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1 Executive Summary

Shetland Islands Council (SIC), HIE Shetland, NHS Shetland, Communities Scotland and Shetland Community Economic Development Trust have recognised that more people living, working and studying in Shetland are essential factors for sustaining communities and the economy in the long-term. In Autumn 2007, the partners commissioned Hall Aitken to research current and historic population trends and the projections of likely future trends. This was to include:

- Research into current and future population trends;
- Identifying the factors which may influence these future trends; and
- Developing a model that can produce more accurate projections.

1.1 Population trends

Historic trends

Historically the population of Shetland has fluctuated significantly from a high point of around 30,000 to its lowest level of 17,000. Population change has always closely mirrored economic opportunities and the population increased by around a third between 1971 and 1981 due to the major oil-related developments at Sullom Voe.

Current population

At 2006 the population was estimated to be 21,880 and the overall total has been relatively stable since the 2001 census. But since the 2001 Census there has been a significant rise in the percentage of the population aged 50-59, 60-69 and 80+. It has been estimated that, in the next 25 years, Shetland will experience a 50.7% increase in the number of islanders of pensionable age, while the working-age population will decrease by 20.7%.

Factors of change

While Shetland has a high birth rate and shows a natural population increase (more births than deaths) this is balanced by net out-migration. The net loss was 65 people between 2005 and 2006, and this loss impacts most keenly on younger age groups, particularly among females age 16-24 while the gains were in groups aged over 45.

Geographical aspects

Recent population changes also show variations across different parts of the Islands. Between 1991 and 2001, the population of the North Isles of Unst, Yell and Fetlar declined by 21%, while the population of the Greater Lerwick area increased by 0.9%. This is due to a drift of population towards the service centre of Lerwick combined with continuing population decline in more peripheral parts of the Islands. This has implications for services, for example the primary school roll in the North Isles has dropped by 50% between 1996 and 2006.

Service impacts

These population patterns are influencing housing demand with major increases in housing completions within Central and South Mainland over recent years.

Shetland has benefited from migration from the recent EU Accession states and other overseas nationals. The number registering each year increased from just 40 in 2003/04 to 170 in 2006/07. These people tend to be younger and more economically active than the overall population.

Current trends

Current and emerging trends that are likely to influence population change in the medium term are:

- A continuing flow of lifestyle in-migrants who are attracted by Shetland's natural environment and safe communities;
- A likely decline in the numbers of Eastern European migrant workers coming to Shetland; and
- Continuing drift of economically active population towards greater Lerwick contributing to ageing population in peripheral communities.

1.2 Drivers of population change

Job opportunities

Our research found that employment opportunities are critical to population sustainability. The decline in good quality job opportunities in some of the more peripheral parts of the Islands is accelerating the drift in population towards Lerwick where most services and employment opportunities are focused. The overall number of jobs taken by females has decreased and particularly within the private sector. It is becoming more difficult for both partners in a couple to find suitable job opportunities that match their skills and aspirations.

Education

The high standard of education and consequent school expectations mean that most qualified young people leave the Islands for education on the Scottish mainland. At the same time employers are experiencing problems in recruiting staff for some lower skilled jobs and are becoming more reliant on migrant workers.

A weak private sector

It appears that the jobs and services offered by the public sector in Shetland have limited the motivation and opportunities for private sector enterprise. There is a suggestion that many potential entrepreneurs have had to leave the islands to establish their business.

Housing is an important factor

Our research found that access to housing is an important factor that contributes to population change. The drift of population towards greater Lerwick has resulted in:

- More properties in outlying areas becoming second or holiday homes; and
- A pressure for new housing within parts of the Central and South Mainland.

And many younger households without access to land or family housing struggle to find affordable housing which it makes it difficult for them to re-settle in Shetland.

Environment attracts migrants

The quality of Shetland's natural environment and the levels of service provision available are attractive to lifestyle in-migrants. These in-migrants tend to be older and are often financially independent.

1.3 Experiences of population change

Our research looked in greater depth at the characteristics and motivations of different groups including:

- Those who stayed in the Islands;
- Those originally from Shetland who have left;
- Those who left but have returned; and
- Those who have chosen to live in the Shetland Islands

There are notable differences in the personal characteristics of these stayers, out-migrants, returners and in-migrants.

Stayers

Stayers were less likely to have degree level qualifications which highlights the role of pursuing education as a driver of out-migration. There were fewer people aged 16 to 24 I the stayers group perhaps because of this. Half of all stayers had actually considered leaving. The most influential factors in helping individuals in their decision to stay were:

- A safe environment;
- Being able to be close to family;
- Raising a family; and
- A natural environment.

For many stayers relationships and family connections were also key factors in their decision.

Returners

Most returners had left Shetland to pursue higher education, although over half stated that career progression was a factor. Returners (along with in-migrants) were more likely to have higher qualifications and higher skilled jobs than stayers. This suggests that the availability of good quality and well-paid jobs is a key driver for returners. The main drivers for their return centred on:

- Being close to family;
- A love of island life, an 'affinity' with its sense of community; and
- Suitable employment opportunities.

The majority of returners had returned before they were 35 and the age profile of returners was therefore younger than the other groups living on Shetland.

In-migrants

In-migrants had the oldest age profile among the groups we surveyed with around 60% aged 45 or over. They were also most likely to be working as professionals or senior managers, with 68% of respondents identifying these occupations.

Shetland's quality of life is a major motivating factor for in-migrants, the main motivations were:

- Natural environment;
- Safe environment; and
- Sense of community.

In-migrants in our survey were more likely to have dependent children than returners suggesting the presence of children may contribute to the desire for a safe environment.

Out-migrants

Out-migrants tended to be younger than the other groups surveyed and they were far less likely to have dependent children compared to Shetland-based groups. There are higher self-employment rates among out-migrants, almost twice that of Shetland-based groups. This suggests that there is some basis for the view that those wishing to set up a business often do so outside of Shetland. The main motivations for leaving were:

- Opportunities for career progression;
- Diversity of work available; and
- Mainland lifestyle.

Only one in five respondents who left Shetland is planning to move back, and for two out of five it is either unlikely or they already know they will not return.

1.4 Population projections and implications

Population modelling

Our research involved developing a population model that will allow local agencies to test the implications of different trends and factors on population outcomes. It is not a population projection or prediction, but can be used to compare the likely implications of policies on population sustainability and service provision.

Results from the model based on current migration trends continuing show a sharp shift in population, including:

- A steep drop in the numbers of children under 16;
- A decline in the numbers of 16 to 24 year olds after 2010;
- A rapid and continuing increase in the elderly population.

The overall population would, if current trends continue, drop from just under 22,000 to just over 20,000 by 2030. The number of people aged 65 and over would almost double between 2006 and 2030 based on this scenario.

Impacts of population change

These changes would have implications on the labour market, with a declining (and ageing) working age population and on the cost and viability of service-provision. In particular a reduction of a third in the school roll would threaten the current number of schools. And the major increase in the elderly population would put pressure on health and social care services both in terms of funding and recruiting the necessary staff. The likely outcome would be a reduction in the level of services (mostly in outlying areas) and an increasing reliance on migrant labour.

1.5 Future population priorities

Our consultations and population research suggests that the overall size of the population is less important than achieving a healthier balance in terms of age and gender. Our research suggests that the overall aims for population sustainability by 2030 should be to:

- Sustain the proportion of the population that is of working age;
- Stabilise the school-age population;
- Sustain the number of females of child-bearing age; and
- Retain the populations of the most fragile communities.

While this does not necessarily require the population to increase to 25,000 it is clear that significant population increase is needed to ensure a sustainable and balanced population in the longer term. However age and distribution of population are more important than overall totals.

1.6 Areas for policy focus

Our interviews with service providers and other key stakeholders have highlighted several issues that need to be addressed by policy-makers. These are summarised below:

Living within our means

The research identified an overwhelming awareness among interviewees that the level of spend and service-provision is unsustainable. The Council is seen to be living beyond its means and 'squandering' the remaining oil revenue. Many people identify the need for tough decisions on prioritising expenditure in the very near future.

Re-adjusting services

The current expenditure on service provision will need to be reined in and this will clearly have an impact on the scale or quality of services that the Council can fund. The impact on levels of service provision might make the Islands less attractive to some groups who are currently attracted by the quality of service.

Balancing the population

There is a strong feeling that the current target of increasing the population to 25,000 is unrealistic. This was the high point of population when Sullom Voe was at its peak and it would be difficult to imagine any future employment opportunities on this scale. Many felt that adjusting the level of service provision to match realistic population estimates makes better sense than trying to grow the population to justify unsustainable levels of service provision.

Distributing population growth

There were mixed views as to whether there should be positive steps taken to grow key settlements outside of Lerwick. Some stakeholders felt that the drift of population towards Lerwick was inevitable and that policy should support market forces. Others thought that some effort should go towards sustaining growth centres where there had been significant investment in providing facilities. However because the availability of jobs was seen to be the key driver behind population distribution this would require the Council taking the lead in devolving jobs. These devolved centres could then be the focus for developing incubator units for business start-ups and affordable housing.

Promoting self-reliance

The level of public sector services provided for residents has undermined the traditional self-reliance of crofting communities. A greater focus on communities developing their own solutions to meet community service needs will make services more responsive and cost-effective.

Affordable housing

Housing was seen as a key issue in sustaining and growing the Shetland population. In particular affordable rented or shared equity housing for younger people wanting to move back or into the Islands is a priority. The majority of housing need is focused within the greater Lerwick area but housing also needs to be provided elsewhere alongside economic opportunities.

Opportunities for renewable energy

Renewable energy is seen as one future opportunity to support the Shetland economy. There has been discussion about whether the oil revenue should be invested in renewable energy to create a more sustainable revenue stream in the longer term. However even if the Council chooses this option the money will be tied up for a considerable time before any revenue comes in.

Marketing the Islands

Several stakeholders felt that the oil boom had distracted agencies from making serious efforts to market the Islands in terms of local produce or tourism. They felt that some nationally significant resources were not being marketed and that the tourism product had considerable potential for development.

Supporting enterprise

Several stakeholders identified the need for a more strategic approach to developing and growing businesses and this is a current priority for HIE. The limited provision of broadband was seen as a key weakness in developing more globally competitive businesses. Stronger collaboration between the Public sector, Education establishments (such as UHI) and the private sector would help to identify and support a small number of opportunities to develop competitive advantage. Attracting skilled researchers or graduate placements could also help to stimulate enterprise. Providing incubator units or core business support services in association with better broadband access may help to stimulate business start-ups. However the low levels of risk-taking among the indigenous Shetland population is a major barrier to overcome.

Supporting the workforce

Problems in attracting staff in key sectors are predicted to get worse in the medium term suggesting a continued reliance on migrant labour. The growing burden of care emerging from the ageing population will require a larger and more flexible workforce, and this in turn will have implications for housing provision.

1.7 Key priorities

Our research has identified key population drivers, the likely impacts of continuing trends and some of the challenges currently facing Shetland's communities. We have identified several areas where policy should focus on in order to promote a sustainable population in the medium to longer term.

Policy direction

Revising targets

While the target of 25,000 by 2025 provides an admirable level of ambition for policy-makers, it masks some more important issues around the balance and distribution of the population. We would therefore recommend that the target should be to:

- Sustain the proportion of the population that is of working age;
- Stabilise the school-age population;
- Sustain the number of females of child-bearing age; and
- Retain the populations of the most fragile communities.

Reviewing local public expenditure priorities

It is clear that Shetland has been living beyond its means for some time and that the current level of local public expenditure cannot continue. Difficult decisions will need to be made on:

- Prioritising local public expenditure; and
- A strategy for using the remaining oil fund.

Shetland has become accustomed to providing high quality public services and facilities. But the investment made has not always been in the long-term interests of sustaining communities. The Council and its partners should start to scale back spending to levels in line with other similar sized authorities. Any additional spending from the oil fund or other reserves should be clearly focused on promoting a more sustainable economy in the medium to longer term, for example through:

- Promoting enterprise;
- Developing innovation or competitiveness;
- Generating revenue streams (for example through renewables); or
- Developing business infrastructure (e.g. broadband or incubator units).

However these issues are both sensitive and important so we would recommend a period of community consultation on which course of action to take.

Devolving jobs

If a strategy of supporting more self-reliant communities outside of Lerwick is to be successful this will require sufficient employment opportunities within these areas and the local spend these would generate. As the Council is one of the biggest employers it should take the lead in promoting this policy by devolving employment from Lerwick to the key settlements elsewhere in the Islands.

Marketing Shetland as a place to live and visit

It is clear that the quality of environment and strength of communities are what attracts people to Shetland. However there has been little effort to market these attributes in order to attract either visitors or to add value to locally produced produce. There is also an opportunity to develop niche tourism markets through branding and marketing.

Economic development

Developing the private sector

It is clear that there is a need for more business start-ups in order to address the weaknesses in the private sector. This will require investment in infrastructure that will support new businesses such as start-up premises, broadband and other IT facilities. Business facilities should also help to promote the policy of devolving employment opportunities out of Lerwick.

It will also require more focused awareness-raising of enterprise opportunities among key target groups such as school-leavers, women and in-migrants. Bringing in Shetlanders who have become successful business men and women is one way of doing this.

Adding value to natural assets

Our research has identified some potential for developing greater economic advantage from Shetland's natural assets including produce, culture and environment. This links closely with the issue of marketing outlined above. Partners could help to develop greater added value through supporting the private sector to build clusters around different sectoral groupings such as:

- Crafts;
- Creative industries;
- Eco-tourism; and
- Food and drink.

Added value could be generated through differentiating these products and marketing their quality and exclusivity.

Developing knowledge-intensive sectors

Increasingly economic development requires ways of using knowledge to create competitive advantage and add value to basic production. However this is often difficult to achieve in rural and peripheral areas where there are no large scale Universities to promote research and development. However the North Atlantic Fisheries College already has international research specialisms in several areas and there are proposals for Shetland College (as part of UHI) to develop research programmes in specialist areas such as knitwear and music. Renewable energy will also present future research and development opportunities.

Public agencies should support the knowledge economy through identifying appropriate opportunities for research that link into Shetland's productive sectors. They can also assist through providing graduate placements and secondment opportunities and through joint ventures with research institutions.

Building community enterprise

Elsewhere in the Highlands and Islands community-based enterprises have developed innovative ways of meeting the different service needs of remote communities. With public service budgets likely to come under increasing pressure in Shetland, the community sector will need to play a greater role in maintaining and delivering local services.

Infrastructure

Housing to support economic growth

It is clear that the availability of housing is a key barrier to increasing in-migration. And there is evidence from elsewhere to suggest that housing provision can help stimulate economic and population growth. While the Council and its partners have made efforts to increase the number of house completions it will be critical that housing continues to support economic development. This will mean providing accessible and affordable housing opportunities in the various growth settlements in conjunction with the devolved jobs and business infrastructure previously discussed.

Improving broadband

In rural areas self-employment is generally more widespread than in urban areas and reliable high speed broadband is increasingly important to running most types of business. So investing in broadband technology will be important for promoting Shetland as a location for self-employed lifestyle in-migrants and for developing indigenous business start-ups.

Community support

With an increasing need to attract in-migrants and the accompanying increased housing requirements, continued support for integrating the migrant community is essential. The efforts undertaken by the Council, Shetland College and the voluntary sector to date have been commendable. However it will be important that there are adequate resources to provide ESOL classes, language support for schools and translation services for public agencies. Support for community-based awareness raising and integration are also necessary to help the indigenous population to embrace these new Shetlanders.

2 Introduction

This section outlines the background and rationale for the study. It also sets out the objectives of the research and the methods use to meet these.

2.1 Background

Shetland Islands Council (SIC), HIE Shetland, NHS Shetland, Communities Scotland and Shetland Community Economic Development Trust have recognised that more people living, working and studying in Shetland are essential factors for sustaining communities and the economy in the long-term. Population decline has now come to the fore as a key issue within several local policy documents:

- Population decline is identified as a key issue in 'A Sustainable Vision for 2016' (2000);
- Population has become a key priority area in the Shetland Structure Plan 2001-2016; and
- In 2006, the community planning partners set a target of 25,000 people living in Shetland by 2025.

Also, an ageing population is driving up service costs against a background where SIC are trying to secure financial sustainability (Audit Commission 2007).

2.2 Research objectives

In Autumn 2007, the partners commissioned Hall Aitken to research current and historic population trends and the projections of likely future trends. This was to include:

- Research into current and future population trends;
- Identifying the factors which may influence these future trends; and
- Developing a model that can produce more accurate projections.

Specifically, Hall Aitken were to address the following aspects while looking at issues such as age, gender, locality and economic activity:

- What has driven population change since 2001?
- What are the factors influencing migration and what are the characteristics of migration groups?
- What are the necessary factors for sustainable communities?
- How will the makeup of the population in 2030 affect Shetland society, economy and services?
- What actions can public agencies take to foster population and service sustainability?

2.3 Method

The research involved a wide range of approaches including:

- A review of official statistics to develop a population change model;
- A literature review;
- Interviews with 15 key stakeholders;

- A web-based survey, distributed through SIC contact lists and online "Shetland Networks" with 1570 responses from current and past residents of which 1,357 were fully complete. This represents around 7% of the current resident population;
- Four focus groups (Lerwick, Scalloway, Mid-Yell and Brae) with stayers, returners and in-migrants, with follow-up calls in the West Mainland;
- Two focus groups with international economic in-migrants in Lerwick;
- A focus group in Glasgow with individuals who have left Shetland; and
- A scenario-planning workshop with key agencies tasked with taking forward policies.

2.4 Report structure

Following this introduction, the remainder of this report is structured as follows:

- ***Trends in migration*** - examines population trends for each locality in Shetland and Shetland as a whole since 2001. The components of these trends are examined also including births, deaths, net migration and other changes.
- ***Drivers of population change*** - explores the drivers behind population change including jobs and career issues as well as infrastructure issues such as housing and transport.
- ***Experiences of population change*** – examines the motivations behind the migration decisions of stayers, out-migrants, in-migrants and returners. As well as looking at their experiences, it looks more closely at the characteristics and motivations of key groups like women of childbearing age and those out-migrants who are open to returning to Shetland.
- ***Population projections and implications*** – takes current components of population change and uses them to project forward population estimates up to 2030 by locality and for Shetland as a whole. It also offers an indication of the impacts of trends if they continue as currently.
- ***Developing a sustainable community*** - draws on our research, analysis and population modelling to identify what would be a desirable situation by 2030 years. It also identifies the scale and type of population component changes that would be necessary to deliver this, and alternatively, the target of 25,000.
- ***Factors needed for sustainable communities*** - sets out the factors we have identified that will underpin community sustainability and a desirable situation in fifteen to twenty years for a range of population drivers. It highlights the actions that agencies will need to focus on to achieve these outcomes.
- ***Recommendations*** - outlines some of the key longer term strategy objectives and priority areas that local agencies and communities will need to follow to achieve the type of sustainable communities outlined above.

3 Trends in migration

This section examines population trends for each locality in Shetland and Shetland as a whole historically and more recently since 2001. The components of these trends are examined also including births, deaths, net migration and other changes.

Historic trends

Since the 1860s, when the population of Shetland peaked around 30,000, it fell steadily until the 1970s when it hit the historically low level of 17,000. After 1971, there was a significant increase, and in just 10 years the population of the islands rose by over a third, to 22,766 (GROS, 1981 Census). The increases in the 1860s and in the 1970s can be attributed to new economic opportunities. In the mid 19th century, a huge boom in drift-net fishing for herring had occurred and in 1971 major oil industry developments benefited population growth. After the early 1980s the population numbers fell again because of out-migration as oil construction activities ended, and difficulties at Sumburgh Airport emerged (SIC, 2006a, p. 10).

Sumburgh Airport traffic peaked in 1978 with 285,000 passengers on 51,000 aircraft movements. Construction workers for the Sullom Voe Oil Terminal no longer stopped here after 1978, with the re-opening of Scatsta Airport that August. Passenger and flight movements through the airport fell further during the early 1980s, mainly because of the introduction of helicopters, such as the Puma and the Chinook. These could fly direct to the oilfields from Aberdeen. By 1985, passenger numbers had dropped by around 20% while aircraft movements dropped by two thirds compared to 1978.

The overall change in population levels in Shetland is not uniform across all areas. There have been important changes to the distribution of the population within Shetland. Between the 1981 and 1991 Censuses, the population of areas in the South and Central Mainland remained relatively stable or grew, but that in the North Mainland and the North Isles has significantly decreased (SIC, 2000; Community Profiles North Isles and North Mainland). This decline is likely to continue, partly because of the centralisation of the population, and the loss of economic opportunities in the North Mainland and the North Isles. Between 1991 and 2001, the population of Unst, Yell and Fetlar declined by 21%, while the combined population of Lerwick, Gulberwick/ Quarff, Bressay, Scalloway and Tingwall (representing the core of the mainland) increased by 0.9% (SIC, 2005c, p. 5).

Shetland School Rolls

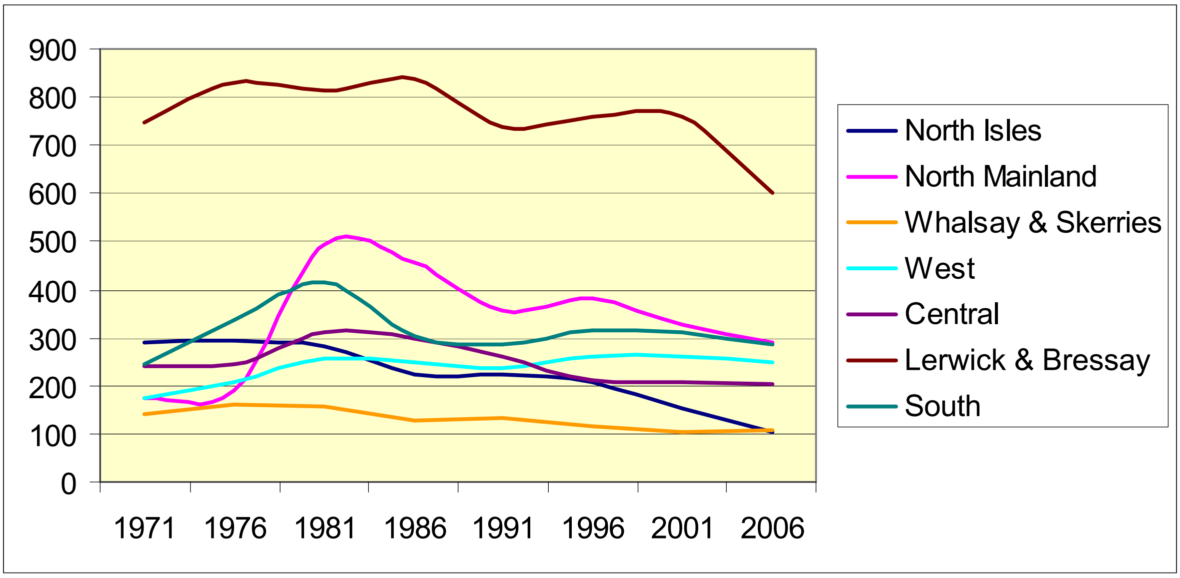
We have looked at changes to the school rolls across the different localities within Shetland since 1971. Primary school rolls provide a useful picture of the shifting population patterns because they are most closely associated with local communities. Looking at this time-frame also allows us to identify the population impacts of the Sullom Voe development and the extent to which the population increases from the 1970's have been retained.

Primary School Rolls

As Figure 1 shows, after major growth in the late 1970's because of the oil developments at Sullom Voe, Primary school rolls have declined in most parts of Shetland. In the North Mainland, the increased population because of the major influx of workers in the 1970s has been sustained to some extent, although the primary roll dipped substantially between 1981 and 1991. However it went from having the second lowest primary roll in 1971 to having the second highest roll in 2006; approximately double the 1971 roll.

The primary rolls in Lerwick and Bressay remained fairly steady at between 750 and 800 until 2001, but have declined sharply since then to around 600.

Figure 1 Primary School Rolls by area (1971 to 2006)



Source: Shetland Islands Council 2007

School rolls in the South Mainland showed a steady increase between 1971 and 1981, perhaps linked to the development of Sumburgh Airport, but dropped from around 400 to 300 between 1981 and 1986. However the primary school roll has remained fairly constant around 300 since then.

The West Mainland roll shows the most positive pattern, sustaining a higher number of children in 2006 than in 1976 when the oil boom began. The primary roll has shown a slight decline since 2001 however.

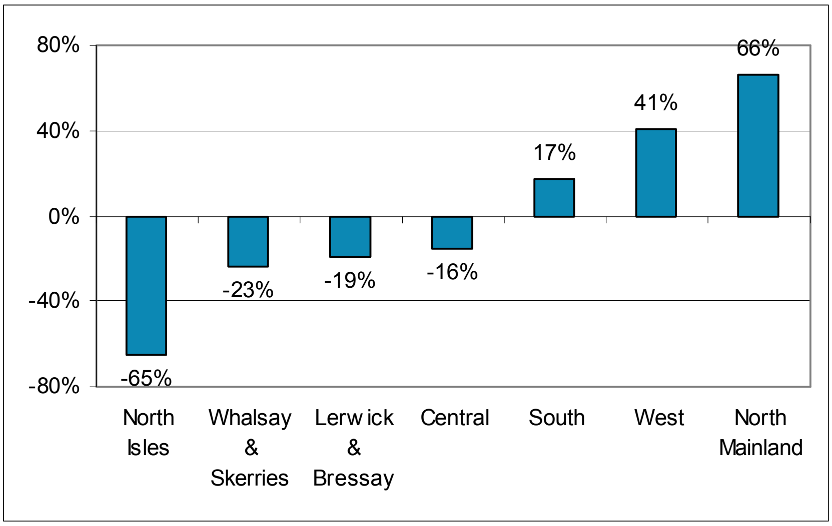
In the Central area of Mainland, an initial increase in the primary roll in the 1970s was followed by a steady decline between 1981 and 1996. The roll has subsequently stabilised and has remained relatively stable between 1996 and 2006.

The primary school rolls in the North Isles of Yell, Unst and Fetlar have declined since 1981, with a particularly steep drop since 1996. By 2006 the roll was only around a third of its 1971 level.

The situation in Whalsay and Skerries is less extreme, although there has been a slow but steady drop in the roll since the late 1970’s. The roll has remained at approximately 100 since 1996. However the overall figures mask different trends for Whalsay and Skerries, with the Skerries school roll showing almost continuous decline since the 1970’s.

If we look at the changes in primary school rolls overall since 1971, clearly most population growth has focused on the Mainland; with the North and West showing the biggest net increase in primary age children. However despite the increases in the West, North and South mainland areas, the primary school-age populations in Lerwick and the Central part of Mainland have dropped slightly compared to the 1971 level. This suggests that population growth stemming from the Sullom Voe development has resulted in families moving into communities in the more peripheral parts of Mainland.

Figure 2 Primary school roll changes (1971-2006)



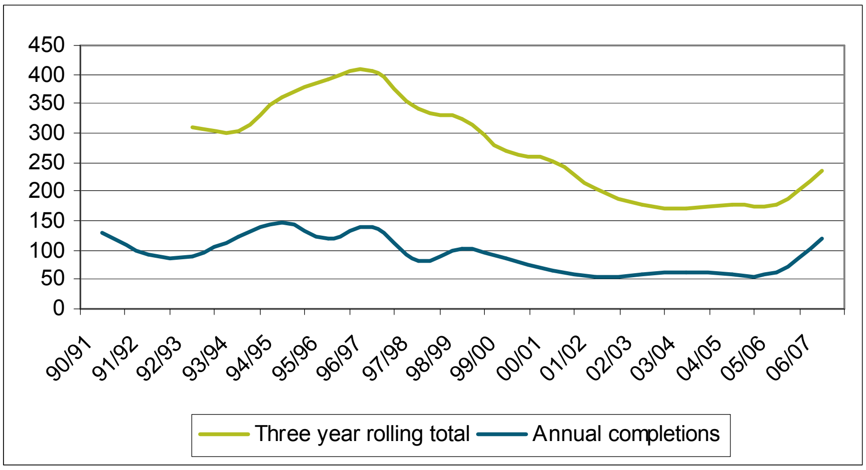
Source: Shetland Islands Council 2007

Over the same period however, there has been a significant drop in the primary age population in the North Isles of Yell, Unst and Fetlar. The primary roll has dropped by two thirds since 1971, with a 50% drop between 1996 and 2006.

Housing completions

Data on house-building and conversion provided by the SIC Planning Department provides another useful indicator of changes in demand caused by population movements (and changes to household structure). There is significant evidence from elsewhere that housing supply constraints can be a barrier to sustaining fragile populations. And in other island communities house-building has been an essential element in developing local economies.

Figure 3 Annual completions and 3-year rolling totals

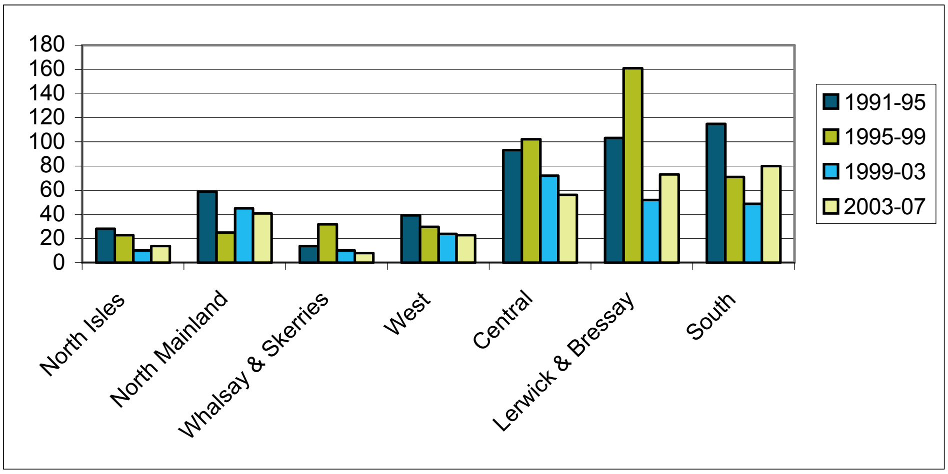


Source: Shetland Islands Council 2007

Across the Islands as a whole there has been a long-term decline in the number of annual house completions since the mid 1990's as Figure 3 shows. However the number of completions in 2006/07 at almost 120 is the highest annual total since 1999 and shows a doubling on the figure of around 60 which has been the approximate number of completions each year since 2000/01.

An analysis of housing completions by service delivery area in Figure 4 shows the overall housing output is dominated by the Greater Lerwick area (Lerwick, Bressay and the South and Central areas of the Mainland). These areas have been providing for between two-thirds and three-quarters of the total number of housing completions. However, the role of the South Mainland area has become more important recently, as land availability within Lerwick itself has declined. In particular, the areas of Gulberswick, Quarff and Cunningsburgh have seen a lot of development activity.

Figure 4 Housing completions by Service Delivery area

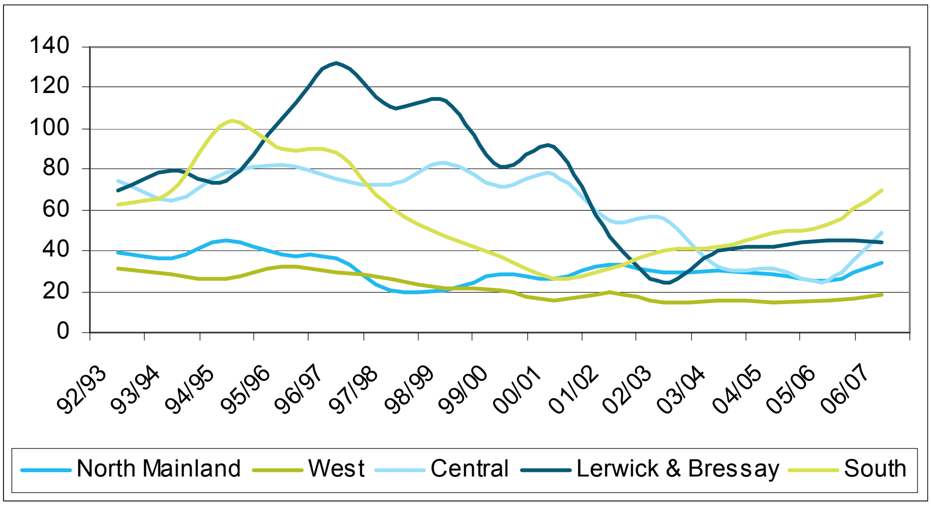


Source: Shetland Islands Council 2007

Rolling totals allow a more measured analysis of demand patterns as they tend to smooth out annual bumps caused by one or two large developments. Figure 5 shows there are clear trends in housing development which are influenced by demand patterns and available capacity. It is clear the dominant role of Lerwick and

Bressay in new housing provision has been in decline since the late 1990's because of the lack of suitable new housing sites. Completions for the Central area have also shown a broadly declining trend since the late 1990's although there has been a recent upturn in 2006/07. In contrast the South has seen a steady increase in the number of completions since the year 2000.

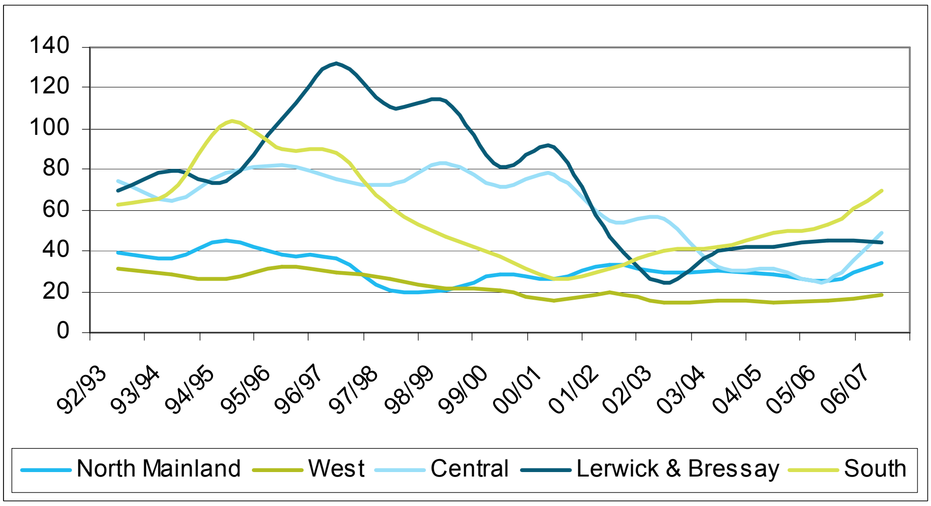
Figure 5 Three year rolling housing completions – Mainland areas



Source: Shetland Islands Council 2007

Data on house completions for the North Isles and Whalsay and the Skerries also show peaks in the late 1990's and a subsequent decline. However the three year rolling total for the North Isles has shown a recent upturn from just 3 in the three years to 2003/04 to 14 in the three years to 2006/07. However the three year total of five for Whalsay and Skerries is the lowest figure since the data was collected.

Figure 6 Three year rolling housing completions – North Isles, Whalsay & Skerries



Source: Shetland Islands Council 2007

3.1 Recent population change

Over the last 20 years, the population of Shetland has declined by 3%. Since the 2001 Census, the GROS has estimated the population levels in Shetland have remained relatively stable, with the latest estimates showing the population at 21,880 (GROS, 2006 mid-year estimates). There was a slight population increase between 2001 and 2005 (0.2%), although this was still below the increase for the Highlands and Islands (1.7%) and Scotland (0.6%) (GROS, 2001 Census and 2005 mid-year estimates). GROS estimates a decline in population to 19,783 by 2031 (GROS, 2006-based population projections). These projections assume both negative natural change (-2.7%) and negative net migration (-6.9%).

But since the 2001 Census there has been a significant rise in the percentage of the population aged 50-59, 60-69 and 80+ (GROS, 2001 Census and 2006 mid-year estimates). And this is most pronounced in Whalsay and Skerries (Community Profile Whalsay and Skerries).

It has been estimated that, in the next 25 years, Shetland will experience a 50.7% increase in the number of islanders of pensionable age, while the working-age population will decrease by 20.7% (GROS, 2006-base population projections). This is because of increasing life expectancy and older people moving to Shetland for an improved quality of life (SIC, 2006b, p10). There is an imbalance by gender in Shetland as a whole, with a much greater proportion of females than males over the age of 65 (Lerwick and Bressay Community Profile).

In contrast to the Scottish trend in general, and that of the Highlands and Islands specifically, Shetland's birth rate has been consistently higher than the death rate. Since 1995, the birth rate has been higher than the death rate by an average of 29.6 people per year (SIC, 2006b, p11). This suggests the population decline can be linked with net out-migration, which is mainly being driven by young people migrating from Shetland to seek higher education and better job opportunities. The decrease in the population of those aged between 20 and 44 years in Shetland indicates that more young people are leaving the area than are coming in (SIC, 2006b, p2).

The ageing population is a considerable challenge for the area, as communities with a large proportion of inhabitants over retirement age tend to generate lower levels of economic activity and, indeed, the confidence of communities and the sustainability of services can be negatively affected (HIE, 2007, p2.).

Migration data

Birth rates and death rates are fairly predictable characteristics of a population in the developed world. But migration is largely driven by economic and social opportunities and is susceptible to broader changes, even over the short-term. In Shetland, these were responsible for short-term population growth linked to economic factors as outlined earlier. Similarly, the decreases can be linked to economic downturns.

Data on who enters and leaves Shetland is less reliable. Figure 7 shows the best available and most recent data from 2006. While the net loss was 65 people, this loss impacts most keenly on younger age groups, particularly among females age 16-24 while the gains were in groups aged over 45. It is likely that this data underestimates out-migration, as many 16-24 year olds will keep their registration with a doctor in Shetland while at university.

Figure 7 Population migration (total and by gender) 2005-6

	0-15	16-24	25-34	35-44	45-54	55-64	65+
In (all)	54	38	63	76	40	41	19
Out (all)	102	61	70	76	39	29	19

Net (all)	**-48**	**-23**	**-7**	0	**1**	**12**	0
In (Males)	21	19	31	35	18	26	9
Out (Males)	65	26	40	35	17	17	10
Net (Males)	**-44**	**-7**	**-9**	0	**1**	**9**	**-1**
In (Females)	33	19	32	41	22	15	10
Out (Females)	37	35	30	41	22	12	9
Net (females)	**-4**	**-16**	**2**	0	0	**3**	1

Sources: National Health Service Central Register (NHSCR) patient movements mid-2005 to mid-2006. International Passenger Survey (IPS) data.

The Outer Hebrides Migration Study (Hall Aitken and INI, 2007) classifies people moving to the islands as returners, lifestyle migrants and economic in-migrants. According to Blackadder (2007, p.7) Shetland receives a good number of lifestyle migrants and they are important in stabilising the population. However, the age range of this group is not balanced with our survey showing that nearly 60% of people who have migrated to Shetland are now over the age of 45. Some of these will be in-migrants from the 1980s who will have had children in Shetland. But there is much anecdotal evidence to suggest that current in-migrants tend to be older people.

International economic in-migrants

Although not a perfect source of data, National Insurance Number (NINo) registrations provide some indication on the flow of workers from overseas. In line with the Scotland-wide pattern, the Shetland Islands have experienced a year-on-year increase in the number of NINo registrations to non-UK nationals since the accession of the eight East European states1 to the European Union in 2004. Figure 8shows the largest influx of overseas workers to the Shetland Islands occurred in tax-year 2006/07 when 170 NINos were registered to non-UK in-migrants. This is up to four times the level of registrations recorded in pre-EU expansion years. For example, in 2003/04 only 40 overseas NINo registrations were recorded.

Figure 8 NINO Registrations for Shetland Islands and other areas 2002/03 to 2006/07

AREA	NUMBER OF NINo REGISTRATIONS BY TAX YEAR					Post-accession total to 2006/07
	2002/03	2003/04	2004/05	2005/06	2006/07	
Shetland Islands	50	40	90	100	170	360
Orkney Islands	20	20	30	60	90	180
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
Scotland	14,520	15,500	22,850	41,370	52,480	116,700

Source: numbers are based on 100% data from the National Insurance Recording System (NIRS).

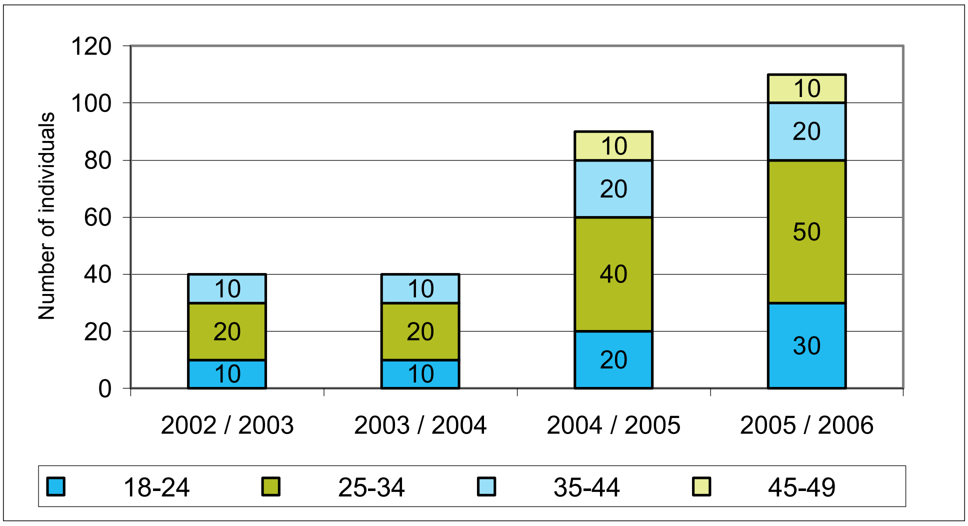
Since EU expansion in 2004/05, the Shetland Islands have experienced a greater number of overseas workers than the other two Island Local Authorities; the Western Isles and the Orkney Islands. Shetland registered 360 NINos to non-UK nationals over the three year period up to 2006/07, compared with 290 in the Western Isles and 180 in the Orkney Islands over the same period of time. The proportion of overseas workers registering in Shetland has also been greater in terms of per head of resident population than that of Orkney and the Western Isles over the past three years (2004/05 to 2006/07). However, all three Island authorities had received fewer overseas migrant workers, per head of resident population, than both Highland and Argyll & Bute areas.

While the rate of NINo registrations in Shetland has continued to increase, the trend for the Highland Local Authority area has plateaued at around 2,600 for 2005/06 and 2006/07, after almost doubling on the level of 2004/05, while 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 Orkney Islands have, like Shetland, experienced a continued increase in 2006/07.

Over the three post-accession years, NINo registrations for overseas nationals in the Shetland Islands account for less than half of one per cent of the Scottish total, and almost four per cent of the Highlands & Islands total.

In the Shetland Islands most non-UK workers registering for NINos were aged from 18 to 34 as Figure 9 shows. This mirrors the nationwide age-balance of migrant workers coming in to Scotland from overseas, with very few aged over 50 or under 18. However, in Shetland from 2004/05 onwards, the proportion of 35 to 49-year olds registering has slightly exceeded that of the national figure for that age group.

Figure 9 Age Group NINo Registrations for overseas nationals to the Shetland Islands

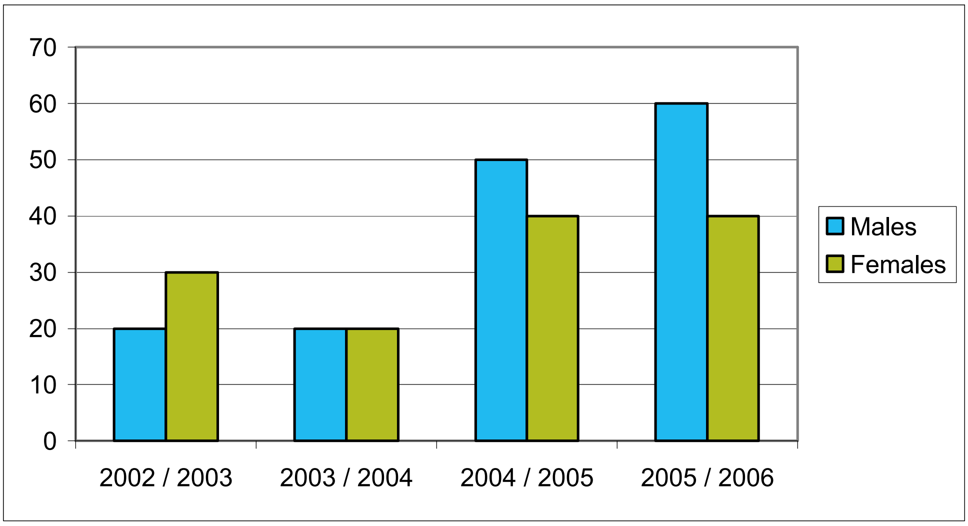


Notes on source data: Numbers are based on 100% data from the National Insurance Recording System (NIRS)

Gender

Workers from outwith the UK registering in the Shetland Islands since EU expansion in 2004/05 have been predominantly male (see Figure 10). This is also similar to the national trend. However the male/ female imbalance is more pronounced in Shetland than for Scotland overall, with the female to male ratio of overseas NINo registrees in Shetland being 1 : 1.5 compared with the national ratio of 1 : 1.2 over 2004/05 and 2005/06.

Figure 10: Gender of NINo Registrations for overseas nationals to the Shetland Islands 2002/03 to 2006/07

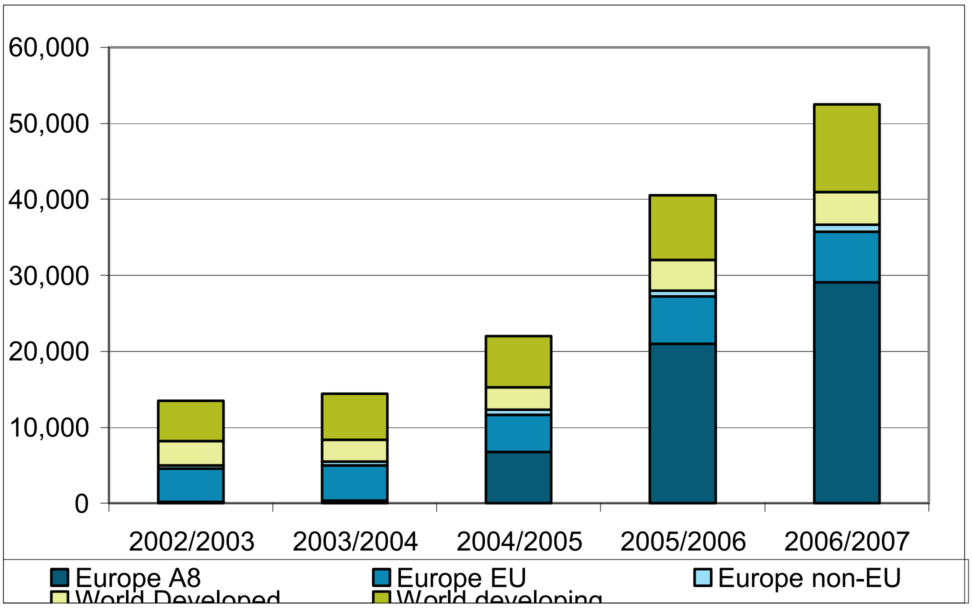


Notes on source data: Numbers are based on 100% data from the National Insurance Recording System (NIRS)

Country of Origin

The influx of migrants from the A8 States to Shetland, post EU expansion, is clearly evident. From 2004/05 to 2006/07, three in every four NINo registrations in Shetland to non-UK nationals have been to incomers from one of the eight East European accession states. This proportion is greater than the proportion of A8 nationals registering in Scotland overall, where one in every two NINo registrations to non-UK nationals was for those from the accession states.

Figure 11 Country of Origin of NINo Registrations for overseas nationals to the Shetland Islands 2002/03 to 2006/07



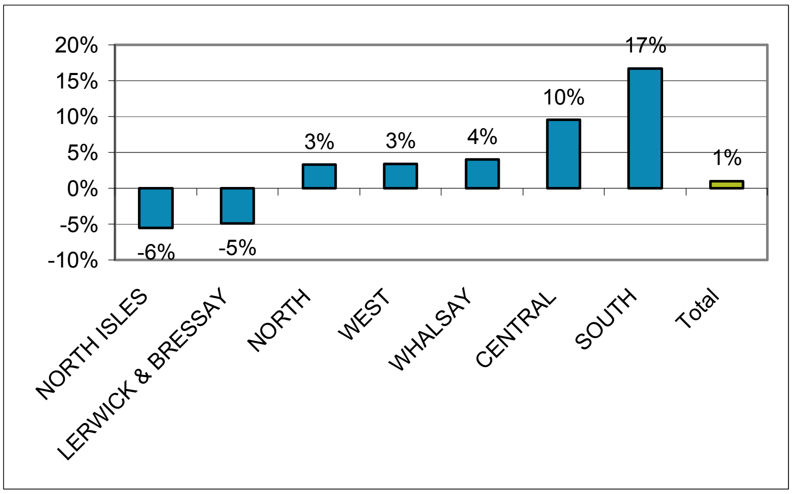
Notes on source data: Numbers are based on 100% data from the National Insurance Recording System (NIRS)

3.2 Changes by locality

As outlined previously, one significant feature of population change across the Shetland Islands has been the shifting patterns of demand identified through different data sources. We have looked at information from our survey as well as data from school rolls, NHS registrations and housing completions to try to model what drives these patterns. These are also supported by interviews with service providers and other stakeholders.

Broadly there has been a shift in overall population from outlying areas (particularly the North Isles of Yell, Unst and Fetlar) to the areas within commuting distance of Lerwick. However reviewing the data suggests there are more subtle differences in these patterns perhaps related to age and economic situation. Overall the population has seen a slight increase of 1% over this time period with the biggest increases taking place in the South and Central parts of Mainland. There were also moderate population increases in the North and West Mainland and on Whalsay. However there have been population declines in the North Isles and in Lerwick and Bressay. The latter is likely to be due to limited sites for new housing within the main town which has led to major house-building focusing on the Cunningsburgh/ Quarff area and in Scalloway. However the population decline in the North Isles is fuelled by out-migration underpinned by limited job opportunities.

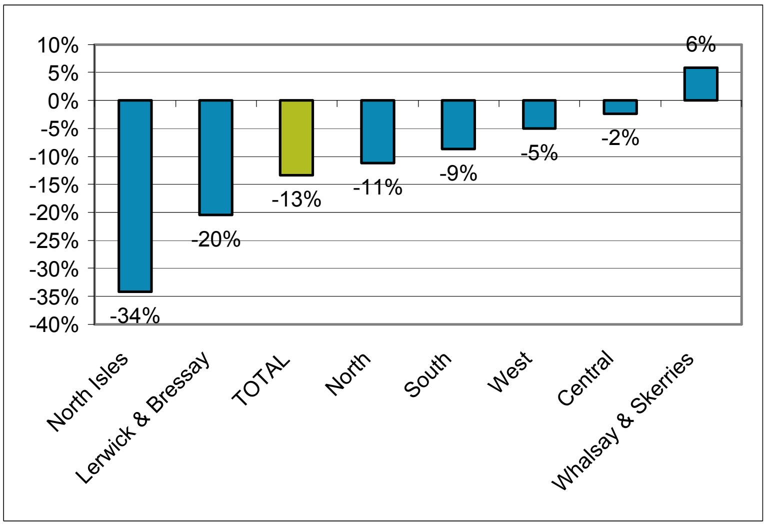
Figure 12 Estimated population change 2001 to 2007 by area



Source: Derived from NHS Registration and School Rolls data (SIC, 2007)

These population shifts have had an impact on the primary school rolls within different areas as Figure 13 shows. For example the primary school rolls in Lerwick have dropped by around 155 since 2001 suggesting that families with young children have been moving out. And in the North Isles there has been a drop of a third in the number of children at primary school. Whalsay & Skerries is the only service planning area that has seen an increase in the numbers of primary age children since 2001. This increase is due to Whalsay rather than Skerries where the roll has dropped from 4 to 3 children. However the overall pattern of declining rolls suggests that those moving to other parts of the Mainland are either older families or those without children.

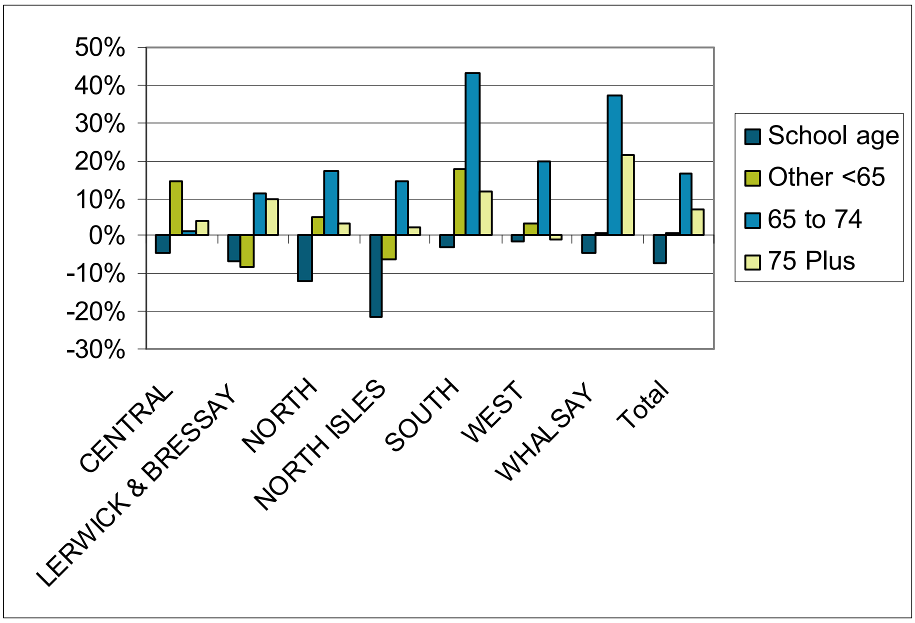
Figure 13 Change in Primary School rolls 2001 to 2007



Source: SIC 2008

The age patterns of population changes identified through NHS registrations suggest that people of working age are moving mainly into the South and Central areas of Mainland. This is supported by both anecdotal evidence from our interviews and recent house-building data. However there appears to be a higher proportion of older people moving into the North and West of Mainland and an ageing profile among the existing population as Figure 14shows. However the South has also seen a significant increase in the number of elderly people in the population. In Whalsay there are less significant changes to the working age population but a major increase in the number of older people. This suggests the population here is stable but ageing.

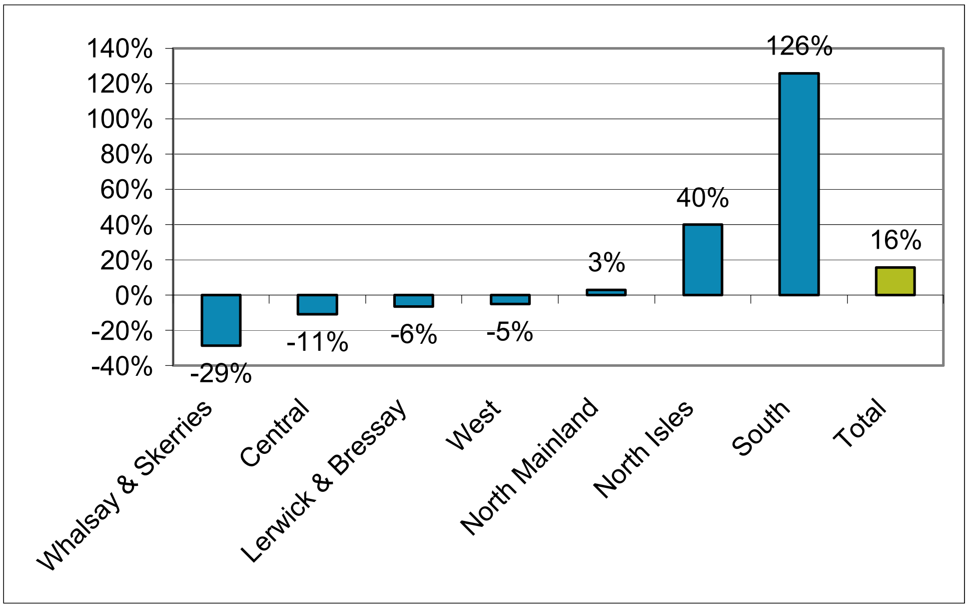
Figure 14 Population changes 2001 to 2007 by Service Planning area



Source: SCROL, 2001 census data, NHS registrations and school rolls (SIC)

Figure 15 clearly shows that a significant increase in house-building in the South Mainland area has underpinned the population increases identified. Although the house-building rate on the North Isles also increased, the numbers involved are very small and variable. In all the other areas apart from the North Mainland there was a decrease in building activity.

Figure 15 Changes in housing completions 2001-2007 (3-year rolling averages)



Source: Shetland Islands Council Planning 2007

It is estimated that over 30% of Shetland's population lives in Lerwick (SIC, 2006a, p.11), which is the main service centre and where most public administration is delivered from. And some 59% of Shetland's jobs are located in the capital (Community Profile, Lerwick & Bressay). The trend towards a centralised population in Lerwick, and in communities within a 15-20 minutes commute to Lerwick, is set to continue (Central Mainland Community Profile). Population projections indicate a significant decline by the year 2011 in all Shetland communities, except Lerwick and the villages within easy commuting distance to Lerwick (SIC, 2000). This suggests a further centralisation of population, which is seen as a threat to sustaining local services, such as schools and shops, in more remote areas (SIC, 2000).

3.3 Emerging trends

Our research points to several factors which are set to become more prominent over the next ten years and are outlined below.

Lifestyle migration to increase as a share of in-migrants

Stakeholders are concerned with the declining employment opportunities at Sullom Voe. Since 2001, employment has declined from over 1,000 employees to 712 in 2006. Some stakeholders felt that this decline in economic opportunities in the oil industry may lead to lifestyle in-migration becoming more important and mean a change in the overall makeup and motivations of in-migrants.

Future supply of economic in-migrants uncertain

The future of the supply of migrant workers is uncertain. Currently tightening immigration legislation is set to increase the barriers to in-migration and this is likely to have a greater impact on more peripheral parts of the country. Also, the economic climate in the UK is not as attractive as it was in 2004-6 after A8 accession. UK Treasury growth forecasts for 2008 are 1.75-2.25%. This sharply contrasts with projections for the countries where Shetland's international in-migrants have come from:

- Poland - 5.5%
- Latvia – 5.8%
- Lithuania - 6.5%

An improving economic climate in these countries may encourage workers to return to their native countries.

Continuing movement of population towards Greater Lerwick

A movement of population towards "Greater Lerwick" is clearly evident with population declines in peripheral areas like the North Isles – where 6 out of 10 of those born or reared there have left (HA Survey 2007). However, almost 70% of these North Island out-migrants are now living on the Shetland Mainland.

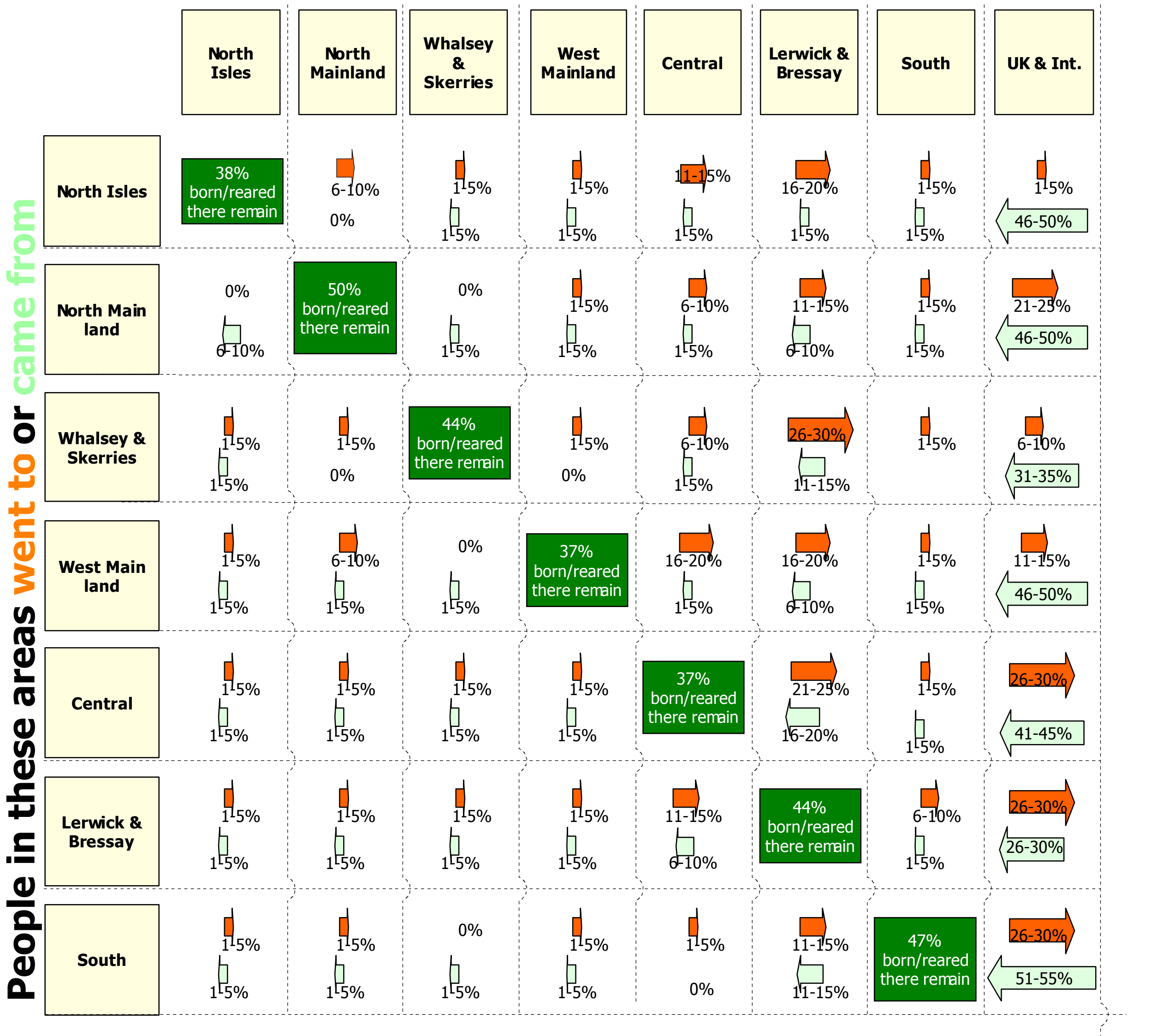
Decline in peripheral areas is also closely linked to economic opportunities. For example, the loss of associated employment opportunities at RAF Saxaford led to a significant drop in the North Isles population. Overall, there has been a decrease in employment opportunities in peripheral areas and this is explored in the next chapter.

Figure 16 (should be read from left to right) shows this movement in greater detail, highlighting:

- The loss of those who were born or brought up in peripheral areas to the Central and Lerwick & Bressay areas as adults; and
- The importance of in-migration in maintaining population numbers generally but particularly in the North Isles and North and West Mainland.

While areas like the North Isles and the South Mainland appear equally reliant on in-migrants form outside the Islands, anecdotal evidence highlights that in-migration in peripheral areas like the North Isles is more likely to be by older people.

Figure 16 Changes in population by locality



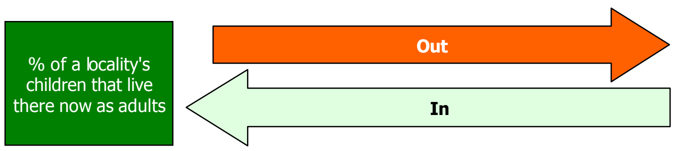


Diagram shows locality where those born and brought up on the left hand side. Red arrows highlight the loss of these people and to where. The green arrow shows who is replacing them and where they are coming from.
For example, the North Isles lost 16-20% of people who were born or brought up there, to Lerwick & Bressay. 46-50% of its current population have come from the UK and international locations

Note: This is based on 1,570 responses by adults of all ages to a web-survey. It should be taken as indicative of their experience rather than as an accurate picture of the whole population

3.4 Conclusions

In the past 20 years, Shetland's population has declined by 3%. Since the 2001 Census there has been a significant rise in the percentage of the population aged over 50. Both these trends are set to continue. This ageing population combined with out-migration of 20-44 year olds presents a considerable challenge for community planning partners.

International in-migrants, mostly aged 18-34 and from Eastern Europe, have increased in importance, particularly since 2004. However, the future supply of these is at best uncertain. Other in-migrants have tended to be older, particularly those who move to outlying parts of the Islands for quality of life reasons.

There has been a clear shift in overall population from outlying areas (particularly the North Isles of Yell, Unst and Fetlar) to areas within commuting distance of Lerwick. Lerwick itself has lost population – probably as a result of smaller household sizes combined with a shortage of building land. However, the losses in the North Isles are mainly due to out-migration (to the Shetland mainland and beyond) which is driven by limited local economic opportunities. In-migrants of working age are generally settling in areas which are commutable to Lerwick (where 60% of Shetland's jobs are based) such as the Central and South Mainland.

The main brake on this movement towards 'Greater Lerwick' appears to be the availability of land for building on. The South Mainland has seen increases in housing completions as opportunities to develop contract in Lerwick and Central Shetland. While housing completion data in these areas reflects the job opportunities available and downturns reflect land availability, the situation is very different in the North Isles.

While areas like the North Isles have seen a fall in primary school rolls of two thirds, over the past 30 or so years, population loss has been far less dramatic recently (around 6%). This is despite a loss of around 120 FTE jobs in the North Isles. While some residents have out-commuted to work in the Shetland mainland, significant numbers have left the Islands (only 38% of those born there live there now). Older in-migrants with no dependent children have stabilised the population numbers for now – but these provide a challenge to the longer term sustainability of these communities.

4 Drivers of population change

This section explores the drivers behind population change including jobs and career issues and infrastructure issues such as housing and transport. It is drawn from the interviews with stakeholders but supported by the review of migration literature and policy documents.

4.1 Drivers of population change

Our interviews with stakeholders identified several key factors that have driven population change historically and continue to influence the population. These can be grouped into:

- Economic factors
- Educational Opportunities
- Level of dependency
- Housing options
- Transport and infrastructure
- Quality of life issues

4.2 Economic factors

Job opportunities

The economy underpins the demand for jobs which in turn drives population change. In the past, booms in population have occurred linked to fishing and the oil industry. Other opportunities have come through the RAF base at Saxaford. However the flip-side of these booms is the negative impact on population when these opportunities subside.

Good jobs on the decrease outside the public sector

One interviewee has suggested the higher skilled professional oil jobs available are already dwindling. Employment survey data (2003 and 2007) supports this and suggests sectorally that between 2003 and 2007 oil terminal employment contracted by 280 FTE jobs (56%). This has broadly affected men and women equally. But there have been decreases outside this in related sectors (and what might be considered good jobs) with business services jobs contracting by around 50 over the same time period (9%).

Since the direct opportunities from oil exploration and processing have started to decline the public sector employment created on the back of it has become more significant. Many interviewees identify a high-level of dependence on publicly funded services and jobs. And these well-paid job opportunities have helped to sustain population levels and attract back some of those who have left the Islands for education.

Gender issues in recent economic changes

The employer survey found that recent employment changes have had a specific gender component. While male full-time jobs increased marginally (by 25 jobs) between 2003 and 2007, female full-time jobs fell by 290.

Construction and the public sector have shown substantial growth in employee jobs. However, only 2 of the 156 additional full-time construction jobs are occupied by females. In contrast, the growth in public administration jobs has resulted in a growth in female employment. Some 580 more women are employed part-time and 94 more full-time in this sector compared to 2003, which would appear to offset similarly sized losses in social work and health jobs.

Catering is the third biggest employment growth sector since 2003 (+101 FTE jobs) and women account for most of these new jobs. This is not usually regarded as a sector that has good retention rates or progression opportunities. While this has helped to offset losses in jobs in business services (50 fewer women working full-time), the quality and attractiveness of these jobs is likely to be far lower to graduates.

Peripheral areas losing jobs

The closure of the RAF base at Saxaford has had a significant impact on the local economy of Unst. The loss of population and job opportunities has been disproportionate. Between 2003 and 2007, it lost 35% of its full-time equivalent jobs.

Other important employers in peripheral areas have also been in decline with, for example, fishing, aquaculture and textiles and crafts having 145 fewer FTE jobs in 2007 compared to 2003. The accommodation sector also has 79 fewer FTE jobs in 2007 compared to 2003. Much of this must be outside Lerwick with Shetland in Statistics (2007) highlighting the number of bedspaces in B&Bs, hostels and hotels outside Lerwick have all fallen significantly over the last ten years.

Whalsay has established itself as the focus for the fishing industry in Shetland. Between 2003 and 2007, full-time equivalent jobs on the Island grew by 77 or around a quarter. Women benefited most from this with female part-time employment increasing from 96 to 147 and full-time employment increasing from 32 to 52. Also, with a strong community and relatively healthy housing market it has managed to retain its population to a greater extent than many other parts of the Islands.

Perhaps related to this is the issue of trying to influence population dispersal through developing growth settlements outside Lerwick. Efforts were made in the past to improve services (in settlements like Brae) by developing more self-contained settlements. One stakeholder identified that the Council previously tried to devolve some jobs to these areas to help support this policy but that this was not very well-resourced and therefore not very successful. While the Council can influence housing development it is the availability of employment opportunities that is the biggest barrier to promoting growth centres outside Lerwick.

Future job opportunities may increasingly be low skilled

The large number of people attracted to the Islands during the Sullom Voe development will soon be moving towards retirement. However it appears their sons and daughters will not have the benefit of similar job opportunities.

With many younger more skilled people leaving the Islands for education many lower skilled jobs are now taken on by migrant workers. Many sectors such as fish-processing and hospitality rely on migrant workers (currently mainly from Eastern Europe) to sustain their workforce. But the continuing supply of these looks, at best, uncertain.

Limited opportunities for women or for both partners in a couple to secure jobs that match their aspirations is becoming an increasing issue. There are several reported instances of one partner not being able to secure an appropriately skilled job resulting in both partners leaving the Islands.

Education opportunities

Levels of educational attainment in Shetland's schools are very high and because of this a high proportion of school leavers go into higher education. Our focus groups with younger out-migrants identified an expectation for most young people that to succeed they need to move on to university on the Scottish Mainland to complete their education. And this message is put across strongly by teaching staff. The local FE college provides few opportunities to keep more skilled young people in Shetland and focuses on the needs of local employers such as the care sector.

However educational opportunities can also be a positive factor in driving in-migration, with the North Atlantic Fisheries College attracting significant numbers of skilled staff and students to the Islands. The College has also attracted migrant workers. Future courses at Shetland College specialising in knitwear, creative industries and music might also help to attract a wider range of postgraduate and skilled students to live in the Islands.

Dependency

One issue that interviewees have often highlighted is the level of economic dependency that exists on public sector funding and jobs. One senior stakeholder estimated that half of all jobs were either directly or indirectly supported by the Council. The 2007 Employer survey found that 42% of jobs were in public administration, education and health – an increase from 40% in 2003.

Other interviewees thought the level of service provision supported by the Council had edged out private enterprise and undermined the local business base. Some thought that those who wanted to develop an enterprise found it easier to do so outside the Islands. It was also thought the jobs made available from the oil industry and the RAF base had taken people away from traditionally more enterprising sectors such as crofting and fishing. And some skilled fishermen on Whalsay have left the industry to work on the publicly funded ferries to find a more secure income.

The level of local public expenditure and the high levels of service that this has funded have created an expectation of provision that has perhaps stifled personal and community initiative.

4.3 Infrastructure issues

Housing

Housing opportunities are closely associated with the economy and population change. Average household sizes have become much smaller over the past decade and this trend is forecast to continue[1[1]]. This, combined with an increase in holiday or second homes, is making housing more difficult to access for many people. Housing demand has shifted significantly towards the Greater Lerwick area so existing patterns of supply do not always match this. The influx of migrant workers has also put a strain on the private rented sector for housing.

Limited availability of rented housing prevents young people moving back to parts of the Islands where they would like to live. However there is an ongoing debate about

[1[1]] SIC Housing Market Forecast

whether housing development can promote economic growth or whether housing will simply follow jobs.

Transport & Infrastructure

Transport is particularly important for connecting economically active people to jobs. So transport patterns do influence population levels in different parts of the Islands. Some communities such as Mossbank for example have experienced a high turnover of population because, although there is available housing, public transport does not provide adequate connections to Lerwick for working people. So bus and ferry routes and timings take on greater importance in determining which areas are effectively commutable from Lerwick. Transport is also critical for those seeking to access jobs in the North Isles and North Mainland.

4.4 Social

Quality of Life

Many of the drivers of in-migration relate to the quality of the environment and services available in Shetland. However, several stakeholders highlight that the things which attract people to live there – the environment and safety – tend to attract older households in their 40’s or 50’s. Most of those who choose to move to Shetland have had several previous visits either as tourists or through having friends or relatives who live in the Islands.

These people are also attracted by the high level of services that are available and the sense of community. Many of these lifestyle in-migrants are financially independent and are not therefore fully economically active. Most have either no dependent children with them or have older children.

4.5 Conclusions

It is clear from our research that employment opportunities are critical to population sustainability. The decline in job opportunities in some of the more peripheral parts of the Islands is accelerating the drift in population towards Lerwick where most services and employment opportunities are focused. It appears that good quality job opportunities are increasingly concentrated in Lerwick and that many of these are within the public sector. Recent changes to the employment pattern across the Islands suggest the overall number of jobs taken by females has decreased and that this has been particularly within the private sector. It is becoming more difficult for both partners in a couple to find suitable job opportunities that match their skills and aspirations.

Shetland’s schools provide a high standard of education and there are expectations that pupils will go on to higher education. This means that most qualified young people leave the Islands for education on the Scottish mainland. At the same time employers are experiencing problems in recruiting staff for some lower skilled jobs and are becoming more reliant on migrant workers. This growing mismatch in the labour market needs to be addressed if the economy is to be sustained.

It appears the jobs and services offered by the public sector in Shetland have limited both the motivation and opportunities for private sector enterprise. There is a suggestion that many potential entrepreneurs have had to leave the islands to establish their business. The level of public sector provision may also have inhibited growth in community sector provision which is far less evident than in other parts of the Highlands and Islands. However growth in the private and community sectors will be necessary to ensure the Shetland economy remains sustainable in the medium term.

Access to housing is an important factor that contributes to population change. The drift of population towards greater Lerwick has resulted in:

- More properties in outlying areas becoming second or holiday homes; and
- A pressure for new housing within parts of the Central and South Mainland.

5 Experiences of population change

This section examines the motivations and experiences of four key groups: stayers, out-migrants, in-migrants and returners. It assesses and compares the characteristics of each of these groups and looks at the motivations behind their decision to stay, leave, return or migrate in. It also examines the positive and negative experiences of each of these groups and in particular, those that leave and are unsure they will return. These findings come from a survey of current and past residents and focus groups in the Islands and with those who have left.

Gathering data on motivations and experiences

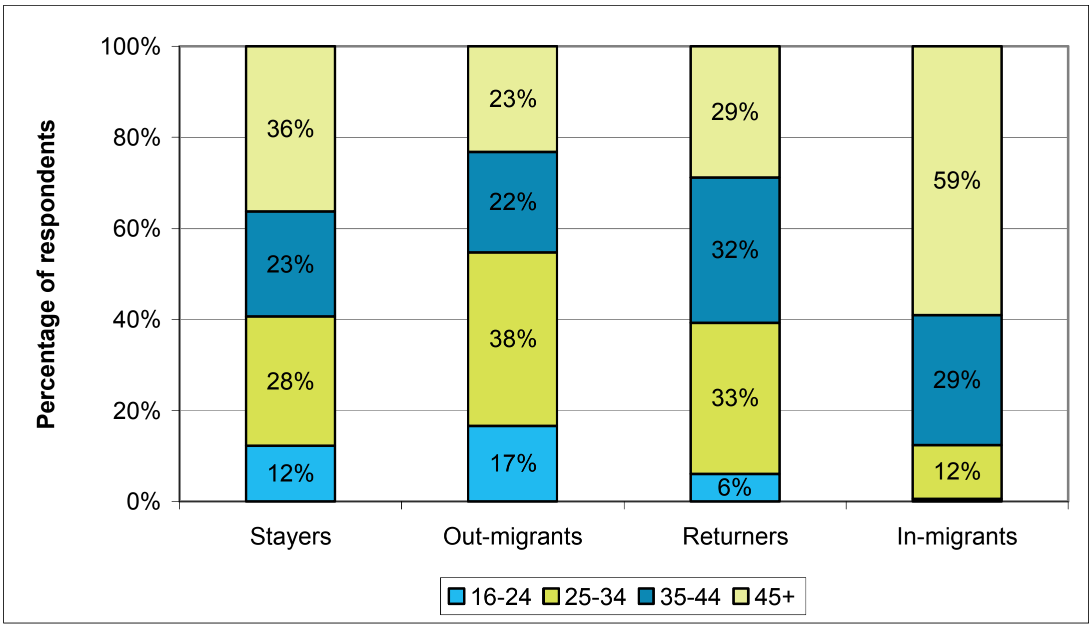
Our survey was distributed randomly to those living or who had lived in Shetland. While responses are unlikely to be representative of the population as a whole they provide a useful insight into some of the characteristics and motivations of different groups. Further insights were gained through a series of focus groups with Islanders and those who were brought up in Shetland and now live in the Central Belt.

Characteristics of stayers, out-migrants, in-migrants and returners

Figure 17 shows the age range of respondents within the different sub-groups. Noticeable features include:

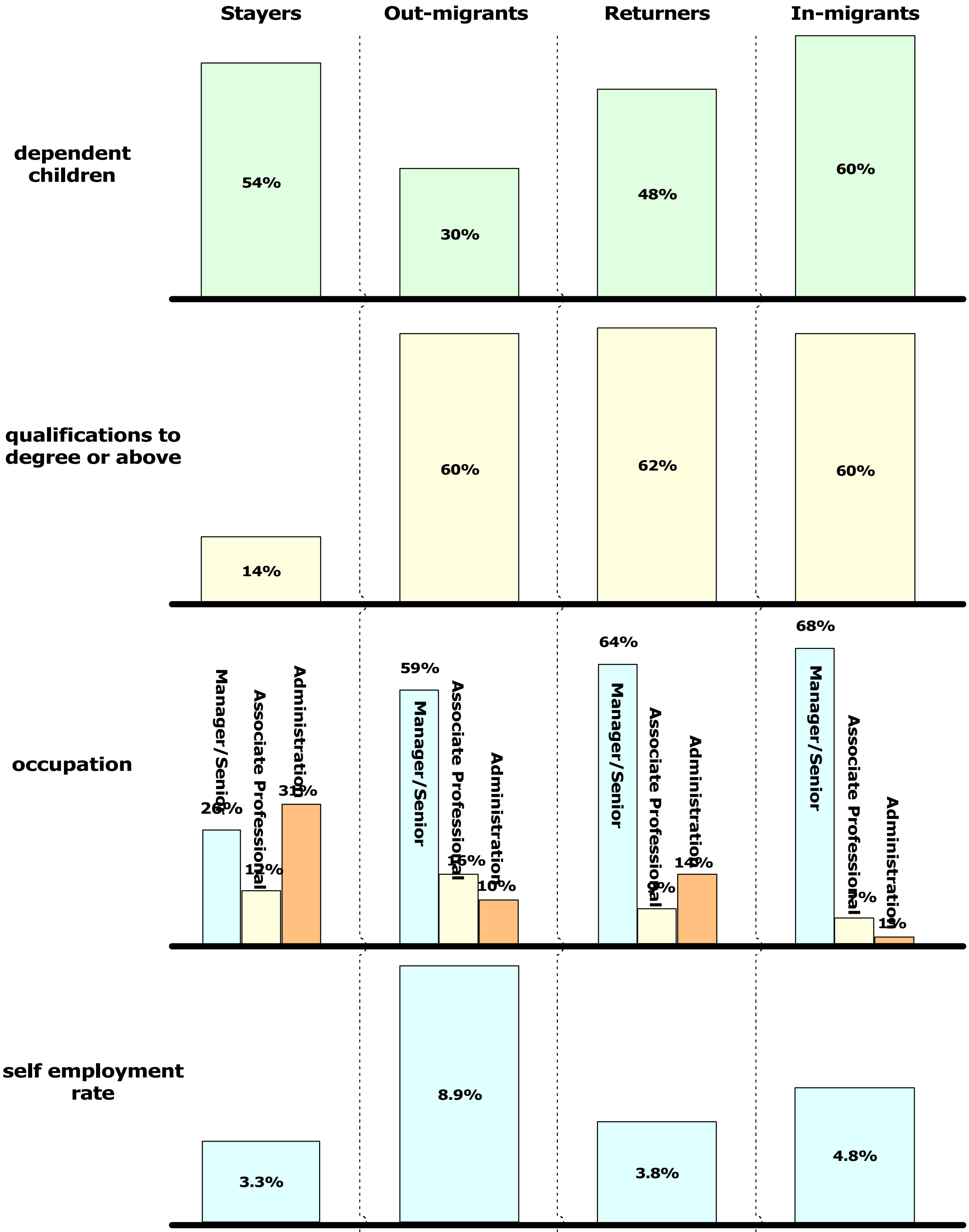
- The younger age profile of out-migrants, with the highest proportion under 44; and
- The heavily weighted age range of in-migrants towards the 45+ age bracket.

Figure 17 Age profile of different groups



Source: Hall Aitken e-survey 2007, n=1,357

Figure 18 Family and work characteristics of the groups (25-44 age group)



Source: Hall Aitken e-survey, Stayers, n=152, Out-migrants, n=100, Incomer, n=188, Returners, n=212

As these groups were at different life stages and their characteristics (work, family etc) were likely to reflect this, we examined several characteristics for the 25-44 age group. We chose this age group to give a comparison among the key working age populations while including a sufficient number within each sub-group. Figure 18 shows some of the specific characteristics in each of the categories.

There are notable differences in the personal characteristics of these stayers, out-migrants, returners and in-migrants when comparing 25-44 year olds. In-migrants and returners are more likely to have higher qualifications and higher skilled jobs than stayers which backs up findings from other strands of our research.

In-migrants were most likely to be working as professionals or senior managers, with 68% of respondents identifying these occupations. And the proportion of returners with higher level occupations was also high at 64% suggesting that the availability of good quality and well-paid jobs is a key driver for in-migrants and returners.

There are also higher self-employment rates among out-migrants, almost twice that of Shetland-based groups. This suggests there is some basis for the view that those wishing to set up a business often do so outside Shetland.

There are lower proportions of out-migrants with dependent children compared to Shetland-based groups. This perhaps points to the presence of children (or the desire to start a family) as a factor in returning or migrating to Shetland. In-migrants in our survey were more likely to have dependent children than returners – although this may be simply a factor of the age profile within this group.

5.1 Stayers' motivations and experiences

Stayers motivations

Just over half (51%) of stayers have considered leaving at some stage. Around a tenth (11%) of this group have not made up their minds about whether to leave or stay. Around 6% of stayers feel they will probably or definitely leave.

Motivations to stay appear closely related to quality of life and family considerations. Although based on relatively small groups the survey results give some pointers to motivations. Figure 19 shows the most influential factors identified in helping individuals in their decision to stay and these were:

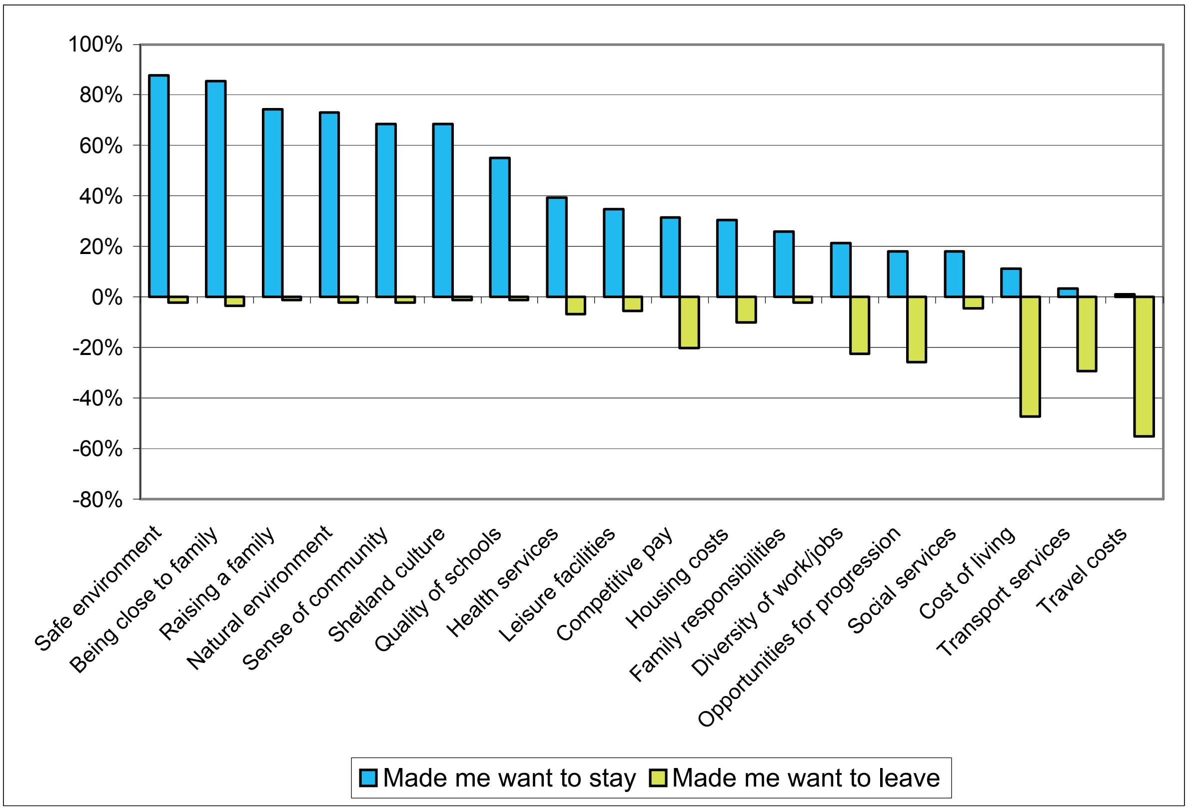
- A safe environment;
- Being able to be close to family;
- Raising a family; and
- A natural environment.

For those that considered leaving but decided to stay, family and relationships were crucial with decisions shaded by:

- Meeting someone- a partner;
- Caring for someone – a parent or relative being ill at the time of the decision; and
- Considering starting a family – having children or about to have children and believe that Shetland is a better environment for them.

This was supported by several focus group participants who identified that many of those who did not leave were looking to start a family rather than leave the islands to pursue a career.

Figure 19 How important were the following factors in influencing your decision to stay in the Shetland Islands?



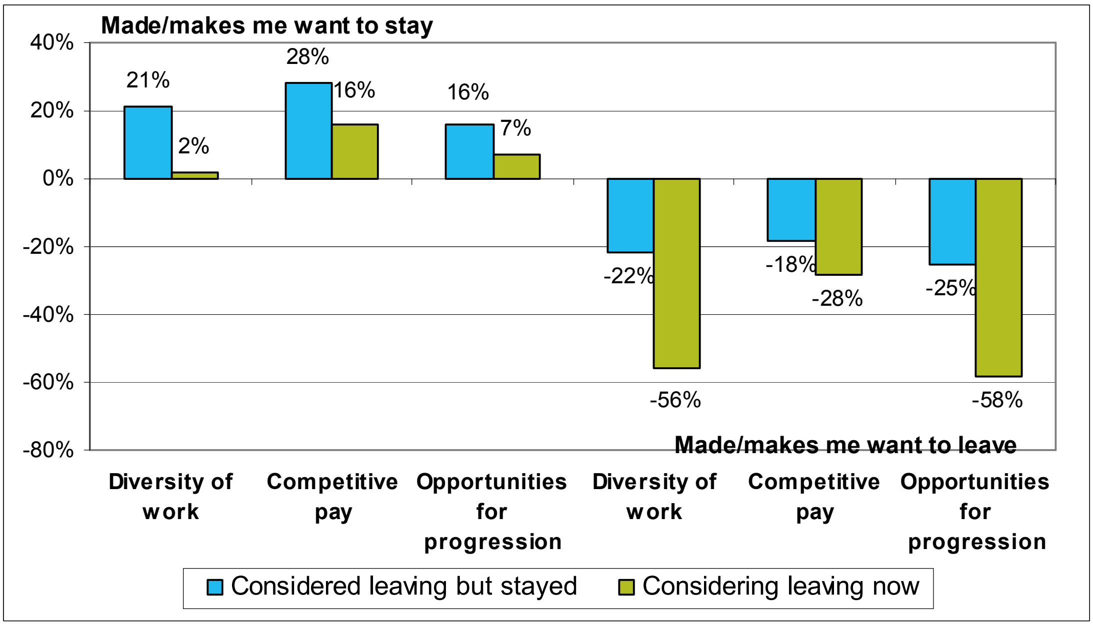
Source: Hall Aitken e-survey, n=89

Stayers: jobs and careers

Figure 20 shows how those who considered leaving and stayed and those considering leaving now view job and career issues. It shows that diversity of work and opportunities to progress are more important issues for those who are considering leaving now. This reflects many factors, not least that those that do leave may be more likely to place a higher priority on work and careers. But it may also reflect a recent decline in quality/choice of jobs.

Competitive pay is less of an issue for those considering leaving now compared to issues of diversity and progression opportunities. This perhaps confirms what the Glasgow focus group perceived as the "catch 22" situation of working in Shetland – the pay is good but the choice of work is limited.

Figure 20 Aspects of career that made stayers want to leave or stay



Source: Hall Aitken e-survey, n=100 considered leaving but stayed and 57 considering leaving now

Stayers: views on transport

For those who are considering leaving now, transport featured prominently in comments:

- The desire for greater and cheaper mobility that comes from living on the mainland – such as being closer to children who have left and being able to travel abroad cheaply; and
- Difficulties in public transport generally within Shetland.

Stayers: views on housing

Housing appeared to be less of an issue for stayers responding to the survey and, if anything, was a motivating factor to remain in Shetland. Similar proportions of those who decided to stay and those who were considering leaving (30%) felt it was a factor which made them want to stay. Only one in ten (10%) felt it was a factor that made them want to leave.

This may reflect some discussion at one focus group. Participants noted that those that do stay may be in a better position to inherit, own or build a home than in-migrants or returners. Also, they may have built up savings through having a reduced cost of living in their parental home. This perhaps highlights how important access to housing is in trying to retain people on the Islands.

Stayers: views on education, health and services

The views of those deciding to stay and those who were considering leaving on public services were generally positive. Those that are considering leaving now are more likely to cite Shetland’s public service as a positive aspect than those who considered leaving but decided to stay. The negativity attached by stayers (who have or are considering leaving) to some of the public services seems to be around:

- Lack of specialist services in health and difficulties in getting appointments at health centres and with dentists;
- Young people not having enough to do; and
- related concerns about drugs and alcohol misuse.

The concerns for more activities for teenagers appears to be related to concerns over alcohol and drugs so young people are not "hanging around the street drinking" or being exposed to an "influx of heroin". One young stayer (Lerwick, 18) felt that:

'The 16-18 age group get bored. For them, it's the worst living in Shetland, there's nothing for them to do (other participants agree). There's a huge underage drinking culture and they get excluded from events. It's a critical age, when decisions are made about leaving, staying and even returning.'

While the sports facilities and music culture are regarded as vibrant, some respondents felt that if young people were not interested in 'music and sports', then they would perhaps feel left out.

Stayers views on Island life

The "Shetland culture" was seen as a positive influence on the decisions of six in ten who considered leaving but decided to stay and a similar proportion of those considering leaving. Sense of community was also cited as a positive influence by similar proportions of those who decided to stay (65%). But only around half of those who are considering leaving now felt it was a positive influence on their decision.

5.2 Out-migrants' motivations and experiences

The out-migrants group who responded to the survey were largely over 25 with 60% aged 25- 44. A majority of those who left Shetland are in employment (71%) and either have or are working towards a degree, postgraduate qualification or professional qualification (70%). A smaller proportion of out-migrants are in full-time further or higher education and just under 10% are self-employed.

Out-migrants - Motivations

A fifth of out-migrants wanted to stay but felt they had to leave, while for around four in ten it was 'a hard decision' and for a further four in ten, they had always planned to leave. Between a quarter and a third of out-migrants identified health, leisure, social services and housing as factors that made them want to stay.

The focus group of individuals who have left Shetland were a mix of incomers who have left again and people born and brought up in Shetland. The younger ones among the latter group left to go to university and graduated in the last few years. Some graduates had gone back to live in Shetland again after they completed their degree. But they left again for different reasons – either their partner didn't like living in Shetland or they left for better job opportunities. All of them could imagine living in Shetland again.

Two of the focus group participants were not originally from Shetland but moved there for their jobs – a Church post and a job with a Government agency. The natural environment was a key driver for these decisions.

All out-migrants feel deeply rooted in Shetland and several have kept their houses there so they can go back on holidays there or one day move back.

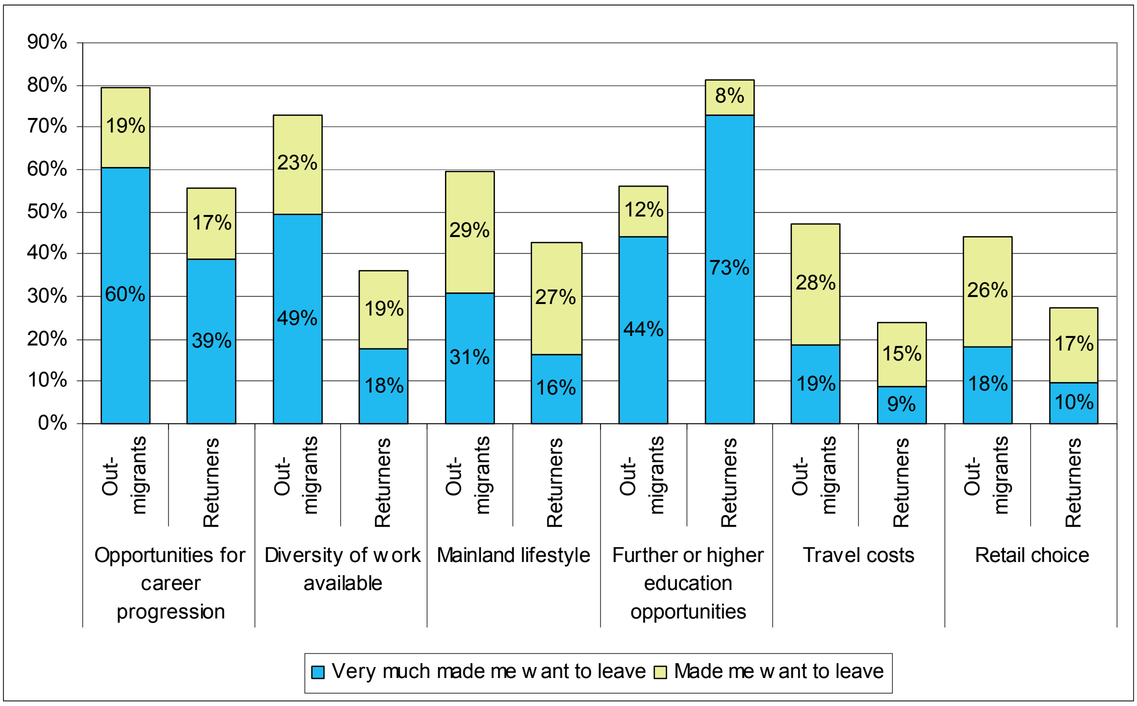
Jobs and education

Figure 21 shows the most common motivations given by out-migrants for leaving and those for people who eventually return. For out-migrants these were:

- Opportunities for career progression;
- Diversity of work available; and
- Mainland lifestyle

also shows the most commonly cited factors for out-migrants differ from those for returners.

Figure 21 Factors that made out-migrants, and returners (when they first left) want to leave Shetland



Source: Hall Aitken e-survey. Returners, n=286. Out-migrants, n=166.

Clearly greater proportions of out-migrants feel that opportunities for career progression and diversity of work made them want to leave compared to those who leave and return. This may reflect that those that do return leave Shetland viewing further or higher education as a means of returning.

Those that remain away from the Islands are also more likely to identify the Mainland lifestyle as a motivating factor for leaving (60% compared with 43%).

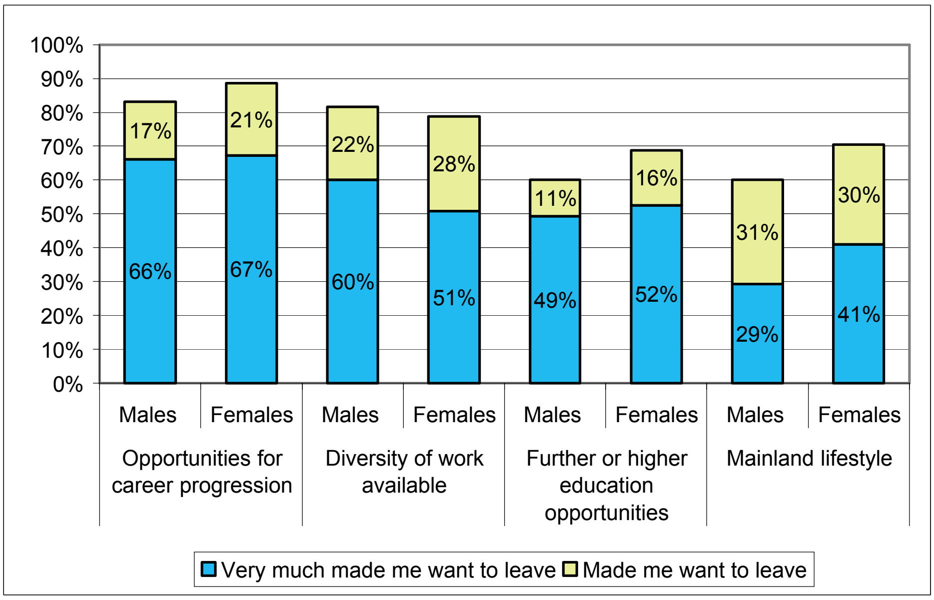
Job availability was also a feature of out-migrant survey respondents' comments. One typical response was:

'I am a qualified medicinal chemist. There are very few jobs for people with science degrees. I loved living in Shetland but I cannot have a career there. I also did not feel I would live at home permanently after I graduated.' (Female, 23'

Six of the nine Glasgow focus group participants had worked in Shetland as adults after university. One female out-migrant in the focus group had moved to the central belt from Shetland as the company she worked for had closed down and she felt that she had to move to find employment. And another woman brought her family to the mainland as there was no opportunity for a promoted position in her organisation on Shetland.

In the survey, greater proportions of female out-migrants compared to men felt that opportunities for career progression made them want to leave. Figure 22 shows that 88% of female out-migrants felt this was a factor compared with 83% among males. Females were also slightly more likely to identify mainland lifestyle as an influencing factor than males.

Figure 22 Factors that made out-migrants aged 16-44 want to leave Shetland (by gender)



Source: Hall Aitken e-survey, n=61

This was an issue raised at our Glasgow group where there was some agreement among mid-twenties females that Shetland was good for pay but less good for careers and progression.

In the survey, a lower proportion of out-migrants cited “further or higher education opportunities” compared to returners. Participants in the Glasgow focus group felt that leaving for university was encouraged by teachers and schools but there was no discussion of other options. Participants criticised this aspect and agreed that ‘nobody asks you what you would like to do’. This may explain that those who do return may be more likely see leaving for higher education as an inevitability but followed by a return.

Relationships that push and pull

The role of partners was important with this highlighted by both focus group participants and survey respondents. And job opportunities for partners were also important. The following reason for leaving is a typical example:

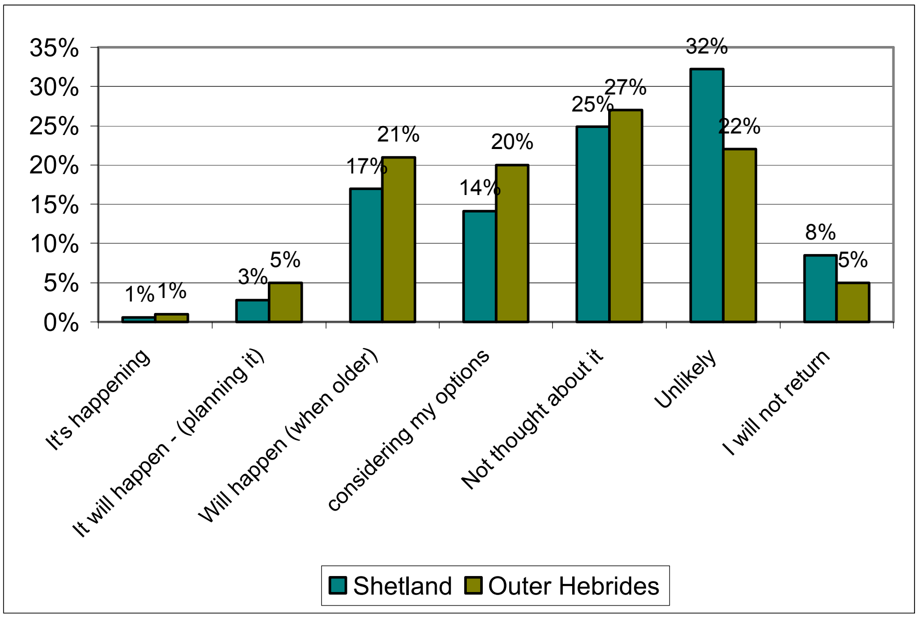
‘I married someone from the Scottish mainland and due to the type of work he did, at that time he would not have been able to continue to work in Shetland’. (Female, 52)

The ability to visit family members was another important factor. One Lerwick participant left partly because of work but also because his grown up children were living on the mainland. This was not uncommon with even one stayer highlighting that they had hired a holiday home for Christmas on the mainland so the family could spend the holiday period together.

Out-migrants - Likelihood to return

Only one in five respondents who left Shetland is planning to move back, and for two out of five it is either unlikely or they already know they will not return. As Figure 23 shows, out-migrants from Shetland seem less likely to consider returning than those from the Outer Hebrides – where 27% think they will return. The rest – just under 40% - are thinking about it or it is a possibility.

Figure 23 How likely are you to return to the Shetland Islands to live – all out-migrants.



Source: Hall Aitken e-survey, all out-migrants, n=175, Outer Hebrides Migration Study

Out-migrants – views on Shetland jobs and careers

Women in the Glasgow-based focus group felt broadly that jobs available were male orientated. There was a perception that senior jobs in particular were male dominated but this was refuted by one recent out-migrant and there was some agreement that some women were in significant well-paid positions. Overall, participants felt that choice and movement were limited with one explanation being that 'people in higher posts don't move on to create an opening'.

Other perceptions of jobs in Shetland were that people were often underemployed and were prepared to take a secure job well below their capacity in order to return. These people were likely to be those who placed a secure environment and strength of communities above career progression opportunities – and are perhaps less likely to be risk-takers.

Out-migrants – views on Shetland housing

Three of the Glasgow group participants still owned houses in Shetland, two of which were second/ holiday homes (the other being rented out). There was an agreed perception that Shetland was getting 'built-up' and this was seen as a show of confidence in the Islands.

However participants considered that it was easier for those with access to land or family houses to return to the Islands than those who did not. So lack of access to housing was seen as a barrier to a potential return.

Out-migrants – views on Shetland transport

Around 18% of out-migrants in the survey cited transport costs as 'very much making them want to leave'. Focus group participants agreed that travel costs were among the biggest drawbacks of living in Shetland and that it was often cheaper to travel abroad than to go Shetland. The air discount scheme did seem to help some participants but affordable fares required extensive planning ahead.

Lower ferry costs (as will be available in the Outer Hebrides from October 2008) were seen as an important next step.

Out-migrants – views on Shetland services

Focus group participants generally agreed that:

- Schools are of good quality where pupils get a very high standard of education;
- Leisure facilities are also good; but
- There was a lack of activities for 16-18-year olds – which perhaps results in a more noticeable drinking culture.

They tended to compare these to the UK mainland and felt that services like education were better. One out-migrant working as a social worker felt that care services were significantly better in Shetland compared to the standards she had come across in the Central Belt.

Out-migrants – views on Shetland community and Island life

Focus group participants felt that Island life would offer them:

- An excellent natural environment; and
- An opportunity to be close to their family.

They also felt a strong sense of belonging, which was perhaps even greater than for those who lived in Shetland. Culture, music and creative industries were also seen as bringing confidence to the islands. However, they felt these were threatened by an ageing population and an uncertain future economically.

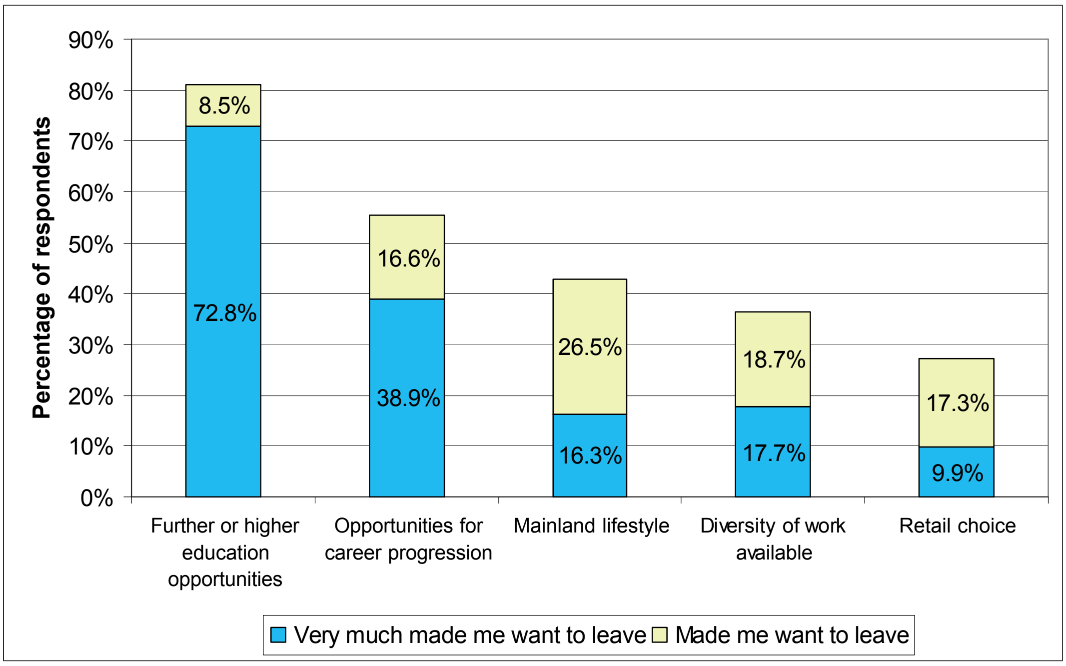
Negative aspects of living on the islands included issues common to small communities – difficulties in maintaining privacy and a perceived conservative environment. Alcohol and an 'alcohol culture' were highlighted as issues as well as a perceived growth in a 'drugs culture'. However the extent to which these issues are any different in Shetland is difficult to say.

5.3 Returners' motivations and experiences

Returners – leaving Shetland

For more than eight out of ten returners, further or higher education opportunities were one of the main reasons they left Shetland in the first place, with opportunities for career progression also important. Figure 24 shows these factors were by far the most significant. However four out of ten identified the mainland lifestyle as a factor and around a third identified diversity of jobs available. Other factors cited included the role of partners, and also a 'desire to travel and see the world'.

Figure 24 How important were the following factors in influencing your decision to leave?



Source: Hall Aitken e-survey, n=283

All returners at our focus groups except one had left to go to college or university (mainly Aberdeen or Edinburgh). Three were women and three were men and were a mix of people who had left and returned in the 1980s, 1990s and 2000s. One had moved away because of his father's job when he was younger.

Just over half of returners in the survey (54%) came back aged 24 or less while another third returned aged 25 to 34.

Returners – motivations to come back

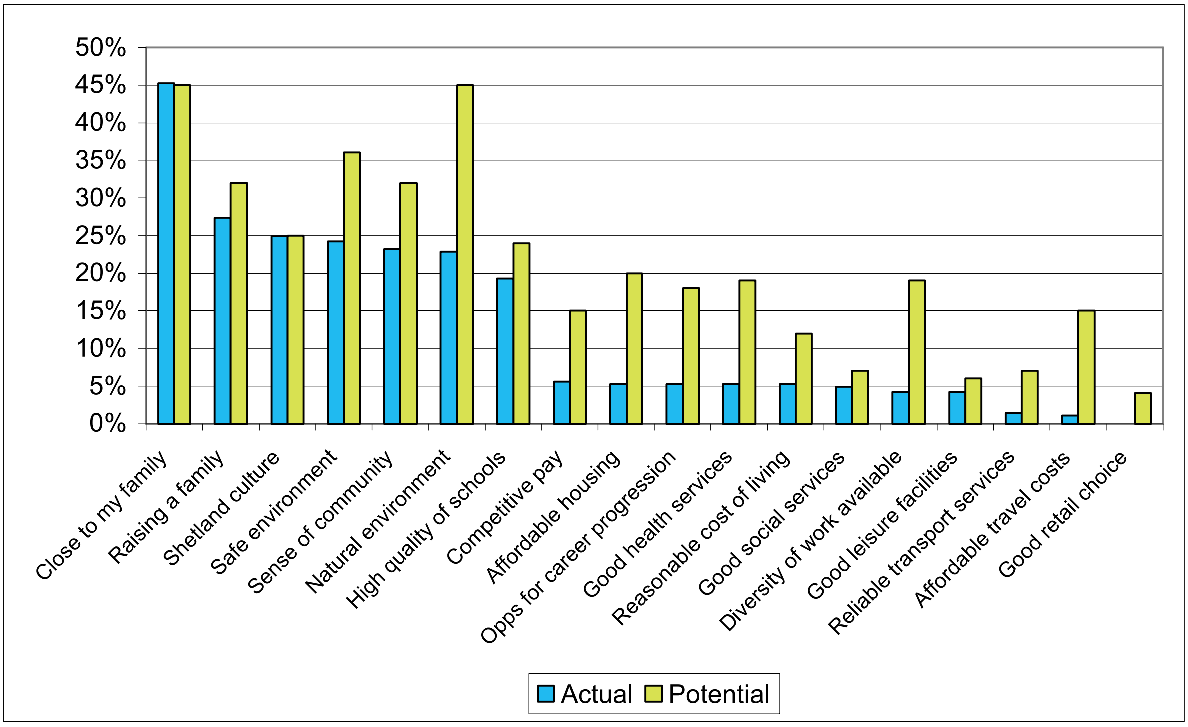
The main drivers for their return centred on:

- Being close to family;
- A love of island life, an 'affinity' with its sense of community; and
- Suitable employment opportunities.

Returners described their historic links with the Islands ('mum's family go back for generations' – Yell returner) and spoke positively of the standard of education they received. Most commonly, people in both the focus groups and the survey commented on motivations around family and relationships.

Figure 25 compares what people who returned thought were 'an essential factor' in their return with what potential returners consider to be 'an essential factor' in a prospective decision to return. For those that have returned, being close to family was important for over half with considerations around the social environment and raising a family also an important factor.

Figure 25 Motivations to return (actual and potential)



Source: Hall Aitken e-survey. Actual, n=285. Potential - out-migrants thinking or considering moving back to Shetland, n=100.

But for some returners, the choice to move back is not arbitrary with some having to fulfil family duties ("tied to family croft", "family business", "mothers death") while other survey respondents stated that they had no choice because of issues around student debt, accommodation and so on.

Potential returners

Comparing actual returners to those who are considering returning, these 'potential returners' had different 'essentials' for any move back to Shetland. A greater proportion of 'potential returners' put an emphasis on:

- *A safe and natural place* - Similar proportions cited being close to family as essential but Shetland's natural and safe environment were cited by higher proportions as 'must haves' in any move home;
- *A place where careers are possible* - A higher proportion considered opportunities for Career progression, diversity of work and competitive pay as 'must haves' in any move home; and
- *An affordable place* – a greater proportion of potential returners felt that affordable housing and affordable travel as 'must haves' in any move home.

Returners – views on jobs and careers

The returners attending the focus groups already had employment when they returned. However, there was an issue raised about returning in that even if one person has a job, a partner might not have secured one. Returners (as well as in-migrants) highlighted that friends are moving back to Shetland as 'one job couples'. Returners in the Lerwick focus group felt that it was a necessity 'everywhere' that both partners had to work but agreed the opportunities for women were limited and not always suitable or desirable.

The difficulty of finding suitable work for a partner was highlighted by one Lerwick returner:

'I had wanted to come back earlier but my husband could not get a job (trained in broadcast engineering). But when he saw a job as a supervisor in Sullom Voe, he just went for it. It was just a spur of the moment decision.'

One returner in the North Isles had set up his own business and had done so both to pursue his own specialism locally but also, he felt 'to try and change the image of the Islands as being just Sheep'. He had found this challenging as he felt there needed to be a greater 'entrepreneurial mindset' in the Islands'.

Returners – views on transport

Access to transport was identified by focus group participants as an important factor - mainly related to accessing employment opportunities within the Islands. The necessity of car ownership, price of petrol, public transport timetabling within Shetland and the cost of getting to and from Shetland all came up as issues both in the focus groups and in qualitative responses to the survey.

The North Isles businessman felt that getting off Island was expensive and getting to the point where he could get off-Island to a meeting in Glasgow (Sumburgh for 7.30am) required an overnight stay on the Shetland mainland. A West Mainland returner felt that broadband (which was available if somewhat unreliable) offered the opportunity to reduce the need for travel. However, since she worked in project management, it required her to be on-site most days (40 miles away, half on single track roads).

Returners – views on housing

Lerwick returners felt that housing was a crucial issue with 'rents extortionate' and buying now 'too expensive' with one returner also feeling it was more difficult to get a mortgage now. Other participants agreed that these were issues and that young families were likely to be worst affected. However, the returners appeared able to sort out housing through family and friends – something they acknowledged would not be available to in-migrants.

Housing was also felt to be a significant issue in the North Isles, with the business owner feeling that sourcing housing for workers was an extra distraction that he did not need for his new business. Generally, participants felt that housing was available (for example, MoD housing) but was being released slowly to prevent the housing market bottoming out. This was accepted as a necessary precaution as 'equity is the basis for an awful lot of businesses'. However, the standard of rented housing was seen to be low and 'insecure' – a returner in the North Isles highlighted how a teacher moved there for a year and had to change houses three times.

A West Mainland returner felt that North Roe was in decline as not many new houses were being built and little turnover perceived in local housing ("1 or 2 sales in the past few years" and "all 6 council units are full"). Her brother had wanted to move back there, but neither this nor her experience was encouraging him:

'I lived in rented accommodation for 7 years. We had planned to only do that for one year but it took us much longer to make a decision and find something we wanted which we did after four years. But the planning process took nearly 3 years and the cost of house building has doubled. If we'd known the process would take so long...'

Returners – views on education, health and other services

Health services were regarded as good in comparison to other areas and returners drew on their experiences elsewhere (for example, Aberdeen and Edinburgh). However, the availability of dentists was raised as problematic by several participants. Some survey respondents also found it difficult to get health appointments in Lerwick.

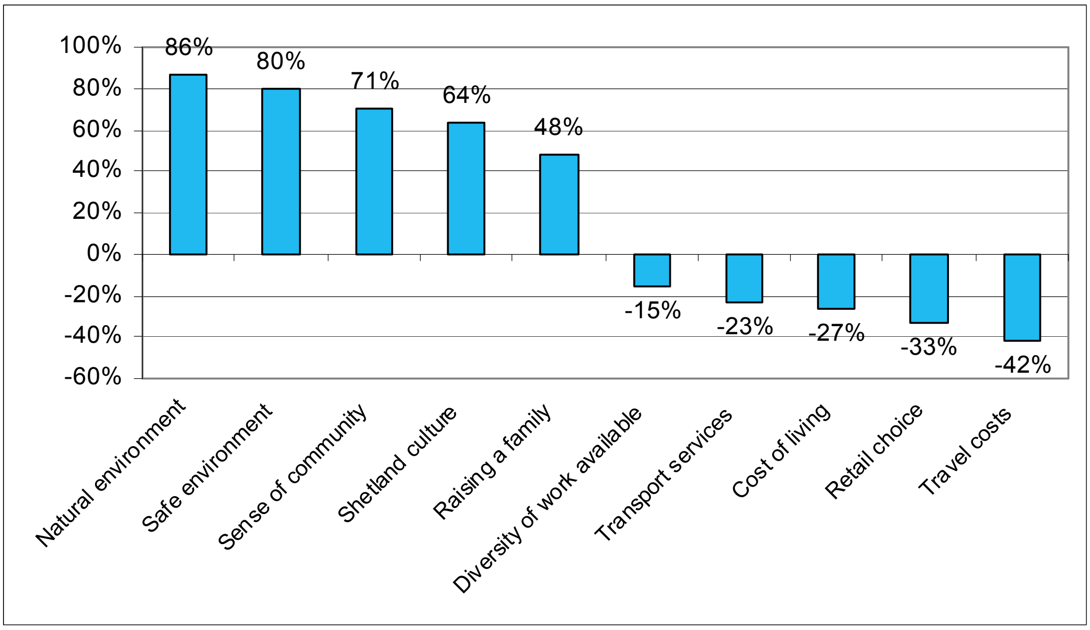
Returners also felt that schooling was of a very good standard in Shetland and this was also supported by views from those who had left the Islands. But the issue of school closures due to low numbers of pupils was becoming more prominent.

There were concerns over facilities for young people generally outside of leisure centres and sport among returners in the survey, again with alcohol/ drugs cited as possible issues.

5.4 In-migrants' motivations and experiences

Shetland's quality of life is a major motivating factor for in-migrants. shows the factors which attracted in-migrants but also the factors which put them off moving to Shetland. More than eight out of ten in-migrants stated the natural environment was a major factor in influencing their decision to move to Shetland. Other factors such as a perceived safe environment and a sense of community also ranked highly. While quality of life factors ranked highly in motivating factors, around four in ten in-migrants rated travel costs negatively. Other practical factors around retail, transport services and to a lesser extent, the diversity of work available, put in-migrants off moving to Shetland.

Figure 26 Factors that made in-migrants want to move/stay away from Shetland



Source: Hall Aitken e-survey, n= 425 (Count consists of made me want to/very much made me want to move there versus made me want to/very much made me want to stay away)

Our focus groups included 6 female and 3 male in-migrants. Five of the group had moved to Shetland since 2000 and were living in Lerwick, South, Central and North

Mainland and in the North Isles. The age range of this group was from early twenties to their late fifties.

Most people in this group moved to Shetland from England. One person was from the US and one from the Czech Republic. Occupations include tourist information assistant, nurses, self-employed artist and physiotherapist. Most of the group own their houses. One research participant is disabled and has to use a wheelchair.

Motivations

Focus group participants and qualitative survey responses highlight the motivations, and the experiences that had motivated them to come to Shetland:

- Raising children – participants wanting a better life for their children;
- Employment – one participant being offered a physiotherapist position while another stayed on during a working visit;
- The urge for something different – this ranged from "wanting to be self-sufficient" to a curiosity and, in certain instances, a wish to leave the perceived ills of living on the mainland as far as possible behind;
- To maintain a relationship – while many people appeared to make joint decisions with their partners about moving to Shetland, some felt that their partner's job largely dictated the decision.

The chief sources of information that informed their decisions to move to Shetland were:

- A holiday or working visit/ placement; and
- Second-hand information – through internet and video.

For some in-migrants, decisions were firmly made with no-first hand information. For example, focus group participants were aware of some in-migrants who had bought houses in Shetland on the internet without visiting.

Motivations - Economic in-migration versus lifestyle in-migration

Lifestyle migration literature is more typically focused on migrants from Britain to France and Northern Europe and Scandinavia to the Mediterranean. More recently 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 seek to construct a working life around lifestyle.

Lifestyle migration and older age groups

The quality of life that Shetland broadly offers is heavily in demand among many groups – not least those starting a family, older people and other groups to whom its environment (natural, safe) appeals. Despite its broad appeal, it is generally older people who are now in-migrating and this can be explained by three 'push factors":

Older people's needs are more likely to be met on Shetland - Research in Northamptonshire into the priorities of older people found that their chief concerns were, among other things, more visible policing, better healthcare and support and cleaner, safer environments – all of which Shetland is well ranked in.

Their life stage facilitates the move - Downsizing in property size is a practical strategy for older people who have no dependent children and allows them to reduce expenditure with lower insurance, council tax and running costs generally. Moving into a smaller or cheaper home allows them to generate extra income to support their pension, a move which the Financial Services Authority regards as more effective than releasing equity.

Those Shetland in-migrants aged 55-64 were twice as like to identify health services as a motivating factor for moving to Shetland. Also, participants in the focus groups generally identified Shetland as a good place to grow old. There were examples given of younger in-migrants bringing their parents to Shetland so they could, among other things, access better health services.

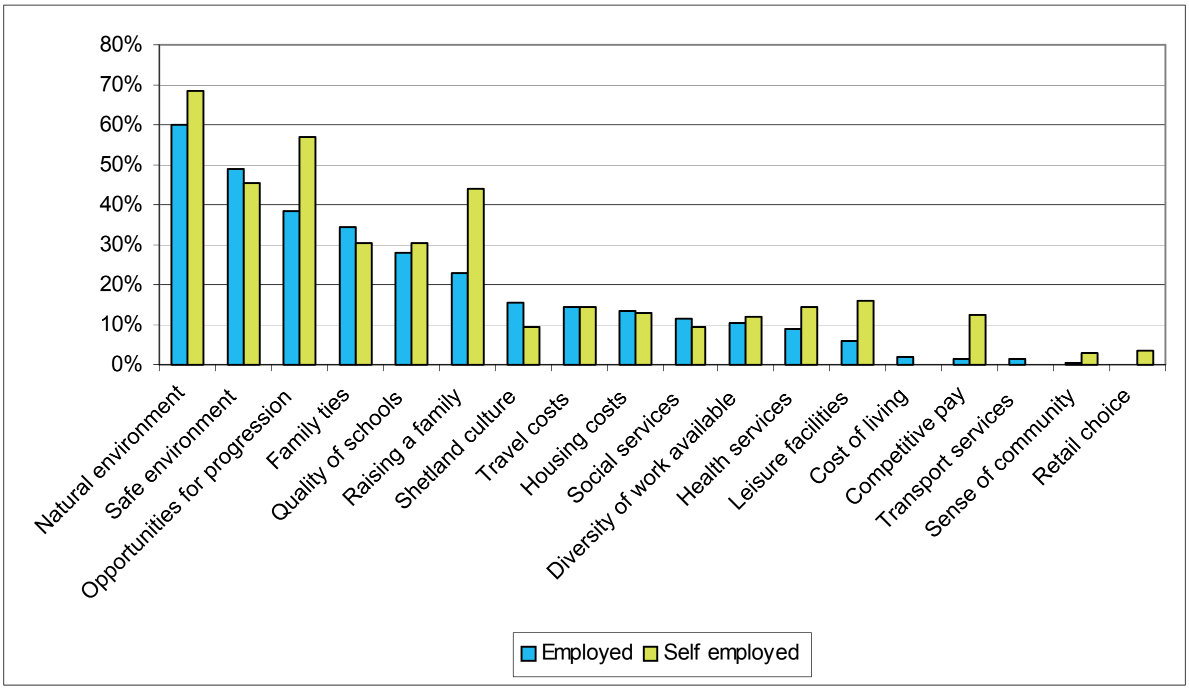
Lifestyle migration and self-employment

While categorising in-migrants as either economic or lifestyle is difficult, one approach is to examine the views of those who are self-employed against the views of those who are employed. Stubbs & Stone (2007) found that:

'Self-employment is the crucial mechanism whereby longer-term lifestyle aspirations can be achieved within a new environmental, institutional and social context.'

Figure 27 shows the motivations of all in-migrants to Shetland against those who are currently self-employed. Self-employed people rated lifestyle factors highly in their motivations to come to Shetland, particularly "raising a family". Greater proportions also rated competitive pay and progression as motivating factors – reflecting perhaps their views on the economic benefits of becoming self-employed.

Figure 27 Factors that made in-migrants 'very much want to move to Shetland' by type of employment

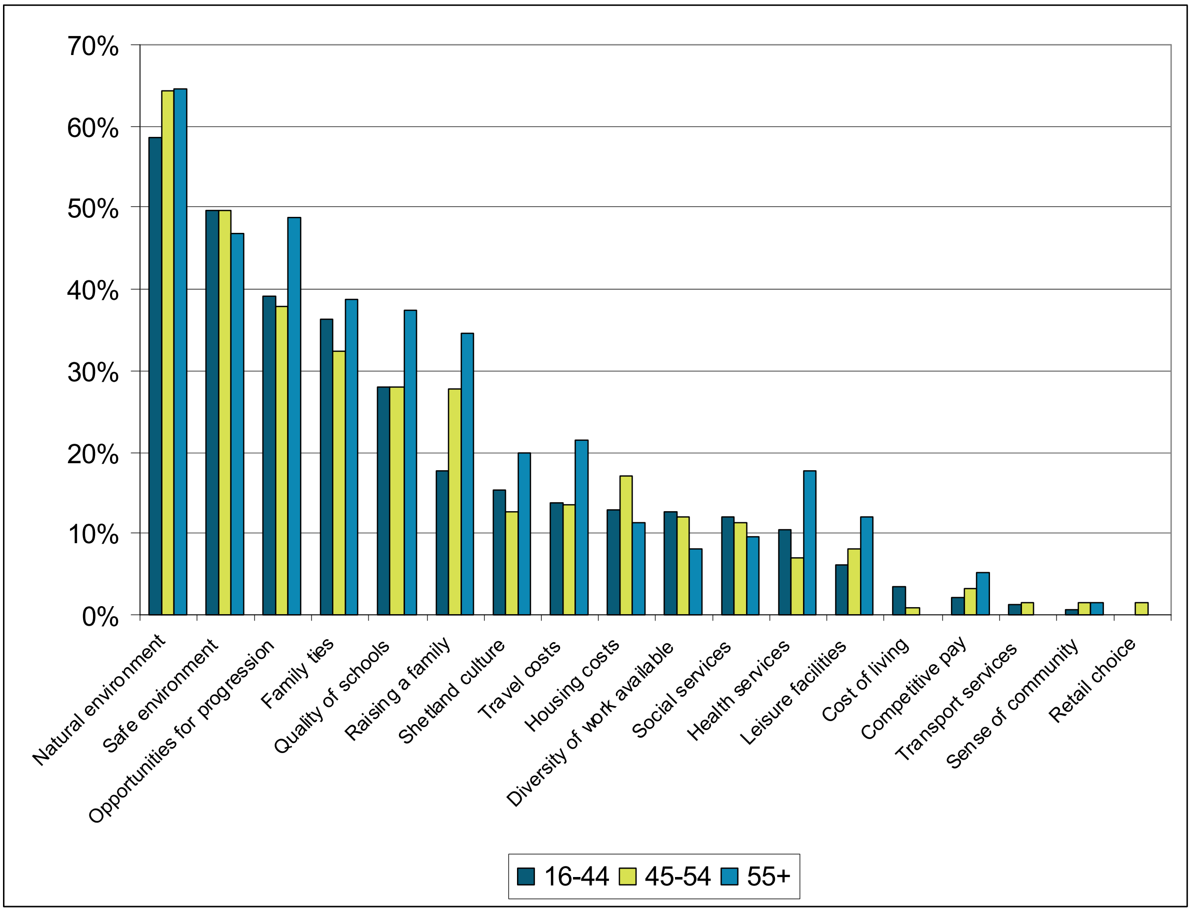


Source: Hall Aitken e-survey, n= 450. Note: self-employed respondents figures were low (40)

In-migration – Career opportunities less important for recent in-migrants?

Figure 28 shows what motivated people to move to Shetland by age group. Reflecting that many older in-migrants would have arrived at the time of the Sullom Voe development, factors like opportunities to progress are more highly rated among older age groups than for younger age groups.

Figure 28 Factors that made In-migrants 'very much want to move to Shetland' by age group



Source: Hall Aitken e-survey, n=468

5.5 In migrants - views and experiences

This section explores the views of in-migrants who attended the focus groups and were living in Yell, Lerwick, South Mainland, Scalloway and the West Mainland as well as qualitative responses to the e-survey.

In-migrants - views on jobs and careers

All but two of the focus group participants had secured employment before moving to Shetland. While these were reasonably happy in their jobs, one of the individuals who had not secured employment before arriving in Shetland described her experience working initially in a short-term job as 'horrendous'. She eventually became self-employed. Another found work as a nurse relatively quickly. In both the Yell and Lerwick groups, in-migrant couples were identified as often moving into

Shetland with one suitable job for one partner but leaving because there were none for the other partner.

Participants felt the Shetland economy was weak in terms of distribution of jobs and the dominance of the council and the oil industry as employers. Job opportunities were limited on the Islands with 'no coherent private sector' although this was seen to be improving. While none of the participants worked in the Oil Industry, they felt the opportunities from this were largely receding. There was also an impression that fewer people were applying for jobs compared to the 1980s and that businesses 'were lucky to get someone'. Employment opportunities were also felt to centre on Lerwick.

But participants also pointed to the North Atlantic Fisheries College as attracting international students and also the Contemporary Textiles course at Shetland College as doing similar and that these were highly regarded in other European countries. Shetland's 'entrepreneurial spirit' was praised as was SIC although there was a view expressed that maybe it 'tries to do too much'. Economic/ employment opportunities identified included remote working, creative industries and self-employment generally. Particularly, there were opportunities to have a 'global career' and examples were given of people in high value jobs basing themselves in Shetland (medical consultancy, fashion buyers, media personalities etc).

Transport

One of the main difficulties experienced by in–migrants while living in Shetland is visiting friends and family who do not live in the Shetland Islands. More than eight out of ten in-migrants stated this was either "very difficult" or "quite difficult". Transport between Shetland and mainland UK was seen as an issue mainly because of cost.

While the air discount scheme was seen as useful, it was still expensive to fly and required a lot of advance planning to get a reasonable airfare. The ferry was felt to be more cost-effective for families who wanted to go south for holidays or see family and friends. It was felt that these costs could be putting a brake on tourism but also other less obvious aspects. For example, Shetland's sports culture was seen as high achieving but the cost of getting young people to compete on the mainland UK was perhaps off-putting.

But one major area for adjustment for in-migrants was transport to and from the Islands. Participants highlighted that the length of the journey was what was difficult – in some situations, being notified of a sick relative in England and then taking two days to see them. This 'helplessness' in the face of a parent's illness on the mainland was not something that they had thought about.

Outside of petrol prices, travelling within Shetland was seen as cheap compared to Orkney with intra-Island ferries free or low in cost. However, the timing of public transport was seen less positively. Much of the issue appeared to be around the practicalities of being in Lerwick for either work or recreational opportunities. One Yell participant believed that her son was unlikely to remain in Shetland as it was difficult for him to access work in Lerwick without a car (cited as 'essential' by some survey respondents). For a nurse in the North Isles who had two student nurse placements, the timings of internal transport provided many problems for them in fulfilling their duties. Reflecting these difficulties, one participant in Lerwick felt that it was 'not uncommon' for in-migrants to move to Lerwick once their children became teenagers. Ferry timings, but particularly bus timings, were seen as being major factors in this.

Housing

The standard of rental housing, its conditions and costs were all issues. Two participants had secured housing for their family for three months initially but faced difficulties finding housing after that (North Isles). Renting housing was described as ‘exorbitant’ by one participant (Lerwick).

With the housing available to buy, it was felt to be relatively expensive and not always felt to be the right type or in the right places. Again, the issue off accessibility to Lerwick appeared important. Other issues highlighted by survey respondents included difficulty in getting planning permission (North Mainland) and lack of support in assessing housing options (North Isles).

Education, Health and other services

The standard of education on offer for young people was regarded as generally very good by in-migrant focus group participants. In the focus groups, school rationalisation was a controversial issue with many viewpoints on the decisions around closures. There was an acceptance among in-migrant participants in the North Isles that some sort of rationalisation was necessary – but where this would take place and what would be affected (for example, primary or secondary) was not agreed on.

Focus group participants described health care as generally good. A term frequently used to describe it was ‘Rolls Royce’ with day-to-day health services regarded as particularly good. However, there were issues with:

- Access to specialist health services; and
- Access to dentists.

While the latter is a significant issue nationally and accepted as a general problem, the provision of specialist services was seen as a more localised problem.

The free care provided to older people was also seen as attractive. There was one example of an in-migrant bringing their parents for family reasons but also for the quality of life and services available.

In the North Isles, there was an acceptance that the same level of health services as is provided on the Shetland mainland was impractical. However, maintaining the standard of emergency services appeared to be key.

Community and island life

Focus group respondents felt the Islands’ safe and natural environment was one of Shetland’s biggest strengths describing them as a wonderful place to bring up children.

In terms of attitude to new ideas, views were mixed. Focus group participants felt Shetland was quite outward looking (supported usually by citing Shetland’s historic trading/ migration links). But this was not universal with some survey respondents feeling that it was difficult to get support for new ideas (supported by personal feelings/ experiences).

Focus group participants and survey respondents had mixed views on whether Shetland offered a supportive social environment for in-migrants. Shetland was described as a very welcoming place in the focus groups. But the positive comments in the survey about the islands were contradicted by a not insignificant number of negative comments around Islander attitudes to in-migrants – phrases used included “bigotry”, “borderline racist”, “discrimination” and “nepotism”.

5.6 International in-migrants' motivations and experiences

We carried out two focus groups with international in-migrants in Lerwick. The first group had Shetland partners – these were from Norway, Spain, Thailand, Burma, and Russia. These were all female with two who had been living for two years in Shetland and another four ranging from 8 to 25 years. These were employed in education services, as cleaning operatives and one considered herself unemployed.

The second group were more recent in-migrants from Poland (6), France (1) and Spain (1). A mixture of men and women, three of the group had been on the Islands for less than a month with the rest resident there for between one and three years. They were employed in car mechanic services, hospitality, education services and sales.

International In-migrants – Motivations

The offer of employment was a key motivation for the move to Shetland for several focus group participants. Lack of work or low wages in their home country pushed most of them to seek employment outside their country of origin. In Shetland, one felt that 'in a week you can earn as much as in Poland in a month'.

These pioneers of sorts usually found a job through recruitment agencies. After settling in they were prepared to bring family members over or to provide support for friends who wished to come as well.

There were a few cases where people had established work contacts when they were students and had come to Shetland for summer jobs or on student programmes – and they then decided to come back after graduation. The initial decision of the destination for short-term term work was often influenced by friends' recommendation or – as in one case – by strong links between Shetland and Norway which made the decision almost obvious:

"We had always have loads of people every year from Shetland coming to visit Måløy and there were people from Måløy and the district around who moved over to Shetland. We always regarded Shetlanders as good neighbours, not even a part of the UK, but a neighbour over the sea – they were the same as us." (female, Norwegian)

There were some migrants who back in their country of origin had been working in the capacity in which they had been educated and trained, getting a fairly satisfactory salary. However, they found the pressure, workload and atmosphere at work very challenging. There were views that this was in contrast with the situation in Shetland where employees were perceived to be well respected and well rewarded. Alongside higher salaries, the pace of work and working environment were a pull factor for coming to Shetland. This was particularly the case for those whose friends or relatives had already been working on the islands, as they could get first-hand information on work experiences in Shetland.

A significant proportion of the focus groups participants moved to Shetland to follow their partner who got a job on the islands. Most often a male partner would find employment and a female partner would join them. One Thai female moved because her husband found a job in Shetland. When he moved again, she decided not to follow him:

'because I have two young sons and I thought Shetland offers safety and good education for my children'.

Equally, meeting a partner in Shetland during a placement turned a work placement for one French person into a more permanent move.

However, while financial or family situations encouraged some migrants to come to the islands, others arrived looking for adventure and in order to experience a different country and culture. They often followed friends' opinions about what Shetland is like, but sometimes they took the risk of arriving in a place about which they knew very little.

International In-migrants – views on employment

A considerable number of participants saw themselves setting up a business or going to college to improve their career opportunities. They tended to see themselves staying on the island longer or settling down.

Many interviewees regarded job opportunities on the islands as limited. They also thought that although it is fairly easy to get basic jobs, it is difficult to get into better paid and higher skilled posts. There was a view that this is because of networks of friends and relatives who strongly support one another and make it difficult for newcomers to compete for jobs with well-established community members. And limited availability of high-level jobs locally was seen as an additional barrier to career progression.

Employment was a significant decision-making factor for resettlement, and finding a satisfactory job which matched their skills was often regarded as a pre-condition for staying in Shetland.

International In-migrants – views on language services

Language was repeatedly mentioned as the key to succeeding in almost every aspect of life and work in the new country. There was the recognition among participants the initial language barrier is an obstacle when it comes to participating in community life, accessing public services and progressing their career.

ESOL classes available locally, provided at no cost to migrants and at flexible timing (including weekends), were much appreciated. In many cases the support they provided extended beyond teaching English only. Tutors often helped with practical aspects of life on the islands, such as dealing with application forms of various types, banking and similar issues. Attending classes was also felt to be a great way of expanding social networks. Many expressed the opinion that it was only when they progressed their English that they started to feel a part of the community. Those who arrived with no English found that advancing their language skills helped building up self-confidence which they were lacking at the beginning.

There was a feeling that local accents and the Shetland dialect made the spoken language very difficult to understand. This made general communication as well as further education (for those attending college) quite difficult.

International In-migrants – views on Transport

Transport was recognized as a problem, not so much for moving around on the island (Most lived in Lerwick) but in terms of air transport from the islands for holidays or to visit family. Cost and time involved were the main issues. The problem of unreliable public transport because of weather conditions was also mentioned.

Lerwick was the preferred place to live on the island but there were views that moving to the mainland of Scotland would make life easier in many ways, including transport, housing, entertainment and access to services and infrastructure.

'We are considering moving elsewhere in Scotland so it will be easier to travel to Poland. We might stay here longer though if we manage to buy a house. But it's not easy here with their 'bidding system'". (female, Polish)

International In-migrants – views on other services

There was a view that Shetland is an excellent place for retirement or for families but less so for young people and teenagers due to limited social life and leisure facilities.

International In-migrants – views on community and Island life

All participants found that there is a strong community spirit in Shetland and perceived people to be extremely welcoming and friendly. There was an impression that local people are curious about newcomers and that they welcome foreigners willing to live and work in Shetland.

The local community was seen as very supportive. This situation was regarded as invaluable when trying to adapt to the new environment and its "system" – 'a strict bureaucratic system and all these nice people'.

For those having Shetland partners or friends, connecting with the community was seen as easy and straightforward. They would enter already well-established social networks. At the same time, those who arrived on their own felt that a lack of connections with community members slowed down considerably the process of feeling included. As soon as people found a partner, this changed significantly or where they were following a friend or relative.

Some participants expressed an opinion that bigger groups of newcomers (for example Poles) showed the tendency to stick together and that they deliberately did not want to interact with other community members. Others disagreed with this view, and found the openness to interact with the local community varied depending on the individual's personality. Some people would be more willing to seek contact than others. One Thai woman stressed the importance of a cultural factor – that 'my attitude was initially a barrier to feeling comfortable in the community'.

Opinions on the social life on the islands varied among the participants. While some regarded Shetland as a culturally vibrant place where there was a lot to do others complained about limited entertainment and social opportunities. There were views that the social life in Shetland is often confined to going to a pub and the drinking culture was not attractive to some migrants of different cultural backgrounds.

International In-migrants – future plans

Views on longer term plans varied and there were different determinants influencing them. Generally the strength of links with the community established so far was a very significant decision-making factor. Those living in Shetland with family and children tended to be ready to stay for a longer period and some had already decided to settle down. Single and young people were generally keeping their options open and had no definite plans for the future, other than waiting to "see what happens". Some of the participants were ready to stay for the next few years, but were not considering resettlement.

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 by locality and for Shetland as a whole. It looks at the likely impacts of different policy measures on future population patterns and offers an indication 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 2006 population estimate for the Shetland 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.

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 projection or prediction, but can be used to compare the likely implications of policies on population sustainability and service provision.

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:

- 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 2005 to 2006).

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. However it should be borne in mind that this is not a 'worst case scenario' given that the birth rates in Shetland are above national average and that there has been the recent phenomenon of Eastern European immigration. Any significant changes to these factors could have a further negative impact on the population.

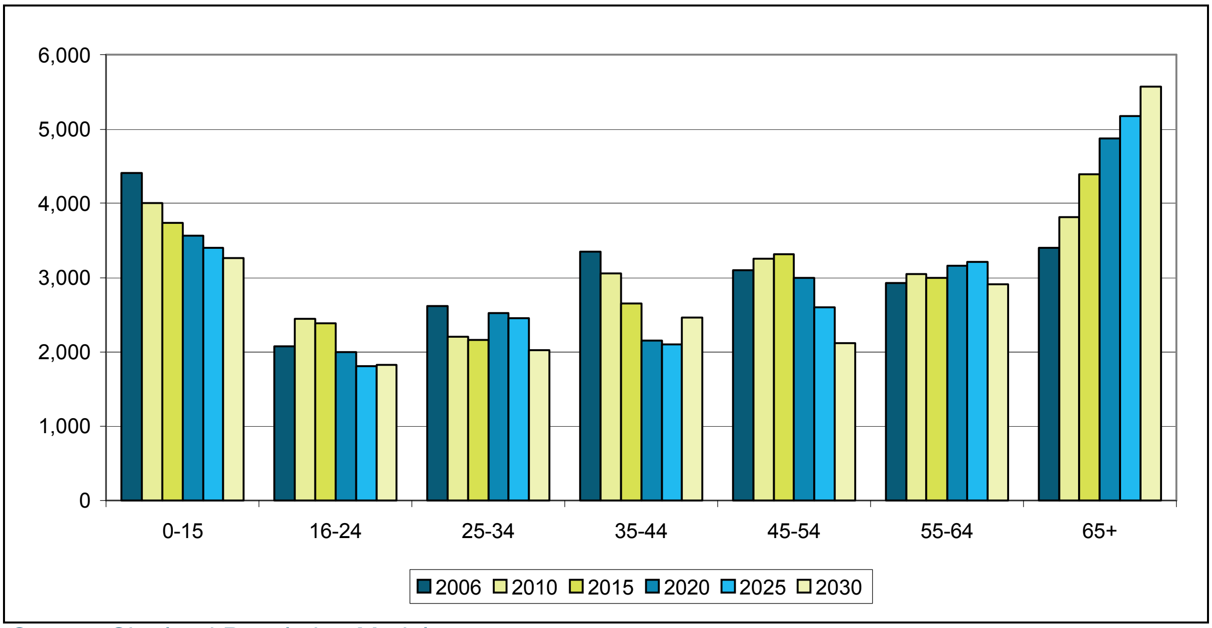
Population age profile

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 16 to 24-year olds after 2010;
- A rapid and continuing increase in the elderly population.

The overall population would, if current trends continue, drop from just under 22,000 to just over 20,000 by 2030.

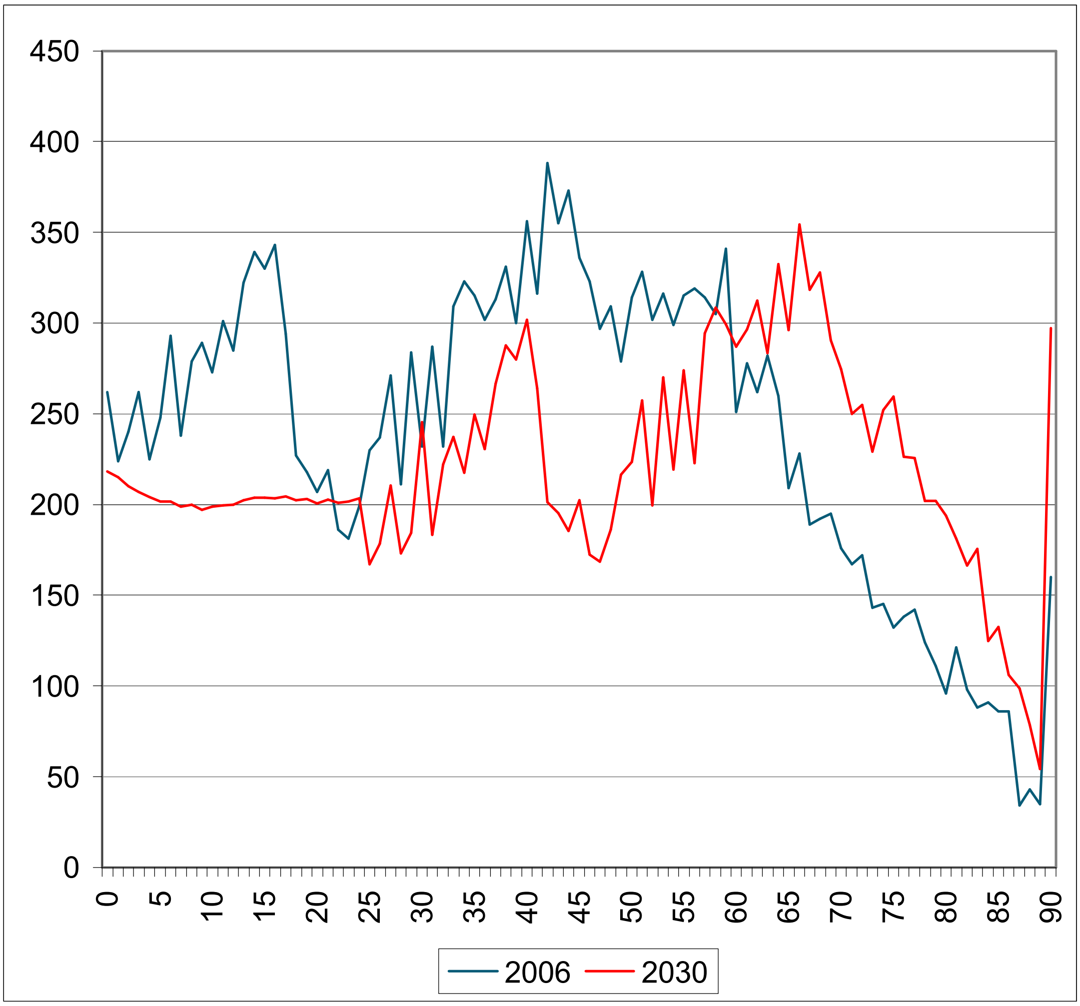
Figure 30 Population changes by age band (Baseline model)



Source: Shetland Population Model

Figure 31 shows the clear change in the population age profile between 2006 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 2006 and 2030 based on this scenario. The drop in the number of children is also notable.

Figure 31 Population age profile at 2006 and 2030 (Baseline model)

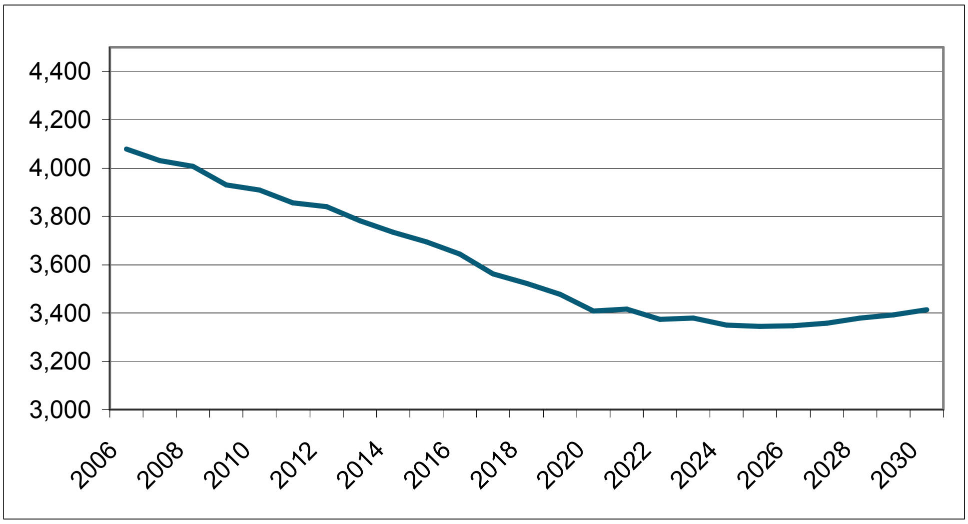


Source: Shetland Population Model

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 sharply from 4,100 to around 3,300 in 2025 before starting to gradually increase again.

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

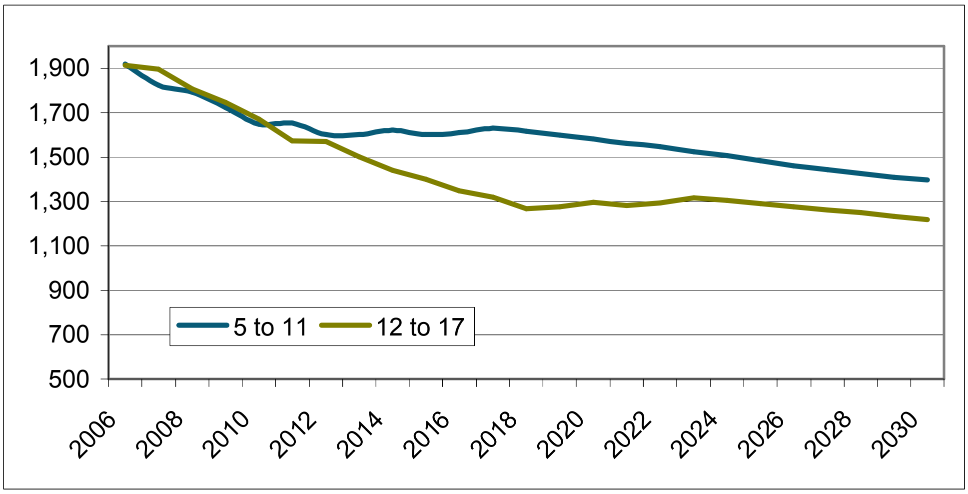


Source: Shetland Population Model

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 the number of primary school-age children will drop from around 1,900 in 2006 to around 1,400 in 2030. However the impact on secondary age pupils appears to be more marked with a much steeper drop between 2006 and 2018. And overall numbers would drop from around 1,900 to just over 1,200 by 2030.

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



Source: Shetland Population Model

6.2 Impacts of population change

Population changes have various implications for service demands and provision. In areas where populations decline, there are concerns about maintaining existing services, such as schools, local shops and health care services (SIC, 2000).

From the interviews with service providers and other stakeholders, the main areas of impact were seen to be:

- Sustaining fragile communities;
- Retaining existing levels of services;
- Geographical shifts in population;
- Increasing reliance on migrant workers;
- Impacts on recruiting staff; and
- Impacts on housing demand.

Fragile communities threatened

Several stakeholders felt the declining population and the ageing patterns would impact most severely on those communities that were already fragile. In particular the communities of Fetlar and Papa Stour were seen to be at risk from these continuing trends. Limited employment opportunities, the cost of infrastructure and the lack of a critical mass for service provision all undermine these marginal communities.

Services

Public services were considered to be under threat from several different angles. The ageing population profile was putting greater burdens for care provision on the Council and NHS budgets. And many elderly households are living in isolated areas making the cost of providing services higher.

Council and NHS budgets are already stretched and several interviewees thought that service cuts would be inevitable in the very near future. If Public sector budgets are to be balanced then hard decisions need to be made about priorities. Declining school rolls in some communities will also increase pressure for rationalisation of services. The projected change to the age structure of the population in Shetland, as well as the continuing rise in Shetland's life expectancy will result in an increased demand for health care provision. A greater proportion of older people will mean a shift in the balance between education and healthcare provision, with a greater emphasis on resourcing the latter service (The Scottish Government, 2004; Community Profiles).

A decrease in the proportion of children and young people in the population has resulted in falling school rolls in some areas (for example, Baltasound Primary, Burravoe Primary and Uyeasound Primary in the North Isles; Dunrossness school in the South Mainland, Lerwick/ Bressay). However, in other areas, school rolls have stabilised, or in some cases even increased (for example, Scalloway Primary, Whalsay Secondary, The Anderson High School, and Brae Primary in the North Mainland). The changing overall school-age population will impact unevenly across the Islands with the biggest impacts likely in the North Isles.

Geographical shifts in population

Employment opportunities, which are often generated through the public sector, tend to focus on Lerwick. Because of this and the concentration of many services in Lerwick there has been a drift of population from more outlying communities towards the Greater Lerwick area. However the lack of suitable housing sites within Lerwick itself has meant that most recently development has focused on the communities to the South and West of Lerwick. Public transport patterns which focus on Lerwick also entrench this shift. Interviewees and focus group participants have reported that families with teenagers and migrant workers both tend to favour locations within 15 to 20 minutes of Lerwick.

Impacts on recruiting staff

The declining working age population has led to pressures to sustain recruitment levels in some sectors of the economy. Many younger people are leaving the Islands to find higher skilled jobs with progression opportunities and there are fewer students who would fill these types of jobs in other areas. Lifestyle in-migrants are often financially independent and work fewer hours than others; they therefore contribute less to the local labour market.

The health and care sector in particular is reporting problems in recruiting and retaining staff in both skilled and unskilled jobs. The new care centre on Yell is struggling to find staff and service providers predict these problems will worsen.

Increasing reliance on migrant workers

Many sectors of the Shetland economy now rely significantly on migrant workers from Eastern Europe. Construction, hospitality and fish processing are all increasingly reliant on migrant labour to remain productive and competitive.

This leads to demands on services such as schools and ESOL providers. ESOL providers report around 170 migrant workers registering in 2007. However Shetland has a long history of welcoming and integrating people from other cultures and there have been numerous activities involving migrants and the wider community.

Adult Learning Education in Shetland has been increasing their provision to meet the growing demand: there were 32 learners in 2005/06 - 92 learners in 2006/07, and 169 currently in 2007/08. Developing the ESOL programme has been recognised as one of the four priority areas for 2008/09 (SIC, 2007b). At the same time it has been reported that Shetland's schools are facing challenges accommodating an unexpected influx of children with language needs (Press & Journal, 24 November 2006).

However there have been concerns voiced about the continuing availability of migrant workers once the UK Government points-based immigration policy has an impact. This will particularly restrict the numbers of migrant workers available for lower skilled jobs which are those for which the demand is highest.

Impacts on housing demand

Impacts of Shetland's population change on housing demand are reasonably well understood:

More housing will be needed - Slight drops in population (and the reduction in demand that this would normally bring) have been offset by decreases in the average household size (projected to drop further to 2.06 from 2.6 by 2014). This means that Shetland is likely to need 11% more houses by 2014 (SIC, 2000 & 2005).

More special needs housing will be needed - The increase of older people within the Shetland population is likely to impact on the demand and availability of special needs housing, such as level access housing, or sheltered housing. The need for special-needs accommodation was reported as being at crisis point already in 2005 (SIC, 2005b).

Affordability and availability is increasingly an economic development issue - House prices in Shetland rose between 2002 and 2005 by 26.1% (HIE, 2007, p11).

Shortages of good quality land for house building, as well as high additional costs for infrastructure at available sites, are not without impact on prices and stock (SIC, 2005b). There is a question of affordable housing, especially for the younger population – for those continuing their education and those leaving home and requiring independent accommodation (SIC, 2005a, p.4). A lack of low cost housing to rent, and increasing house prices, is also seen as a potential problem to labour recruitment and retention, which includes in-migrants to the area. A broad conclusion from Communities Scotland research (carried out also in Shetland) is that "housing affordability is a contributory factor to recruitment problems." (Communities Scotland (2005) Research Report 90: Affordable housing and the labour market in Scotland: do high housing costs create labour shortages?)

Service providers and stakeholders also highlighted that the increase in migrant workers and the shift towards Lerwick are also putting greater pressure on the housing market. Migrants tend to occupy private rented housing and often live in overcrowded conditions to keep costs down. We have also identified an increasing number of houses being kept as either holiday or second homes. Three participants in our Glasgow workshop still had a house in Shetland and several interviewees also recognise this phenomenon. While some of these properties may be available as winter lets the presence of these second homes limits housing supply and distorts the market.

The lack of accessible housing therefore becomes both a symptom and a cause of population change as it restricts access to the market for younger and lower earning households.

Cultural changes

Some interviewees have also highlighted a change in culture and attitude brought about by some lifestyle in-migrants. Some people who have come to Shetland for its quality of environment can be more reactionary in their views to new development such as social housing proposals. This phenomenon of the so-called 'drawbridge migrant' has been reported elsewhere.

6.3 Conclusions

By modelling current population trends we have developed a model to explore some of the likely implications of population change. This is based on birth rates and migration patterns continuing the present trends. Because this is unlikely to happen, this is not a prediction or projection, but a baseline scenario against which we can compare other possible outcomes.

The baseline run of the model indicates that continuing the current trends will result in the following changes by 2030:

- The overall population dropping to around 20,000
- A drop of 18% in the number of women in the childbearing age group;
- An increase of 63% in the number of residents aged 65 and over; and
- A decline of almost a third in the number of school-age children.

These changes would have implications on the labour market, with a declining (and ageing) working age population and on the cost and viability of service-provision. In particular a reduction of a third in the school roll would threaten the current number of schools. And the major increase in the elderly population would put pressure on health and social care services both in terms of funding and recruiting the necessary staff.

The likely outcome would be a reduction in the level of services (mostly in outlying areas and an increasing reliance on migrant labour. Some specialist maternity or anti-natal services could also be threatened by the longer-term decline in the number of births.

7 Developing a sustainable community

This section draws on our research to highlight what would be a desirable situation in 15 to 20 years. It also draws on the population model to show what a scenario is likely to require in terms of population component changes, as well as what changes would be necessary to meet the target of 25,000 people living in Shetland by 2025 identified by community planning partners.

7.1 Vision of a sustainable population

The previous chapter outlined that, if current trends continue, the population is projected to fall to just over 20,000 by 2030 with the percentage of the population of childbearing age set to be 18% lower than it is now. This will continue to impact on school rolls and it is likely, given the current movement of population towards 'Greater Lerwick' that this will disproportionately affect remoter communities. Whether schools should be closed may become less of an issue than actually finding the children to attend.

Our research suggests that attracting working age people, particularly families or those who are about to have families, can sustain the population. Focusing on actual numbers and targets (25,000) is perhaps distracting agencies from the core issue of having viable and balanced communities. In peripheral areas, this was seen as most important as 'one or two new families can make such a difference'.

Most of the factors that appeal to older people also make Shetland an ideal place to raise a family. However, the key difference between these life stages is the need for rewarding employment and it is in this area that Shetland is generally felt to be lacking.

7.2 Impacts of policy options

Using the population model we have tested some different options in terms of population change to identify their potential impacts. Figure 34 shows what the impacts of various changes to in and out-migration patterns would achieve by 2025.

Increasing the proportion of those returning after they have left the islands by 20% would have only a modest impact on increasing the population. This would result in an additional seven births per year by 2030 and would increase the overall working-age population by around 300 compared with the baseline model.

A higher rate of returners (40% increase) would lead to around 14 more births per year than the baseline and an additional 600 people of working age by 2030. Similarly, increasing in-migration among younger age groups (by 20%) would lead to an increase of 21 births and around 900 more working age people.

However, to actually achieve an increase in the population against the current level, there would need to be an increase in 40% in the number of in-migrants and returners aged 25 to 44 and a reduction of 33% in out-migration among Shetlanders aged 16 to 24. However this would still result in a drop of around 400 in the Primary school roll by 2030 and a lower number of women of childbearing age and births compared with 2006.

Figure 34 Impacts of different policy options by 2030

Policy option	Population at 2030	Change in childbearing population	Number of annual births at	Working age population	% population under 35	Primary school-age population –

Current situation (2006)						
2006	21,880		266	13,410	42%	1,921
Trends continue as is						
Do nothing	20,141	-18.0%	220	10,543	35%	1,398
Trends improve						
Increase returners aged 25-34 by 20%	20,524	-15.4%	227	10,850	35%	1,431
Increase returners 25-34 by 40%	20,923	-12.9%	234	11,170	35%	1,465
Increase all in-migrant age groups under 45 by 20%	21,352	-10.4%	241	11,432	36%	1,521
Reduce out-migration by 20% among 16 to 24	20,576	-13.9%	231	10,869	36%	1,443
Increase returners/in-migrants by 40% (25-34) and reduce out-migration by 20% (16-24)	21,339	-8.8%	244	11,480	36%	1,509
Increase returners/ in-migrants by 40% (25-44) and reduce out-migration by 33% (16 to 24)	22,373	-3.6%	258	12,289	36%	1,575
Community Planning target of 25,000 by 2025 met						
Increase all in-migrant age groups under 45 by 50% and reduce out-migration by 50% (16 to 34)	**25,184**	**17.8%**	**309**	**14,751**	**41%**	**1,911**

Meeting the community planning target of reaching a 25,000 population would require a significant coordinated effort to achieve. This would involve reducing the number of people under 45 leaving each year by 50% and increasing the current in-migration among under-35s by 50%. However if this could be achieved it would have several positive effects on the population:

- The number of annual births would be higher;
- The primary school roll would be sustained at the 2006 level;
- The proportion of the population aged under-35 would remain similar to 2006 levels.

However the proportion of the population above retirement age would still increase by 5 percentage points and the proportion of the population who are of working age would drop. This perhaps highlights the scale of the problem in achieving a sustainable population structure. Even in this more positive scenario, the population aged 65 and over increases by 64%, however the rest of the population is likely to be more able to provide services for these older members of the community.

Figure 35 Age profile of different population options

Option	% Population under 16	% Working age	% Retirement age
2006	20%	61%	19%
Status quo continues	16%	52%	31%
Increase returners 25-44 by 20%	16%	53%	31%
Increase returners 25-34 by 40%	16%	53%	30%
Increase all in-migrant age groups under 45 by 20%	17%	54%	30%
Reduce out-migration by 20% among 16 to 24	16%	53%	31%
Increase returners/in-migrants by 40% (25-34) and reduce out-migration by 20% (16-24)	17%	54%	30%
Increase returners/in-migrants by 40% (25-44) and reduce out-migration by 33% (16 to 24)	16%	55%	29%
Community Planning target of 25,000 by 2025 met			
Increase all in-migrant age groups under 45 by 50% and reduce out-migration by 50% among 16 to 34	**18%**	**59%**	**24%**

7.3 Conclusions

Our consultations and population research suggests the overall size of the population is less important than achieving a healthier balance in terms of age and gender. Our research suggests that the overall aims for population sustainability by 2030 should be to:

- Sustain the proportion of the population that is of working age;
- Stabilise the school-age population;
- Sustain the number of females of childbearing age; and
- Retain the populations of the most fragile communities.

While this does not necessarily require the population to increase to 25,000 clearly significant population increase is needed to ensure a sustainable and balanced population in the longer term. However age and distribution of population are more important than overall totals.

8 Factors needed for sustainable communities

This section sets out some of the current factors we have identified that will underpin community sustainability. It summarises the key outcomes from the Scenario Planning exercise and then sets out the desirable situation in fifteen to twenty years across a range of aspects that were identified. It also identifies some of the actions that agencies will need to focus on to achieve these outcomes.

8.1 Scenario planning

As part of our investigation into the drivers of population change in the Shetland Islands, we held a scenario planning session involving both members of the Community Planning Partnership (CPP) and a group of officers from public sector organisations in the Islands. The session therefore represented a broad spectrum of views and expertise allowing us to investigate a range of issues.

The scenario planning session involved a short exploration of key issues and drivers with the main CPP followed by more detailed scenario planning with the officers group. The participants had also been given the opportunity to contribute issues to a brief e-survey prior to the session taking place.

The aim of the scenario planning session was to identify the key drivers of change over the next 15-20 years and enable key players to engage in a detailed discussion on a range of alternative futures that may result. It allows people not only to identify what the main drivers might be, but also to look at the complexities that arise when they interact and the range of possible outcomes that are possible from different events and eventualities.

8.2 Identifying the drivers of change

Through the e-survey and the initial identification exercise we were able to define around thirty-six separate drivers of change that people felt would be important in the next 15-20 years. These issues were discussed individually and prioritised by relative certainty and uncertainty. By identifying the likely impact that certain issues will have and the degree of certainty attached to them we can begin to identify those issues which will be the key drivers of change. These issues are usually those predicted to have a significant impact but with a high degree of uncertainty.

In broad terms the issues fall into the following categories:

Economy	Economic drivers including business growth and economic activity.
Access	Access, communications and connectivity issues.
Politics	Global, political, social and economic drivers.
Society	Social factors including community integration and the demographic mix.
Community	Issues of civic pride and community esteem.
Environment	Uncertainty around climate change issues and the importance of natural environment

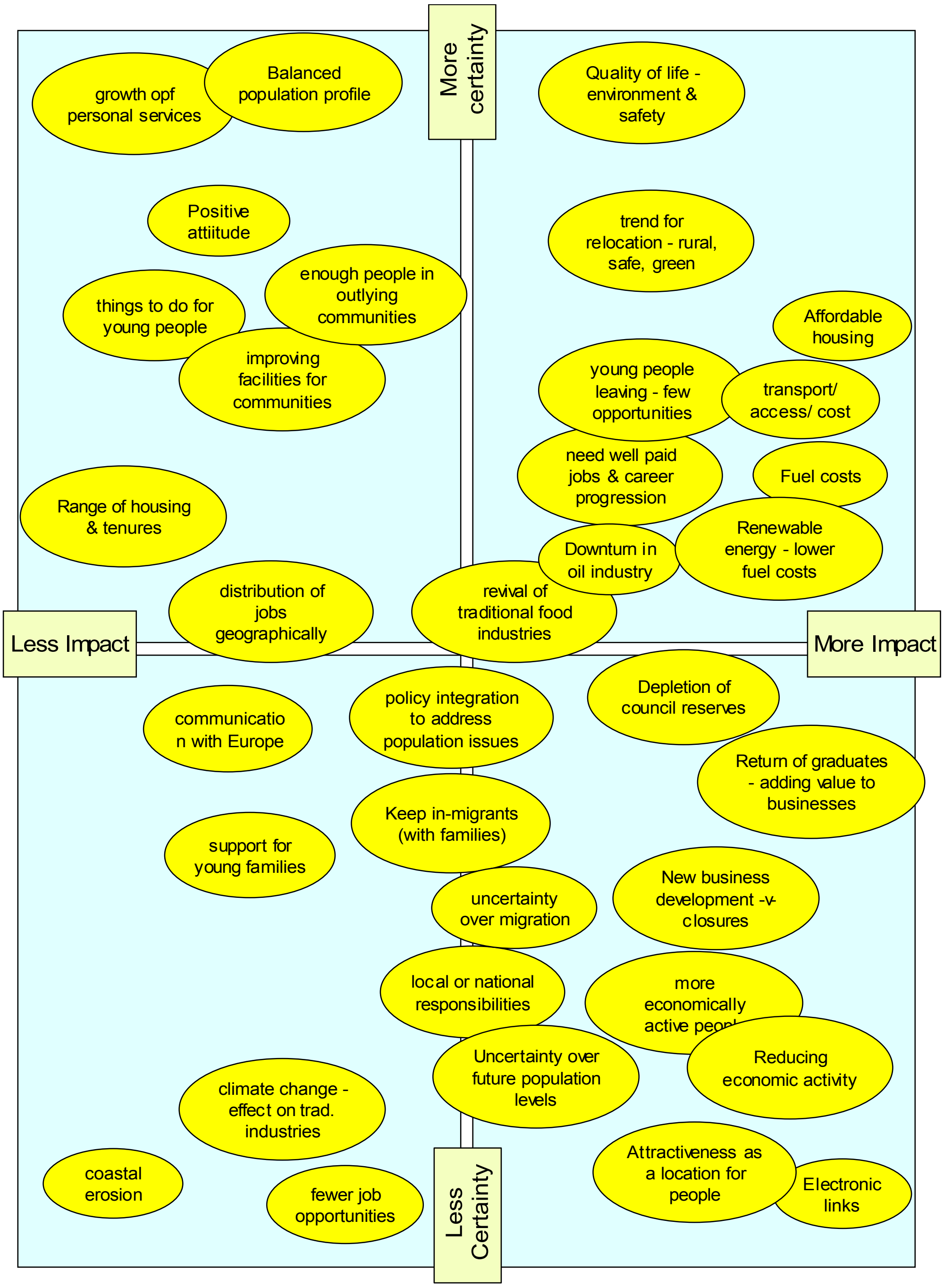
These issues were then analysed and mapped onto an impact and certainty grid to highlight what the potential impact they may have and the level of certainty about their occurring. Figure 36 shows the issues identified by the group mapped onto the Impact/ Uncertainty Grid. It was interesting that the CPP identified a large number of issues over which they felt they had some degree of control because of the availability of resources within the Islands. This is a level of empowerment we have not encountered in similar studies elsewhere in Scotland.

Those issues in the bottom right-hand quadrant are both uncertain and have high impact so will be of strategic importance when addressing population issues. These include:

Connectivity	electronic links and broadband
Business growth	the level of economic activity including opportunities for business growth
Being attractive	the attractiveness of the Islands for in-migration investment and tourism
Knowing the problem	the lack of knowledge about future population levels and its impacts
The albatross	the depletion of Council reserves
Skilled workers	the Islands' ability to keep its own graduates and to attract in-migrants in target sectors.

This analysis also identifies contextual issues over which people have some degree of control. These are those which although they have high impact they are less uncertain. These included community facilities, quality of life issues, housing, tenure, distribution of jobs and communications.

Figure 36 Impact/uncertainty grid developed by CPP members



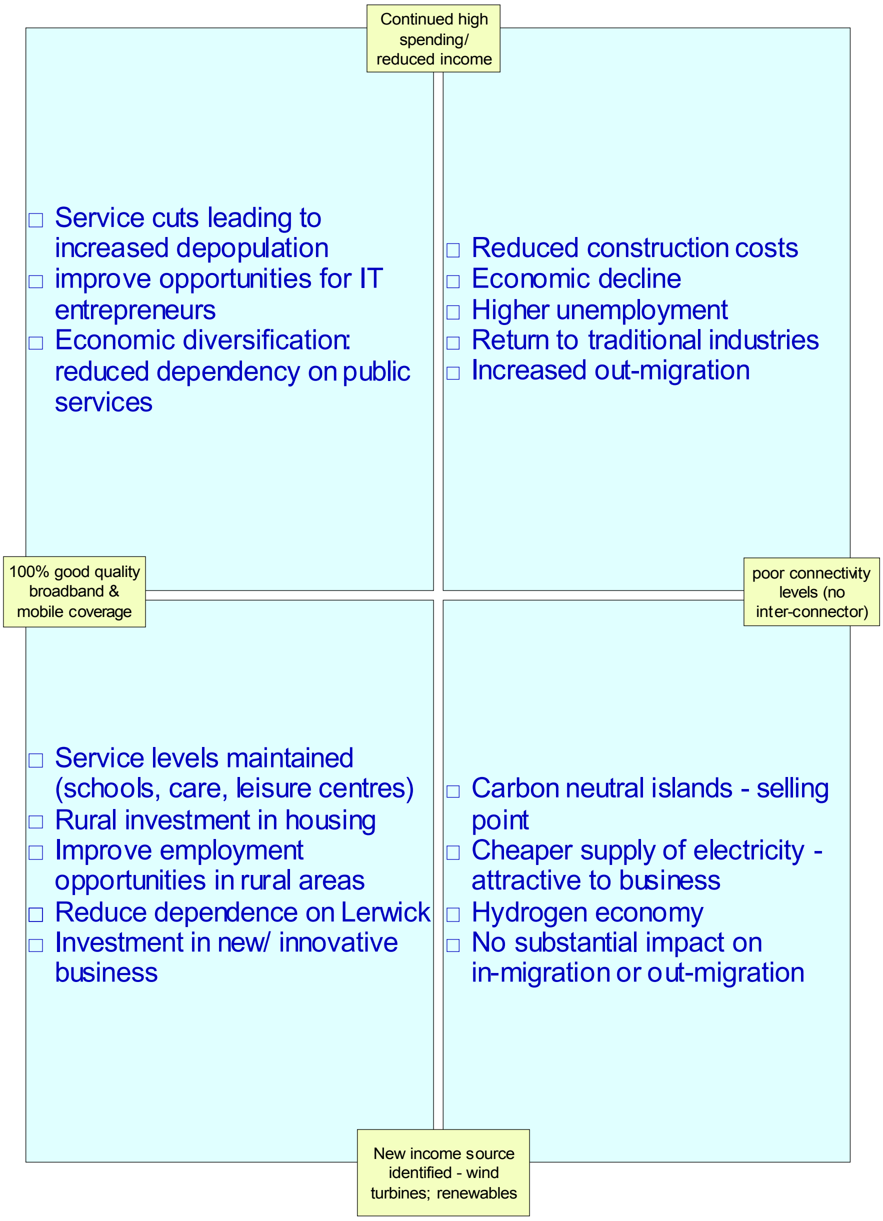
8.3 Alternative futures (scenarios)

We then took this information to the officers group to look in more detail at the inter-relationship between some of these high impact and high uncertainty issues. This involved a basic form of scenario planning and developed into a lively discussion covering a broad range of issues.

We looked at two sets of the most important issues and mapped different scenarios using different extremes of possible future outcomes. The value of doing this is that it allows us to test possible policy interventions against several possible scenario outcomes. These outcomes are based on looking at different ways that participants feel that uncertain issues will play out. The outcomes from these sessions are illustrated in Figure 37 and Figure 38.

In the first scenario looking at availability of resources and communication links there were positive scenarios based on re-investing the current oil fund. This would be in renewable energy enterprises that allow service levels to be maintained in terms of schools, care provision and leisure centres and enable additional investment in housing and creating employment opportunities in rural areas. This would reduce dependency on Lerwick among outlying communities.

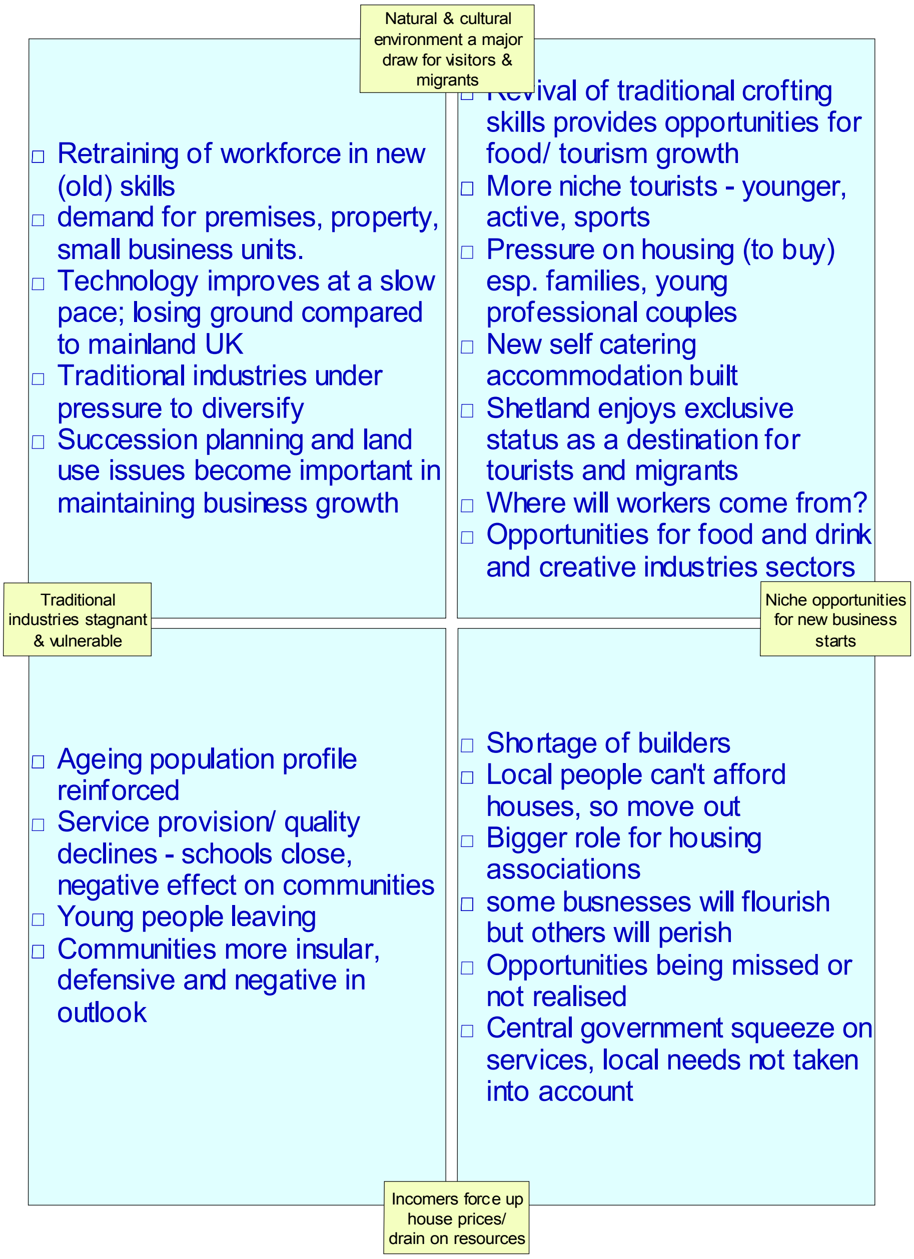
Figure 37 Scenario Grid 1



Alternative scenarios – with renewable energy resources being developed but poor connections - see the Islands as carbon neutral, a very big selling point, and a potential supplier of cheaper alternative electricity to businesses. But this may not have a substantial impact on either in-migration or out-migration.

The other scenarios look at the possibility of service cuts due to declining oil revenue which would lead to increased depopulation and particularly disadvantage rural areas. This would lead to higher unemployment, a return to reliance on traditional industries and increased out-migration. However the scenario with good electronic connectivity would enable some business diversification and new business start-ups, although this would not reverse the trend of depopulation.

Figure 38 Scenario Grid 2



In the second scenario planning group the two factors reviewed were the strength of traditional industries and the role of lifestyle migrants. This session considered that where the Islands' natural and cultural assets are used as a major draw for both visitors and migrants, and in an environment where businesses can grow, a range of opportunities could be identified for growing tourism products and for developing indigenous food industries and developing creative industries. These all have a very strong base in the Islands and would be expected to grow given the right conditions. It was also recognised that this scenario would create pressure on housing particularly for families and young professional couples and would also raise questions about where migrant labour might come from in the coming years. This scenario depends on the Islands becoming an exclusive destination (for tourists) to overcome the problems of the cost of access and the limited availability of accommodation. This equally applies to potential targets like inward investors, researchers and skilled workers.

An alternative scenario would show a situation where incomers may have an adverse affect on house prices and prove to be a drain on services and existing resources. Alternatively where the economic climate was not favourable to small businesses, we would see a decline in services, schools closing and a very negative effect on individual communities which would become less assertive and positive, more insular and defensive. The population would continue to age and the problem of demographic imbalance would worsen.

8.4 Broad direction needed

The scenario planning session concluded with a lengthy 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 issues that will be important in influencing population sustainability.

Virtuous circle	The first is a virtuous circle that involves growing businesses in the Islands linked to the need to create jobs. This involves a diversification of the economy but also involves supporting communities and aiming for support to outlying communities rather than driving the continued centralisation in Lerwick.
Barriers to in-migration	The second issue raised was the barriers to in-migration including housing which is a very obvious driver and whether housing can be used directly to influence both in-migration and economic growth. It was agreed that housing could be used for this but it required careful management. Other interesting issues include the availability of childcare given the increasing trend towards both partners in the household having jobs and also the issue of integration of in-migrants into communities to reduce feelings of isolation when entering a new society and, in the case of Shetland, a distinctly different culture. This applies to in-migrants coming from outside the UK.
Desirability and cachet	The third issue is the desirability of developing cachet for the Islands. Because of the distance from markets and the cost of access of the Islands, there is seen to be a need to develop exclusivity or a fashion desirability of the Islands that would allow Shetland to sell itself without having to go to extremes of subsidising travel for example. It would allow the Islands to target specific types of in-migrants and specific types of visitors that would in turn enable specific niche markets to be developed.
Environmental and cultural assets	Another key driver is the use of the Islands environmental and cultural assets as key drivers of population change. There is a feeling that the Islands have great strengths in terms of culture, environment and how people perceive the Islands and these can be used not only to drive business and jobs growth but also to be the drivers of changing the population towards the desired targets.
Review population targets	Related to this was a feeling that the currently agreed population target of 25,000 people is a blunt instrument and not sufficiently understood to be able to do anything about it. So the group recommended the targets be reviewed to better reflect the target demographic profile that is required to make the Islands sustainable.
A few catalytic interventions	They also agreed there was a need to concentrate on a few catalytic interventions to create change rather than attempt to be all things to all people. This may mean a focusing of expenditure on specific projects that will create the result that is needed rather than simply applying money evenly across the Islands. And the last issue was the need to balance academic vocational and entrepreneurial education for out-migrants to counter the in-built driver towards sending school-out-migrants to universities to complete their education.

8.5 Areas for future policy focus

Our interviews with service providers and other key stakeholders have highlighted several issues that need to be addressed by policy-makers. These are summarised below:

Living within our means

There is an overwhelming awareness among interviewees that the level of spend and service-provision is unsustainable. The Council is seen to be living beyond its means and 'squandering' the remaining oil revenue. Many people identify the need for tough decisions on prioritising expenditure in the very near future.

Re-adjusting services

The current expenditure on service provision will need to be reined in and this will clearly have an impact on the scale or quality of services the Council can fund. For example the cost of providing specialist care to all parts of the island is untenable in the medium to longer term meaning that some care services will need to be centralised. The impact on levels of service provision might make the Islands less attractive to some groups who are currently attracted by the quality of service.

Similarly school provision will need to be reviewed so services reflect the population. There needs to be a more realistic balance about what the Shetland population can sustain in terms of schools.

Balancing the population

There is a strong feeling the current target of increasing the population to 25,000 is unrealistic. This was the high point of population when Sullom Voe was at its peak and it would be difficult to imagine any future employment opportunities on this scale. Many felt that adjusting the level of service provision to match realistic population estimates makes better sense than trying to grow the population to justify unsustainable levels of service provision. The effort should be on attracting younger, working age households back to the Islands to balance the age profile of the population rather than growing the population per se.

Distributing population growth

There were mixed views about whether there should be positive steps taken to grow key settlements outside of Lerwick. Some stakeholders felt the drift of population towards Lerwick was inevitable and that policy should support market forces. Others thought that some effort should go towards sustaining growth centres where there had been significant investment in providing facilities such as schools and leisure centres.

However, the availability of jobs was seen to be the key driver behind population distribution. So any efforts to promote locations outwith Lerwick would need to be backed up by focused economic development activity. Given the dominance of the public sector this would require the Shetland Islands Council taking the lead in devolving jobs to these growth centres backed up by proper office facilities and broadband connection. These devolved centres could then be the focus for developing incubator units for business start-ups and affordable housing.

Promoting self-reliance

The level of public sector services provided for residents has undermined the traditional self-reliance of crofting communities. A greater focus on communities developing their own solutions to meet community service needs will make services more responsive and cost-effective.

However in some communities there is already a strong community sector and these could be developed and supported to take on more responsibility for local services.

Affordable housing

Housing was seen as a key issue in sustaining and growing the Shetland population. In particular affordable rented or shared equity housing for younger people wanting to move back or into the Islands is a priority. The majority of housing need is focused within the greater Lerwick area that is most attractive to people returning. However if the population is to be balanced and sustained in other parts of the Islands then housing needs to be provided alongside economic opportunities.

Some stakeholders considered that the Council and housing agencies could intervene more effectively in the housing market and possibly take a role in managing some of the holiday and second homes that are increasingly common.

Opportunities for renewable energy

Renewable energy is seen as one future opportunity to support the Shetland economy. There has been discussion about whether the oil revenue should be invested in renewable energy to create a more sustainable revenue stream in the longer term. However, even if the Council chooses this option the money will be tied up for a considerable time before any revenue comes in. And selling power to the grid will require considerable upfront investment in an interconnector to the mainland. The distance from the main energy markets makes this kind of investment less feasible for the private sector so some public investment will be required.

Marketing the Islands

Several stakeholders felt the oil boom had distracted agencies from making serious efforts to market the Islands in terms of local produce or tourism. They felt that some nationally significant resources were not being marketed and that the tourism product had considerable potential for development. Lessons could be learned from Orkney on how to effectively market Island goods and services.

Supporting enterprise

Several stakeholders identified the need for a more strategic approach to developing and growing businesses and this is a current priority for HIE. One interviewee felt that some investment was simply propping up hobby businesses rather than developing genuinely competitive enterprises. Some stakeholders considered that there were very few businesses that were globally competitive with most operating within a domestic market. The limited provision of broadband was seen as a key weakness in developing more globally competitive businesses.

Stronger collaboration between the Public sector, Education establishments (such as UHI) and the private sector would help to identify and support a small number of opportunities to develop competitive advantage. Attracting skilled researchers or graduate placements could also help to stimulate enterprise. Some sectors identified as having potential include renewable energy, creative industries, knitwear and music; in addition to current strengths such as fishing and aquaculture.

Providing incubator units or core business support services in association with better broadband access may help to stimulate business start-ups. However the low levels of risk-taking among the indigenous Shetland population is a major barrier to overcome.

Supporting the workforce

Problems in attracting staff in key sectors are predicted to get worse in the medium term suggesting a continued reliance on migrant labour. The growing burden of care emerging from the ageing population will require a larger and more flexible workforce, and this in turn will have implications for housing provision.

9 Recommendations

This section outlines some of the key longer term strategy objectives and policy areas that local agencies and communities will need to pursue to achieve the type of sustainable communities outlined in the previous section.

9.1 Overall aims

Our research suggests the overall aims for population sustainability by 2030 should be to:

- Sustain the proportion of the population that is of working age;
- Stabilise the school-age population;
- Sustain the number of females of childbearing age; and
- Retain the populations of the most fragile communities.

While this does not necessarily require the population to increase to 25,000 clearly significant population increase is needed to ensure a sustainable and balanced population in the longer term. However age and distribution of population are more important than overall totals.

9.2 Key issues impacting on population

Broadly this research has identified three key areas whish influence population change and which should therefore be the focus for any future measures aimed at addressing out-migration; these are:

- Economic development;
- Infrastructure; and
- Social issues.

We have summarised the key challenges around these below.

Sustaining the economy

The key challenges facing the Shetland economy are:

An over-reliance on public sector employment and an associated under-development of the private and community sectors. Outside of the public sector the prospects in traditional sectors such as crofting and fishing are questionable and outwith the control of the local agencies.

Most young people leaving Shetland's schools gain high levels of qualifications and are automatically encouraged to go to University on the Scottish mainland. However this fuels a brain-drain of potentially more enterprising members of the community and reduces the pool of people available for vocational training and skilled trades.

There are limited and declining opportunities for women and higher skilled workers. Most employment demand seems to be for lower skilled workers in the traditional industries, while the number and range of skilled opportunities in the oil sector has declined.

Employment opportunities are concentrated in Lerwick which has implications for trying to sustain some of the outlying Islands and communities.

Infrastructure

The key challenges around infrastructure are:

There is limited affordable housing of the right type and in the right locations to meet the needs of the labour market and to encourage greater in-migration. There appear to be an increasing number of second and holiday homes across Shetland while the existing housing stock is put under pressure by declining household sizes, a drift of population towards greater Lerwick and an influx of migrant workers.

While transport is generally considered good in Shetland, timings of public transport and cost of fuel will increasingly place barriers on travel to work areas. With most jobs based around the Lerwick area, transport connections are extremely important to support the local labour market.

Its peripheral location in the UK puts Shetland at an economic disadvantage and this is compounded by poor connectivity. Many businesses and self-employed people will rely on high-speed and reliable broadband connections but Shetland is at the trailing edge of broadband technology.

Social issues

The key challenges around social issues are:

Many outlying communities are strongly reliant on lifestyle in-migration to keep local services going and to sustain population levels. However some in-migrants are not fully engaged in the local life of the community and are not economically active. This needs to be addressed so the contributions of these skilled residents can be maximised.

With an increasing reliance on an international in-migrant workforce the level of integration of in-comers will be important to sustaining communities. While this has been a positive feature in Shetland so far, the scale of in-migration needed in the future will place a challenge on communities and agencies to maintain this.

9.3 Key priorities

Our research has identified key population drivers, the likely impacts of continuing trends and some of the challenges currently facing Shetland's communities. We have identified several areas where policy should focus on to promote a sustainable population in the medium to longer term.

Policy direction

Revising targets

While the target of 25,000 by 2025 provides an admirable level of ambition for policy-makers, it masks some more important issues around the balance and distribution of the population. We would therefore recommend the target should use the criteria outlined in 8.1 rather than setting a definitive population target.

Reviewing local public expenditure priorities

Clearly Shetland has been living beyond its means for some time and the current level of local public expenditure cannot continue. Difficult decisions will need to be made on:

- Prioritising local public expenditure; and

- A strategy for using the remaining oil fund.

Shetland has become accustomed to providing high-quality public services and facilities. But the investment made has not always been in the long-term interests of sustaining communities. The Council and its partners should start to scale back spending to levels in line with other similar sized authorities. Any additional spending from the oil fund or other reserves should be clearly focused on promoting a more sustainable economy in the medium to longer term, for example through:

- Promoting enterprise;
- Developing innovation or competitiveness;
- Generating revenue streams (for example, through renewables); or
- Developing business infrastructure (for example, broadband or incubator units).

However these issues are both sensitive and important so we would recommend a period of community consultation on which course of action to take.

Devolving jobs

If a strategy of supporting more self-reliant communities outside of Lerwick is to be successful this will require sufficient employment opportunities within these areas and the local spend these would generate. As the Council is one of the biggest employers it should take the lead in promoting this policy by devolving employment from Lerwick to the key settlements elsewhere in the Islands.

Marketing Shetland as a place to live and visit

It is clear that the quality of environment and strength of communities are what attracts people to Shetland. However there has been little effort to market these attributes in order to attract either visitors or to add value to locally produced produce. There is also an opportunity to develop niche tourism markets through branding and marketing.

Economic development

Developing the private sector

It is clear that there is a need for more business start-ups to address the weaknesses in the private sector. This will require investment in infrastructure that will support new businesses such as start-up premises, broadband and other IT facilities. Business facilities should also help to promote the policy of devolving employment opportunities out of Lerwick.

It will also require more focused awareness-raising of enterprise opportunities among key target groups such as school-leavers, women and in-migrants. Bringing in Shetlanders who have become successful businessmen and women is one way of doing this.

Adding value to natural assets

Our research has identified some potential for developing greater economic advantage from Shetland's natural assets including produce, culture and environment. This links closely with the issue of marketing outlined above. Partners could help to develop greater added value through supporting the private sector to build clusters around different sectoral groupings such as:

- Crafts;
- Creative industries;

- Eco-tourism; and
- Food and drink.

Added value could be generated through differentiating these products and marketing their quality and exclusivity.

Developing knowledge-intensive sectors

Increasingly economic development requires ways of using knowledge to create competitive advantage and add value to basic production. However this is often difficult to achieve in rural and peripheral areas where there are no large-scale Universities to promote research and development. However the North Atlantic Fisheries College already has international research specialisms in several areas and there are proposals for Shetland College (as part of UHI) to develop research programmes in specialist areas such as knitwear and music. Renewable energy will also present future research and development opportunities.

Public agencies should support the knowledge economy through identifying appropriate opportunities for research that link into Shetland's productive sectors. They can also assist through providing graduate placements and secondment opportunities and through joint ventures with research institutions.

Building community enterprise

Elsewhere in the Highlands and Islands community-based enterprises have developed innovative ways of meeting the different service needs of remote communities. With public service budgets likely to come under increasing pressure in Shetland, the community sector will need to play a greater role in maintaining and delivering local services.

Infrastructure

Housing to support economic growth

It is clear that the availability of housing is a key barrier to increasing in-migration. And there is evidence from elsewhere to suggest that housing provision can help stimulate economic and population growth. While the Council and its partners have made efforts to increase the number of house completions it will be critical that housing continues to support economic development. This will mean providing accessible and affordable housing opportunities in the various growth settlements in conjunction with the devolved jobs and business infrastructure previously discussed.

Improving broadband

In rural areas self-employment is generally more widespread than in urban areas and reliable high-speed broadband is increasingly important to running most types of business. So investing in broadband technology will be important for promoting Shetland as a location for self-employed lifestyle in-migrants and for developing indigenous business start-ups.

Community support

With an increasing need to attract in-migrants and the accompanying increased housing requirements, continued support for integrating the migrant community is essential. The efforts undertaken by the Council, Shetland College and the voluntary sector so far have been commendable. However it will be important that there are adequate resources to provide ESOL classes, language support for schools and translation services for public agencies. Support for community-based awareness raising and integration are also necessary to help the indigenous population to embrace these new Shetlanders.

Further examples of approaches taken to integrating in-migrants elsewhere are set out in Appendix B.

Appendix A – Research Questions

Factors such as age, gender, locality, qualifications and economic activity were considered at all times as well as ethnicity/disability

What has driven population change since 2001?

- What have been the trends for each locality in Shetland, Shetland as a whole and Scotland?

What are the factors influencing migration?

- What are the characteristics of in-migrants?
- What are the characteristics of out-migrants?
- What are the characteristics of returners?
- What influences their decisions to return, migrate in or out?
- What influences the decisions of those who choose to remain, particularly in fragile areas?

What are the necessary factors for sustainable communities?

- What are cultural, social, economic and infrastructure characteristics of a sustainable community?
- What is the level and type of population required for sustainable communities?
- Which localities are most vulnerable to population change?

How will the makeup of the population in 2030 affect Shetland society, economy and services?

- What are the implications of population trends continuing as is?
- What are the implications of policies that are moderately successful in influencing population change?
- What are the implications of meeting population targets?

What actions can public agencies take to foster population and service sustainability?

- Which vulnerable localities should policy makers particularly focus on?
- What policy and support mechanisms are likely to work to:
    - Reduce the vulnerability of these areas; and
    - Support population growth and retention.

Appendix B - Best Practice

Much attention has been paid in recent years to the development and implementation of policies that can encourage population growth in rural and remoter areas. Some of the conclusions and recommendations are presented below.

Retention of indigenous population

It has been argued that there is a close correlation between population growth and economic development. This can be shown in the Highlands and Islands, where structural developments since the 1960s have helped to reverse economic decline and, as a result, has reversed the long-term trend of out-migration from the area (Nicolson, 2004). Business growth requires labour and thus it is a pull factor for economic in-migration, yet it does not necessarily guarantee population retention. Some authors suggest the traditional pattern of out-migration and declining job opportunities does not hold in Shetland, as there is still net out migration, despite job growth (Blackadder, p. 17). The author suggests there could be a mismatch between available jobs and the employment people want or are trained for (p.18). A common characteristic of rural areas which makes them more susceptible for out-migration is that employment opportunities tend to require low skills levels, pay low wages, and do not offer progression within a career. The Outer Hebrides Migration Study provides evidence of a strong link between limited job and career opportunities and out-migration (p.22-27) and recommends that economic development policy should aim towards exploring the possibility of attracting businesses and activities in sectors that provide a wider range of opportunities for men and women (Hall Aitken and INI, 2007, p.97-98). Additionally, developing an electronic communications infrastructure and Broadband access, which are crucial to e-business, is seen as necessary to improve productivity and market expansion for rural businesses (Nicolson, 2004).

For many parts of rural Scotland, education has been recognised as a key driver of out-migration, affecting the younger age groups in particular (Stockdale, 2004). It might therefore be expected that regional educational institutions would be successful in retaining young people seeking further education. Lews Castle College (Outer Hebrides), for example, sees its future role as developing specialist courses and graduate programmes to attract back postgraduate students to carry out research (Hall Aitken, 2007).

It is evident from studies elsewhere that transport on islands and remoter areas can be an issue for both settled and migrant communities, in terms of availability and cost (Hall Aitken, 2007, p.29, p 60, 64-65, p70; Kociolek, 2007, p.16). Improving road, ferry and air services to make it easier and more affordable to get around the region is argued as essential, if communities in remoter locations are to be sustained (Nicolson, 2004).

There have been different policies and practices developed in response to the issue of rural depopulation across the world. Norway, for example, supports businesses in remote areas with grants and loans in addition to reduced personal and business taxation. In some parts of the country, graduates are offered reductions from student loan repayments for every year they spend working in a remote area (Hall Aitken and INI, 2007, p116). In Ireland, a proactive approach is taken by voluntary organisations such as Rural Resettlement Ireland, where field officers assist families to leave cities and resettle permanently in rural areas. Information on mainly housing, transport and education is provided (www.ruralresettlement.com). Also

Canada has developed a proactive approach to supporting its rural, remote and northern regions. The Canadian Rural Partnership works closely with the Canadian government to support rural communities through building community capacity, supporting rural agricultural communities with rural minority languages and youth-orientated actions (http://www.rural.gc.ca).

Retention of foreign migrant labour

One of the interesting characteristics of the recent Central and East European A8 migration wave consists of its fairly even distribution across the country with no indication of a preference for urban areas (CRC, 2007, p. 16). Rural areas which have been facing population ageing and decline and which are struggling to fill vacancies in some sectors have been beneficiaries of this phenomenon. In the attempt to attract and retain migrant labour, detailed research and project-work has been undertaken.

A survey of migrant workers in the Outer Hebrides revealed that most migrants did not have defined plans about their length of stay, and many left their decisions for the future undefined (Hall Aitken and INI, 2007a, p.40). This may suggest that, depending on their situation (housing, employment, feeling of being welcome etc.), they are open towards the prospect of resettlement.

The most common recommendations regarding action by public agencies are to focus on the following major issues (UHI and INI, 2005, p78-82; Hall Aitken and INI, 2007a, p. 52-58; Kociolek, 2007, p.24-27, Jentsch, 2007, p. 3):

- Access to information and access to independent advice and support – to families and to individual migrants;
- Promotion of good relations and community cohesion, for example, through interaction between different ethnic and cultural groups (see also below)
- Promoting inclusion – for example, through ESOL provision
- Addressing underemployment – through a strategy of matching skills with employment opportunities.

Given that 'integration' is commonly understood as requiring changes from migrants as well as from host communities, it needs to be noted that the latter also need support when the focus is often on the migrant population and their needs. Community support may include creating opportunities to interact with other cultures, and information about the new community members, including the benefits they can bring. At a policy level, 'integration' may refer to a type of engagement in which stakeholders from different ethnic and cultural groups participate, thereby promoting interaction. This can result in 'mainstreaming' so the development of policies and public provisions is inclusive of different ethnic and cultural groups, thus promoting equality (Jentsch, 2007, p. 3).

Many areas in Scotland have created multi-agency working groups, which aim to develop strategies and specific initiatives around the issue of migrant workers (for example, there are Migrant Worker Forums in Lochaber, Argyll, Dumfries and Galloway and a Highland-wide In-migration Action Group). These groups help to coordinate action by local agencies and provide a platform for information exchange.

The "Supporting Inward Migration" initiative could be given as an example of a multi-agency project within the Highland Council area. The project is aimed at migrant workers and employers who have migrant worker employees. It delivers services within four main areas of support: English classes, advice, family support and fire safety (Supporting Inward Migration [online]).

S.T.E.P, the "Migrant Worker Support Project" in Northern Ireland, operates on the basis of a similar idea. The Migrant Support Centre, that has been established to run the project, delivers its services in a range of languages, covering 9 different areas of expertise, including ESOL (provision, tutor training, quality checking), advice (citizen, employment rights, housing, immigration), interpretation and translation services, community development work and policy work.. The project – initially funded by public money – has been designed to be self-sustaining, with time (Migrant Workers Support Project [online]). This highlights opportunities and constraints of the role of the voluntary sector in promoting the integration of migrants: on the one hand, voluntary organisations are diverse and flexible, and thus well suited to identify and address migrants' needs. However, examples in Ireland have also demonstrated that unless the state co-ordinates such endeavours and facilitates a long-term strategy, an overly complex structure of programmes and initiatives may result. They may only be short-lived and project directed – a situation which obviously should be avoided (Jentsch 2007; Mac Éinri 2007).

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