the 25 to 34 year old age group by around 40% combined with a reduction of 20% in the numbers of 16 to 24 year olds who leave the islands. As Figure 34 shows this scenario would see the overall population increase to almost 23,000 by 2030, with around 200 births per year and a school roll similar to current levels. The working age population would be around 12,800, which is above the 2007 level. Clearly this identifies a need to grow the population by around 3,000 with an emphasis on attracting back younger age groups. This will have implications for housing provision and in ensuring the appropriate services are available for this size of population.

Figure 34 Impacts of different policy options (by 2030)

Option	Population	Change in child-bearing population	Number of annual births	Working age population	% population under 35	Primary school age population - 2030
Baseline (2007)	19,860		190	11,937	37%	1,483
Status quo	19,473	-25.7%	141	10,138	31%	1,173
Increase returners 25-34 by 20%	20,451	-19.2%	153	10,899	32%	1,257
Increase returners by 25-44 by 20%	20,990	-17.7%	156	11,344	31%	1,279
Increase returners 25-34 by 40%	21,554	-11.5%	168	11,800	32%	1,349
Increase all in-migrant age groups under 45 by 20%	22,405	-3.4%	184	12,255	34%	1,494
Reduce out-migration by 20% among 16 to 24	20,712	-11.5%	168	11,021	34%	1,311
Increase returners/in-migrants by 40% (25-34) & reduce out-migration by 20% (16-24)	22,862	+4.4%	198	12,785	34%	1,485

As Figure 35 shows, the combined effect of increasing in-migration among younger age groups and reducing out-migration would have the effect of slowing down the ageing of the population profile. However this would still result in a population with a higher proportion of people of retirement age and a lower proportion of children than in 2007.

Figure 35 Age profile of different population options

Option	% Population under 16	% Working age	% Retirement age
Baseline (2007)	18%	60%	22%
Status quo continues	14%	52%	34%
Increase returners 25-34 by 20%	14%	53%	33%
Increase returners by 25-44 by 20%	14%	54%	32%
Increase returners 25-34 by 40%	14%	55%	31%
Increase all in-migrant age groups under 45 by 20%	15%	55%	30%
Reduce out-migration by 20% among 16 to 24	15%	53%	32%
Increase returners/in-migrants by 40% (25-34) & reduce out-migration by 20% (16-24)	15%	56%	29%

6.3 Implications for achieving sustainable communities

As well as considering the size of the population that is likely to be sustainable in the medium to longer term it is essential to consider the impact of changing population patterns on some of the more fragile communities. We have used the latest available population data and the findings from the 2008 Housing Needs Survey to assess the sustainability of different communities across Orkney.

Data from the Housing Needs Survey suggests that recent in-migrants to some fragile communities are not increasing their sustainability. Two thirds of recent Stronsay in-migrants are not working. And over half of recent in-migrants to Eday, Sanday and North Ronaldsay, as well as Rousay, Egilsay and Wyre are not working. The situation is worst for Stronsay, Rousay, Egilsay and Wyre where the proportion of recent in-migrants with children is well below Orkney average.

Using several population indicators we can make a broad classification of how sustainable different island communities are. The characteristics used are:

- The extent to which the population is growing or declining;
- The proportion of elderly people in the population;
- The proportion of children in the population;
- The level of economic activity; and
- The economic impact of in-migration.

Based on these indicators we are able to classify Orkney's communities into five categories as outlined in Figure 36 below.

Figure 36 Analysis of community sustainability

Category	Communities	Characteristics
Strong	Kirkwall, Finstown, Holm, East Mainland, Papa Westray	Growing population, high rates of economic activity and positive age profile.
Stable	Stromness, West Mainland Burray, South Ronaldsay	Growing population, reasonable levels of economic activity but an older population profile.
Marginal	Hoy, Westray, Shapinsay	Population growing or stable, below average economic activity and poorly balanced age structure. Reliant on in-migrants to sustain population.
Becoming threatened	Stronsay, Sanday, Rousay, Egilsay & Wyre	A low proportion of children, high reliance on in-migration, with below average economic activity.
Threatened	North Ronaldsay, Graemsay & Flotta, Eday	Declining population with an elderly profile, few children and a low proportion of economically active in-migrants.

6.4 Conclusions

Populations are always subject to many internal and external drivers and there will be numerous factors that will affect Orkney's population between now and 2030. However as an exercise to identify the impacts of different trends we have used a basic population model which tests different patterns of migration. Key conclusions are that:

If current migration patterns continue the population will increase up to 2015 and then start to decline. By 2030 the total population would be slightly lower than in 2007.

On current trends the number of annual births would drop by around 50 and the Primary school roll would decline to around 1,200.

The most positive population scenario would be achieved through boosting in-migration among the 25 to 34 age group and reducing the number of 16 to 24 year olds moving away from the islands.

While the communities in Mainland Orkney, Burray and South Ronaldsay remain strong or stable, other communities are marginal or under threat from changing

population patterns. Perhaps surprisingly, the island of Papa Westray shows a positive population and economic profile despite its relative isolation and small population.

The islands of Hoy, Shapinsay and Westray are marginal in terms of sustainability. While there are some positive trends there are issues regarding age profile and/ or the levels of economic activity.

The Outer Isles of Sanday, Stronsay, Rousay, Egilsay and Wyre are likely to be under threat in terms of their longer term sustainability. This is because of an ageing profile, high levels of reliance on in-migration and low rates of economic activity. These islands will need significant economic stimulus to reverse these trends.

The islands of Eday, North Ronaldsay and the South Isles of Graemsay and Flotta have population patterns and trends that suggest their sustainability is threatened in the medium to longer term.

7 Developing a sustainable community

As part of our investigation into the drivers of population change in Orkney, we held a scenario planning session involving around twenty stakeholders from organisations with an interest in community planning and service provision. The session therefore represented a broad spectrum of views and expertise allowing us to investigate a range of issues.

7.1 Scenario planning

Scenario planning is a widely-used tool for long-distance forward planning and risk management and is particularly effective in situations where there are many uncertainties, like community planning. The aim is to identify the main variables and explore how they impact – both positively and negatively – on the community. It encourages thinking about opportunities and threats to be addressed and will help in building consensus around key policy themes.

The aim of this scenario planning session was to identify the key drivers of population change over the next 10 to 15 years and to answer the questions:

- What are the key issues driving the population and economy of the area?
- What will make the community sustainable?

This involved engaging participants in a detailed discussion on a range of alternative futures that may result – and how to respond. The session involved a short wall mapping exercise to explore key issues which were then sorted on to an impact/uncertainty grid, followed by more detailed scenario planning exercise. A briefing paper on population trends and issues had been circulated to participants prior to the session.

7.2 Identifying the drivers of change

In the initial wall mapping exercise participants identified around 100 separate issues that would be the drivers of change or have an impact on the sustainability of communities in the future. These were refined and clustered in a wide ranging discussion. The key themes to emerge are described in Figure 37 below.

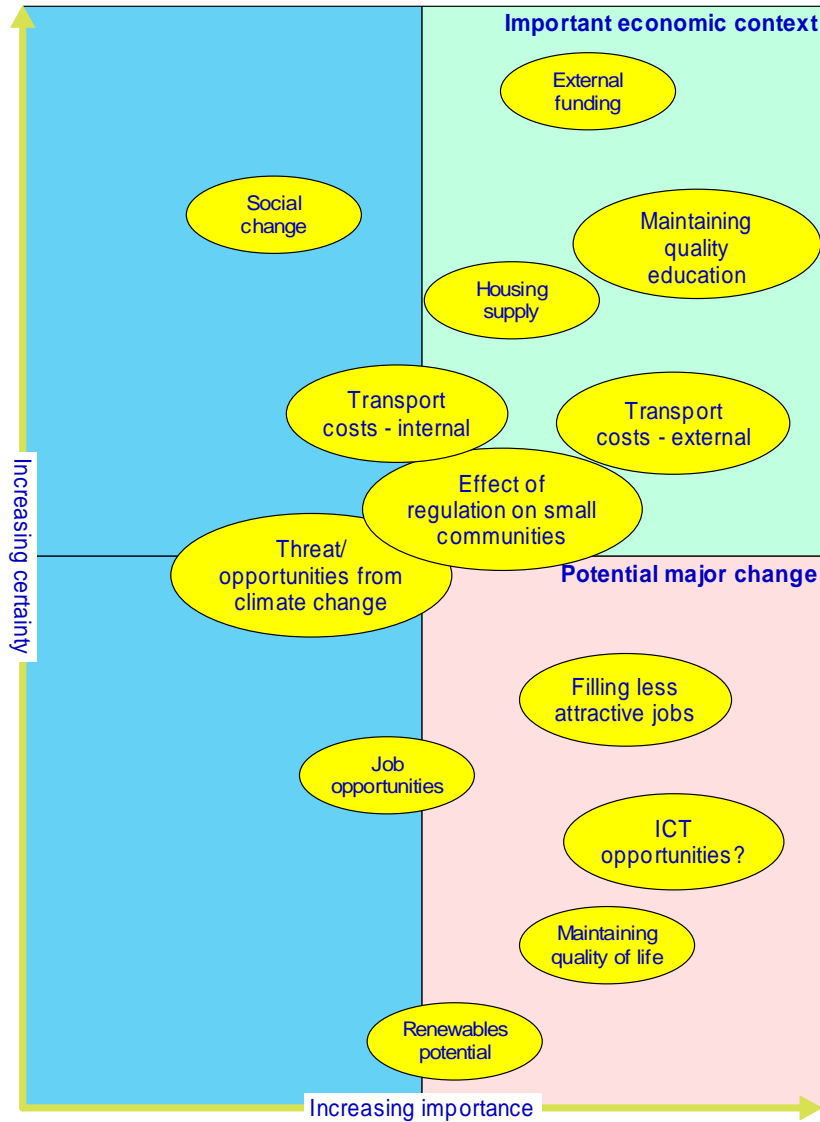
These issues were then analysed and mapped onto an impact and certainty grid (Figure 38). This shows some issues that are both uncertain and have high impact so will be of strategic importance when addressing population issues. The issues that are least certain and are seen as the most important are the key drivers of change and are where most attention should be paid when formulating policy. These include filling less attractive jobs, climate change, the opportunities from renewables and ICT, maintaining the quality of life, the range of job opportunities and the impact of regulation on communities.

Those that are important but are more certain (more predictable, less volatile) form important economic context. These may be issues over which people have some degrees of control including transport, quality of life issues, housing, distribution of jobs and communications.

Figure 37 Main themes emerging from mapping session

<p>The cost of getting to, and around, the islands</p>	<p>The reliance on external funding to sustain communities; developing better communications to and within the islands; cost of transport of people and goods; the importance of good physical communications to stimulate economic growth.</p>
<p>IT opportunities and threats – what’s the next big thing?</p>	<p>Looking to anticipate the next development as a growth opportunity; encouraging better use for networking; understanding changes in consumer behaviour.</p>
<p>How to maintain and capitalise on the islands’ quality of life</p>	<p>A wide range of interlinked issues including maintaining shops and services in Kirkwall and other islands; managing an ageing population and the increasing demands on care services; maintaining the quality of education with falling school rolls; using local produce/ products to become more sustainable; links to tourism and how the islands are seen by others;</p>
<p>Filling less attractive jobs and maintaining a healthy labour market</p>	<p>Potential from large scale commercial development e.g. container hub; decline of traditional industries; threat to public sector employment; changing working practices and lifestyles; low wages and difficulty of attracting talent.</p>
<p>Vulnerable to climate change</p>	<p>There are threats and opportunities – but mainly uncertainty; islands threatened by sea level rises; threat of environmental disaster to islands’ green image; opportunities from renewables; weather a constant issue; massive problem if gulf stream stops.</p>
<p>External funding and remote decision making</p>	<p>Need to maximise local decision making; negative impact on islands of some national legislation; future of major build programmes; reduction in farming/ fishing subsidies; future of government ‘social subsidies’ e.g. ferries;</p>
<p>Regulation and its application at community level</p>	<p>Ability to respond to needs of islands as distinct from mainland Britain; regulation tends to centralise – bad for small communities & islands; managing housing stock; how to support local businesses effectively.</p>
<p>Housing supply</p>	<p>How to manage the supply including affordability, quality and condition</p>

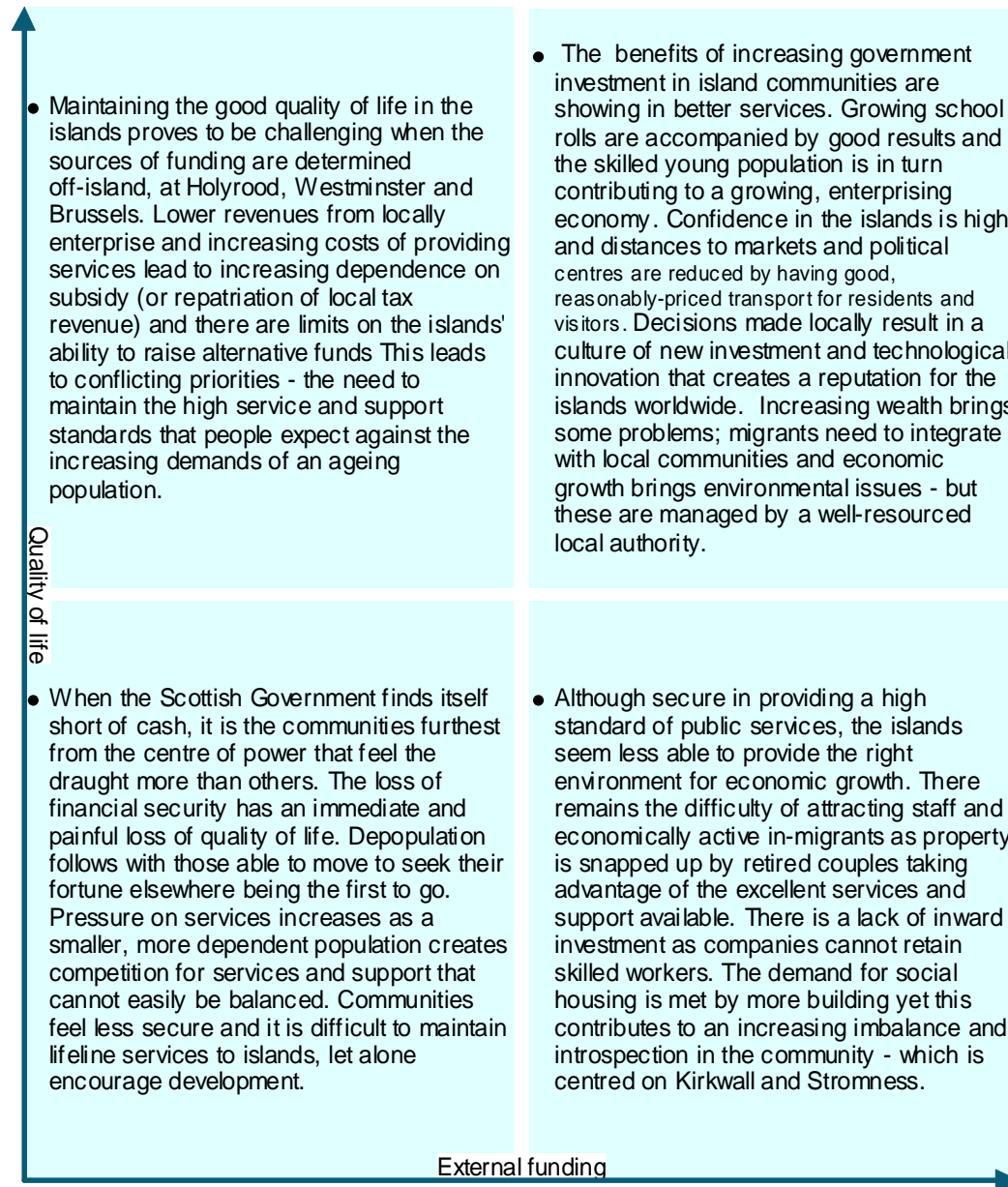
Figure 38 Impact/uncertainty grid



7.3 Alternative futures (scenarios)

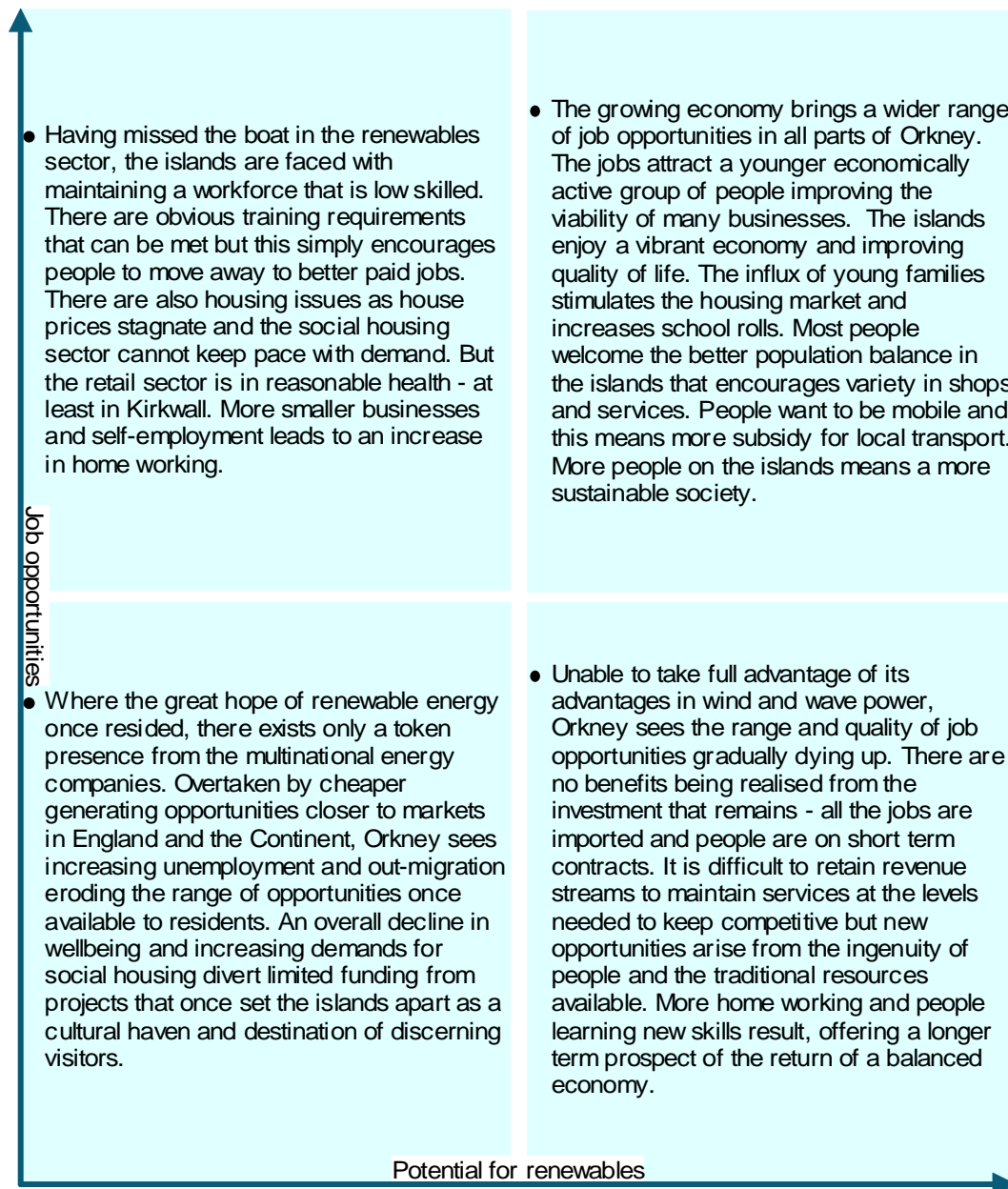
The information generated in the impact uncertainty exercise was used as the basis for the group to look in more detail at the inter-relationship between some of these high impact and high uncertainty issues. This involves a basic form of scenario planning and developed into a lively discussion covering a broad range of issues. These are illustrated in Figure 39 to Figure 41.

Figure 39 Scenario Grid 1



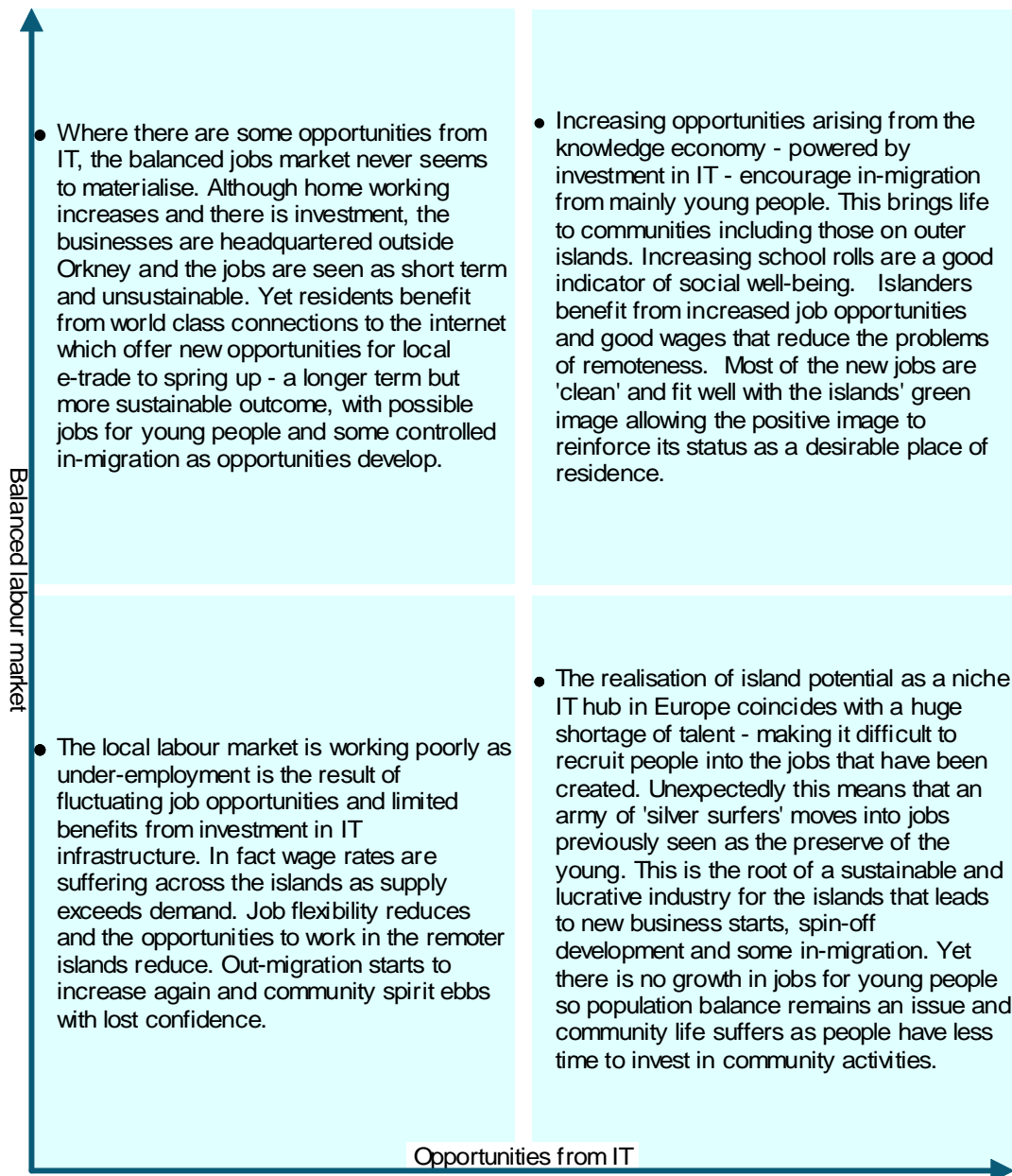
In scenario grid 1, the key drivers were quality of life and need for (or reliance on) external funding. Clearly maintaining a good quality of life is important to Orkney's future and the ability to retain a balanced population. Being dependent on funding decisions made at a distance adds uncertainty to the continued ability to pay for services at the level expected. These four scenarios map out different views on community sustainability, with some unattractive potential futures identified. Most of these scenarios (even the more attractive) showed positive and negative attributes, highlighting the fragility of the balance of social and economic drivers in the local economy. It also highlights the difficulty of maintaining a sustainable, self-determined island society that can maintain its ambitions of supporting all communities – at least without continued social funding from government.

Figure 40 Scenario Grid 2



In the second set of scenarios the discussion looked at the labour market in the context of the potential for renewables. The opportunities available through developing expertise in renewables may bring significant employment and wealth but also bring pressure on housing, transport and other services. Spreading the benefits round the islands requires more planning and resources. And any increases in population would be welcome, particularly if it brings younger people but the resources to support a larger population will need to be acquired. But for all the positives attached to a successful policy of exploiting renewables, there is an equivalent downside from failing to take the opportunity and potential problems for the economy.

Figure 41 Scenario grid 3



In the third range of scenarios, the potential of new information technology was discussed in the context of an ageing workforce and different employment outcomes – more or fewer jobs being available. The problem of maintaining a balanced labour market is central to the different scenarios discussed including creating jobs that could not easily be filled – or that could only be filled by in-migrants leaving the local population to fill unskilled jobs. In a community the size of Orkney, careful planning will be needed to gain greatest benefit from any new investment.

The importance of IT as a lever in economic growth is clear from this discussion but with a potential downside of decreasing community cohesion. Alternatives look at positive in-migration placing a strain on the local authority's ability to continue to provide high quality services. Alternatives gradually see the business base being eroded and resultant out-migration.

7.4 Emerging policy drivers

The scenario debates highlighted the need to consider a range of key drivers that will directly impact on the sustainability of the islands. These include:

<p>Maintaining public sector services on the islands is important to population balance</p>	<p>Several of the mini-scenarios point to problems maintaining the high standard of public services in the event of almost any change. This applies to gradual demographic change as identified in the population model or the more immediate challenges posed by economic change. The reliance on funding granted by the government is a risk that needs to be managed if there are opportunities for economic growth from, for example, renewables, IT or the container hub. The responses may include seeking alternative sources of funding for infrastructure and services; careful planning to ensure benefits accrue to communities; lobbying to maintain or increase government support.</p>
<p>There are very few good opportunities for economic renewal – but one or more is essential</p>	<p>Several scenarios looked at the impact of a growing economy through capitalising on renewables, IT or a container hub. With careful planning, each of these opportunities will provide the sort of positive effects that the islands need for long term, population stability. But in each case, the impact of missing the opportunity is seen to be worse than the starting point and may result in out-migration, loss of talent and a reversal of the advances made in recent years.</p>
<p>Community confidence and cohesion are key concerns</p>	<p>There is a recurrent theme throughout the scenarios that suggests people think island life is on fragile foundations. The potential for upsetting a careful balance and damaging community confidence are highlighted in almost every instance. So balancing policy priorities to reinforce the positive development of outer islands and maintaining good public services has elements of reassuring and maintaining the confidence that the future is positive.</p>
<p>Balancing labour supply and demand will be a difficult task</p>	<p>Another issue is the difficulty in balancing labour supply and demand and not, for example, creating employment opportunities that cannot be filled with local labour. Attracting investment that creates hard to fill jobs is equally counter-productive. Some of these effects also impact on housing supply and the general attractiveness of the islands to in-migrants – measured in quality of life.</p>
<p>How does Orkney grasp opportunities?</p>	<p>The unanswered question running through these discussions is how can the islands make positive change happen? Participants outlined several distinct possibilities and highlighted the benefits that these would bring. They also highlighted the dangers if they did not succeed in a major initiative. Which raises the question as to how are these to happen?</p>

7.5 Conclusions

The scenario planning session concluded with a short discussion on the implications of different scenarios and of how the key drivers could be manipulated to provide positive outcomes over the time span we are looking at. The group came up with several sets of conclusions.

It is clear from the discussions that any changes in population are viewed in the way they might affect the quality of life enjoyed on the islands. Any mitigating action, such as creating jobs, improving transport or improving the housing supply is also examined in the same light.

The social impacts of economic and demographic change are as given high importance as one of the main advantages of Orkney life is the high quality of the social, as well as natural, environment. There seems to be a desire to improve the population balance but not at the cost of creating jobs that are incompatible with the way of life at present. Measured change is the key message and social accounting may be the method of monitoring progress.

Some issue that will underpin the way forward are:

- Positive drivers don't always bring positive impacts; balance is important.
- Social impacts of interventions need to be accounted for;
- The emphasis should be on investing in the "right" services and maintaining flexibility in provision;
- The focus should be on increasing gainful, meaningful employment through forward planning for example through energy-related inward investment;
- Community sustainability should be at the core of forward planning;
- The provision of a full spectrum of education close to home will be an important step forward in developing a more balanced, skilled workforce;
- Leisure, culture and quality of life are very important to residents and visitors (for example as seen in the volunteering culture);
- There are opportunities from education and research if closer links to productive sectors are explored; and
- Opportunities from technology need to be firmed up – and realised.

8 Conclusions & recommendations

This section draws together the key findings from this research and sets out the key policy issues and recommendations for the Orkney Community Planning Partnership to consider in developing sustainable and balanced communities.

8.1 Conclusions

Recent trends

A review of past and recent trends highlights that although the population is increasing, the ageing profile will result in a medium to longer term downward trend. There has been a major trend of younger and more active households moving towards the greater Kirkwall area to access jobs and services. There are high proportions of elderly households living in the Outer Isles; particularly Eday, Sanday, Stronsay and North Ronaldsay.

Recently Orkney has seen positive net in-migration with a reasonably well-balanced age profile along with an increasing number of births, particularly in and around Kirkwall. However the economic activity rate among in-migrants is lower than among the long-term resident population which will impact on the size of the labour market.

Drivers of population change

Employment and economic opportunities are central to population change. A limited range of jobs and low private sector earnings contribute to out-migration. However a strong enterprise culture, expansion in further and higher education and renewable energy developments all offer good prospects for attracting migrants and returners.

As in many rural areas, education remains one of the key drivers for young people leaving Orkney for the first time. However many leave the Islands with a firm plan to return if they can. And there are now more post-graduate opportunities available on Orkney that can attract students from elsewhere.

Housing availability and affordability are also key issues which are important in influencing decisions to stay or return. A lack of smaller, affordable units for young people make it more difficult for some households to return. And limited supported and residential accommodation for elderly people make it more difficult for some elderly people to remain in their own communities.

Transport costs and convenience are also an important contributor to migration decisions. The ability to travel to and from work has been a key factor in the drift of population towards Kirkwall. However the introduction of the Air Discount Scheme has seen passenger numbers increasing and improvements to inter-island services have perhaps helped to boost fragile communities such as Papa Westray.

The centralisation of the Orkney population towards greater Kirkwall and the East Mainland is both a symptom and a cause of population change. The increased population perhaps justifies a greater concentration of resources, services and jobs

being directed towards this area – which further exacerbates the trend. However the Council has recognised that this leads to services being stretched in Kirkwall while other facilities in smaller settlements are under-used. This has resulted in a planning policy to counter the population centralisation through a planned programme of housing development alongside economic development measures in some of the smaller and outlying settlements.

The movement of Orcadians towards Greater Kirkwall has been accompanied by a trend of in-migration to some of the more rural and outlying communities of older and less economically active households. This is perhaps most notable in the Outer North Eastern isles of Sanday, Stronsay and Eday, but is also evident on Hoy and parts of the rural West Mainland. This trend has implications for longer term service provision and may place a greater burden on care services in the medium to longer term.

Community Development Trusts have been a positive factor in promoting a more sustainable future for the Outer Isles. They have been active in developing wind turbines, tourism facilities, employment opportunities and housing. Perhaps more importantly they give local communities a stake in developing a positive future for their islands.

Motivations for in and out-migration

Staying or returning to Orkney does not mean staying or returning to the community of one's upbringing. Stayers tend to migrate towards Greater Kirkwall for employment or remain there after leaving school for work. Returners show similar patterns in that they also gravitate towards Kirkwall.

Seven out of ten returners cited further or higher education as a very important reason for leaving Orkney and half of the returners came back to Orkney before turning 25. This suggests that leaving was part of a planned process which involved gaining qualifications but returning to Orkney for work if possible.

Family and the quality of the Orkney environment are strong reasons to stay and return. For stayers who are thinking about leaving economic factors are the main negative factors including travel costs, competitive pay and career progression. However retail choice is also an issue, particularly among females.

In-migrants are an essential part of the Orkney population. One in five people living in the Islands moved to Orkney within the past 10 years. Some communities have higher proportions of in-migrants than others with this group representing around 40% of Stronsay's population.

There is a common perception that many in-migrants are retired or economically inactive. However the reality is that there are lower proportions of retired people and higher proportions of children among in-migrants than among the long-term resident population. However there are higher proportions of unemployed people and those who choose to stay at home among recent in-migrants.

Again there are significant variations in the patterns of economic activity among in-migrants to different parts of the islands. In Rousay and the outer North-eastern isles of Stronsay, Sanday, Eday and North Ronaldsay, more than half of those moving to the islands in the past five years were not working.

There is a big difference in the motivations for migrating among rural and island communities and in Kirkwall and the Mainland villages. In more outlying and rural parts of the islands, lifestyle reasons predominate while in the Mainland communities employment and being close to family and friends are much more significant.

Addressing population change

Residents and stakeholders have identified several issues relating to the labour market in Orkney that impact on population. One key issue in attracting skilled staff is that often two professional or skilled people are looking for jobs at the same time. This may be an Orcadian couple looking to move back or a family wishing to migrate to Orkney. The smaller pool of professional jobs available means that:

- Many professional or specialist jobs are difficult to fill – particularly in the Outer Isles; and
- Many skilled or qualified people take on jobs well below their capability – and these tend to be women.

Wages tend to be lower in the private sector which means that people looking to return often look for public sector jobs. However a lot of public and voluntary sector jobs are being offered on temporary contracts because of funding or budgetary issues. This has negative impacts on the labour market and population through:

- Skilled people not prepared to commit to a major move on the basis of a temporary contract;
- Young people returning to work are unable to make long-term commitments such as buying a house and are attracted South to permanent jobs.

In the Outer Isles the limited funding for certain third sector jobs and the variable nature of demand means that some people end up taking on several small jobs in order to earn an acceptable living.

Other issues highlighted by those living in the islands are the difficulties faced in accessing affordable housing whether to rent or buy.

Enterprise was a fairly common option for younger people wishing to stay in or return to Orkney – particularly in the Outer Isles. Several issues emerged about starting or sustaining businesses:

- There were too few younger people entering the agriculture and fishing sectors – with succession for farms a big issue. This may cause problems for the food processing sector if not addressed.
- There are too few affordable start-up units/ workshops; and
- the costs of transport and fuel were a major disincentive to business start-ups.

Residents in some of the Outer Isles identified issues in accessing health services, these included a lack of dental services; high turnover of health practitioners and a perceived down-grading of the air ambulance service.

Education provision was highly regarded and seen as a positive factor in attracting families to the islands. Further and Higher Education were also identified as having improved significantly over the past decade.

While Orkney communities were viewed as strong by most people there are signs of community confidence being eroded by negative demographic trends in some islands. The heavy burdens placed on volunteers and the difficulties in accessing social activities and services were contributing to this.

While most businesses do not identify any immediate impacts from demographic change; one business had relocated to Kirkwall to improve market access. And another business had benefitted from the increasing population in Kirkwall.

Changes to population patterns will have various impacts on service provision. The Council is looking to provide facilities in some of the Outer Islands that are more flexible in how they can be used. Health and Care services will also need to be provided more flexibly – with the likelihood of growing care needs in the Outer Isles to meet the needs of an ageing population.

The shift of population towards Kirkwall means that facilities in some of the other communities have spare capacity. The Council is therefore promoting a policy aimed at encouraging population growth through housing and economic development to take advantage of this capacity and support services in more fragile locations.

With such a small population partnership working is essential to delivering services through partnership working. Public agencies in Orkney clearly demonstrate a commitment to working together to improve service outcomes and value for money.

Population projections & impact

Populations are always subject to many internal and external drivers and there will be numerous factors that will affect Orkney's population between now and 2030. However as an exercise to identify the impacts of different trends we have used a basic population model which tests different patterns of migration. Key conclusions are that:

If current migration patterns continue the population will increase up to 2015 and then start to slowly decline. In this scenario by 2030 the total population would be slightly lower than in 2007.

On current trends the number of annual births would drop by around 50 and the school roll would decline to around 1,200 by 2030.

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While the communities in Mainland Orkney, Burray and South Ronaldsay remain strong or stable, many of the other communities are marginal or under threat from changing population patterns.

Scenario Planning exercise

The scenario planning session concluded with a short discussion on the implications of different scenarios and of how the key drivers could be manipulated to provide positive outcomes over the time span we are looking at. It is clear from the

discussions that any changes in population are viewed in the way they might affect the quality of life enjoyed on the islands. Any mitigating action, such as creating jobs, improving transport or improving the housing supply is also examined in the same light.

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Some issue that will underpin the way forward are:

- Positive drivers don't always bring positive impacts; balance is important.
- Social impacts of interventions need to be accounted for;
- The emphasis should be on investing in the "right" services and maintaining flexibility in provision;
- The focus should be on increasing gainful, meaningful employment through forward planning for example through energy-related inward investment;
- Community sustainability should be at the core of forward planning;
- The provision of a full spectrum of education close to home will be an important step forward in developing a more balanced, skilled workforce;
- Leisure, culture and quality of life are very important to residents and visitors (for example as seen in the volunteering culture);
- There are opportunities from education and research if closer links to productive sectors are explored; and
- Opportunities from technology need to be firmed up – and realised.

8.2 Policy issues

Strategy for a sustainable future

As outlined earlier, the overall population of Orkney would need to increase to almost 23,000 to achieve a sustainable pattern in terms of workforce, school roll, birth rates and service provision. This will require a slight reduction in out-migration of younger age groups and a 40% increase in the number of in-migrants in the 25 to 34 age group. At the same time there will be a need to promote population growth in communities where there is existing service capacity and where modest housing development can be accommodated without damaging the intrinsic qualities of the communities.

While most of the building blocks for such a strategy are already in place there needs to be greater focus in some respects such as coordinating housing and economic development activity and marketing the islands unique qualities to target population groups.

Threatened communities

Those communities which are threatened by current economic and demographic trends will require significant coordinated action if they are to remain sustainable. The Outer Islands of North Ronaldsay, Eday, Rousay, Egilsay, Wyre, Sanday and Stronsay appear to have the most pressing need along with the Southern Isles of Flotta and Graemsay. Partners should consider how best to stimulate employment and investment for these communities as a priority.

More radical measures perhaps need to be considered in the context of these communities including the potential for fixed links in the longer term; and opportunities for devolving more powers and budgets to Community Development Trusts.

Another option is to promote housing-led economic growth – with low-cost housing used as a means of stimulating business start-ups. However housing demand is difficult to identify and respond to in such small communities; particularly when most of that demand will come from those not currently living there. This may require a new approach to assessing demand and supporting housing development in threatened communities.

Partners should make an approach to the Scottish Government to allow relaxation of the rules around housing allocation for threatened communities. This would ensure that available investment can be effectively directed towards stabilising population.

Exploiting state of the art Broadband technology to promote these islands as locations for remote-working could also be an option.

Employment opportunities

Ultimately jobs and employment are the key to attracting people back, or into, Orkney. This will require support for business start-ups and growth; a greater emphasis on supporting productive sectors and getting the highest possible value out of the public sector workforce.

Supporting enterprise

Encouraging entrepreneurial skills among young people is viewed as important and there is also a need to develop small business units to allow people to start out in business. Both HIE and OIC are already providing support in these areas. Particularly in the Outer Isles – small scale start-up and incubator units could be incorporated into flexible, multi-use facilities.

Primary sectors under threat

Food production is an important part of Orkney's economy and is also vital to its cultural and tourism offer. However the viability of the food processing sector in the medium to longer term is threatened by the lack of younger people entering farming and fishing. Addressing this will require several strands of activity including positive marketing of careers in farming and food production and more targeted assistance to support these sectors.

One suggestion made on Westray was to fund a mobile butchering facility to enable meat to be butchered on location. Currently there are costs associated with sending

livestock to the mainland for butchering as well as further transport costs for importing meat products.

Supporting research and development

The opportunities provided through renewable energy highlight how links between research institutes and productive sectors can help to promote high value employment. Public agencies should support research activity and promote partnerships between education establishments and the productive sectors on the islands.

Business accommodation

Improved provision of business accommodation, particularly small units, was raised in Westray, Shapinsay and Sanday – although this is likely to be an issue for most islands. Partners should consider how best to work with existing and prospective businesses to address their accommodation needs.

Container hub development

All businesses interviewed were generally positive about the benefits of developing a container hub at Scapa, although there were a range of views on how extensive the benefits would be. For example, one export orientated business in the North Isles felt that it definitely “would make it easier to ship our product worldwide”.

Devolving public sector jobs

The idea of devolving hubs of jobs and services outside of Kirkwall has been widely discussed and is being promoted in the Development Plan. However this will need the Council and other public agencies to take the lead in both devolving their own jobs and helping to provide start-up units and flexible business accommodation for the private and third sectors.

Any devolution of public sector jobs should include serious proposals for meaningful re-location of jobs to the Outer Isles.

Addressing temporary contracts

The predominance of temporary contracts and short-term posts has been identified both in focus groups and by service providers as damaging population stability. The uncertainty around funding and the need to bid for time-limited funding pots is the reason for this.

Marketing opportunities more effectively

Under-employment is very common, particularly among partners of people who move to a professional post (frequently women). At the same time many specialist and skilled jobs are difficult to recruit for.

There is perhaps more of a need to market job opportunities in a more coordinated way. There are several departments in the Council for example that have difficulties recruiting and they should work more closely together and with other public agencies such as HIE and the NHS to market opportunities more effectively. There may be

opportunities of promoting a joint venture with the private sector to develop a recruitment website.

Promoting career progression

The issues identified in several areas of public service provision highlight the greater need for agencies to 'grow their own' skilled and professional staff. The recent initiative to promote a 'career pathway' through social care provides a positive example of how agencies can promote opportunities for progressing through the career ladder.

This may require closer joint working with the College and other education and training providers to ensure that needs can be met on Orkney wherever possible. A more flexible funding package for supporting training for older employees/ students may also be needed.

More flexible working

The corporate attitude to employment particularly from the Council has been highlighted by several interviewees as being out of date. There is a lack of home working and flexi-time opportunities. For example there could be much more benefit from women returners who work on the islands by making jobs more flexible.

Greater flexibility in working arrangements will also make it easier for people who rely on public transport, or who commute from the islands, to work in Kirkwall. This will also promote greater workplace equality by allowing more people with caring responsibilities to balance work with childcare.

Supported employment

The More Choices, More Chances agenda highlights the need for more supported employment opportunities for young people who face barriers to work. The Community Planning Partners should work together and with employers to support such positions.

Housing

Housing to support fragile communities

While affordable housing is needed across Orkney it becomes more critical to those communities whose sustainability is currently marginal or threatened. In these islands housing that supports economic development or is targeted at key workers would make the most positive impact.

As outlined earlier a different approach to assessing need and supporting housing development in these communities will be needed. The idea of 'gateway' housing as a transition for those moving into a new community for the first time may be worth exploring further.

Addressing vacant and derelict housing

On some islands – such as Sanday – there are a lot of empty and derelict properties, while at the same time people report problems accessing housing. An

initiative to bring empty houses back into use – either for housing or tourism accommodation is clearly economically advantageous. Funding is currently available to bring housing back into use for tourism so there may be additional support needed to overcome barriers to development.

Support for younger people

Several stakeholders have highlighted the difficulties faced by students and younger people in finding suitable housing – particularly in Kirkwall. Housing providers should identify opportunities to work with Orkney College and other training providers to develop housing targeted at young people entering further education or training. Partners should work together to seek funding from the Government.

Health and care

Improving joint planning

While OIC and the NHS have developed close partnership working on Orkney there are still problems in coordinating some services and staffing. This is because the NHS still works to a different set of targets with ring-fenced funding while OIC and other agencies work towards the Single Outcome Agreement. This is perhaps an issue to be raised with the Scottish Government.

Care for the elderly

The populations on several of the Outer Isles are ageing rapidly and this will require both accommodation and associated health and social care to meet these needs. Planning for residential and supported accommodation in the Outer Isles will also contribute to wider socio-economic objectives by providing more job opportunities and allowing elderly people to remain in their own communities for as long as possible.

Air ambulance services

The changes to the air ambulance service have been highlighted as problematic by both residents and service providers. The lack of reliability of the service undermines people's confidence in the emergency health services available in the Outer Isles.

Transport

Planning future ferry services

Several stakeholders have identified issues around the planning of ferry services. Communities should work more closely with each other and the transport planners to develop a strategy for ferry services that best fits community needs.

The attitude to provision of the ferry services is based on traditional perceived wisdoms. For example stakeholders identify an unwillingness to split freight and passenger services and there are no fast passenger-only boat services. There is perhaps an opportunity to re-plan how the ferry service of the future should look starting from a blank sheet of paper.

Relocation of some ferry crews to the Outer Islands could help to disperse more of the income associated with public sector spend on transport.

Planning for inter-island flights

Whilst inter-island air services are highly valued there have been instances where public sector staff are blocking up essential transport services. It may be worth looking at some type of quota system if this continues to be an issue.

Community development

Devolving small budgets

Devolution of small budgets to communities would provide a useful support to the voluntary efforts of communities. But more importantly it would provide a psychological boost and a signal that they could be trusted to decide on priorities for themselves.

In both Shapinsay and Westray, participants brought up instances where local assets such as playgrounds were not being maintained. Revenue funding is much more difficult to access than capital funding and funders generally expect that local agencies will take on the maintenance if they make the capital investment.

Community compacts

Currently those working as volunteers in their communities feel over-worked and under-rewarded. Some form of voluntary sector compact may be useful for each island to set out the roles and responsibilities of public agencies and the voluntary sector. This should identify and record the inputs made by the third sector and ensure that this does not lead to a reduction in the contributions of public agencies.

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