

Islands (Scotland) Act 2018 - Annual Reporting Return

Name of Relevant Authority:	Shetland Islands Council
Reporting Period:	April 2025 – March 2026

Please describe how your organisation has had regard to island communities in carrying out its functions.

Raising Awareness of Island Communities Impact Assessments (ICIAs)

The Community Planning and Development Service has continued to raise awareness and provide support to enable the Council to meet its statutory duties under the Islands (Scotland) Act 2018.

This has included:

- Ongoing promotion of ICIAs through internal channels, including sharing guidance and supporting officers to complete assessments
- Continued development of impact assessment processes, including the introduction of an updated Impact Assessment Policy, reinforcing the requirement for impact assessments within decision-making
- Ongoing work to improve guidance and templates available to officers

This work has supported a more consistent approach to considering island impacts across Council services.

Islands with Small Populations (IWSP) – Locality Planning and Engagement

Work has continued to support the Islands with Small Populations (IWSP) Locality Plan.

The Issues Log continues to be used to monitor and progress key issues across island communities, including:

- Housing availability
- Health and care provision
- Transport and connectivity
- Emergency resilience
- Digital connectivity

The Issues Log demonstrates both the range of challenges faced by island communities and the coordinated response from Council services and partners.

An IWSP Annual Event was held in September 2025, bringing together island representatives, Council services, and partner organisations. The event focused

on adaptive capacity, including how communities can respond to current challenges and build on existing strengths.

Island representatives shared examples of successful community-led activity, including work on community-owned energy systems and development of community facilities. The event also provided an opportunity to discuss priorities such as housing, transport and service flexibility.

Further engagement with island representatives took place through an IWSP Community Conversation session in January 2026. This provided an opportunity for island communities to directly share their views on what helps their communities to thrive and the role of the Council in supporting this.

Key themes highlighted by island representatives included the importance of reliable transport and core infrastructure, access to housing and economic opportunities, and maintaining a stable working-age population. The discussion also emphasised the value of strong partnership working, clear communication, and ensuring that island communities feel heard and supported in decision-making processes.

This was complemented by an online IWSP session held in March 2026, which focused on practical approaches to supporting sustainable island communities. This included discussion on Community-Led Housing and Community Asset Transfer, and how these approaches could support population retention and local development. The session also highlighted the importance of partnership working and the role of the Council in supporting communities to explore and deliver locally-led solutions.

Community Work – Support to Bring about Change

Community Workers within the Community Development team have continued to support island communities to identify local needs and take action to bring about change.

This has included:

- Ongoing engagement with island communities throughout the year
- Supporting delivery of community-led activity and local priorities
- Facilitating connections between communities and partner organisations

This work continues to ensure that island communities are supported to influence service delivery and local development.

Support for Island Infrastructure

Support for island infrastructure has continued during 2025–26.

Key developments include:

- Completion and reopening of the Fair Isle Bird Observatory, supporting tourism, employment and the local economy.

- Continued progress on the redevelopment of Papa Stour Kirk as a community facility and visitor hub, with an opening event held during Summer 2025. The project provides important social and community infrastructure for the island and supports the long-term sustainability of the community.
- Work has continued on the Inter-island Transport Connectivity Programme, which is considering future transport options across Shetland. Engagement has taken place with island communities through surveys, public sessions and targeted engagement with stakeholders, helping to inform the development of the Strategic Business Case and ensure that island-specific transport needs are reflected in future planning.

These projects support the sustainability of island communities and provide essential infrastructure for both residents and visitors.

Examples of Having Regard to Island Communities in Service Delivery

A number of services have demonstrated consideration of island impacts through their delivery.

For example:

- The introduction of a “family and friends” concessionary fare for inter-island air travel was approved during 2025–26. This responds directly to long-standing requests from island communities, specifically Fair Isle and Foula, and supports improved social connectivity by enabling residents to extend discounted travel to named individuals. This demonstrates how feedback from island communities can inform service design and improve accessibility.
- The provision of free period products has been designed to ensure access across Shetland, including remote islands, through a combination of community venues, NHS facilities and online ordering. This approach helps address differences in access due to geography and service availability.
- The Place-Based Approach Implementation Plan supports locally informed decision-making, recognising that outcomes may differ between islands due to factors such as population size, remoteness and connectivity.
- The Climate Change Strategy recognises that island communities may face additional challenges in relation to transport, infrastructure and access to contractors, and highlights the need for flexible and locally appropriate approaches.
- Support for wider economic opportunities across island communities, including emerging developments such as the SaxaVord Spaceport, which may support employment, population retention and long-term sustainability in remote island areas.

Please provide a list of policies, strategies or services for which your organisation has completed a Section 10 assessment Island Communities Impact Assessment.

In the last financial year, ICIA's have been completed for:

- Air Fares Increase and Friends and Family Fare Introduction
- Commission Research into the Minimum Income Standard
- Bus Fares Increase
- Public Bus and School Transport Business Case
- Shetland Place-Based Approach Implementation Plan
- Free Period Products Service
- Financial Health and Fuel Poverty Advice Service
- Shetland Climate Change Strategy.

These assessments have been published in line with the Council's duties.

In most cases, the assessment concluded that the policy, strategy or service was not likely to have a significantly different effect on island communities, and therefore did not require progression to a full ICIA. However, the screening process remains an important part of ensuring that island impacts are considered at an early stage and that any potential issues are identified and addressed proportionately.

What other steps has your organisation taken for those policies for which an ICIA was not required (under the section 10(b)(ii) assessment).

The Council continues to promote the importance of considering island impacts in all policy and service development.

This includes:

- Use of locality planning and locality profiles to inform decision-making
- Ongoing engagement with island communities through IWSP structures and Community Development work
- Embedding impact assessment requirements within reporting processes

For those policies where a full ICIA was not required, island impacts have been considered proportionately through:

- Engagement with island communities
- Use of existing data and evidence
- Alignment with existing plans, including the IWSP Locality Plan

This approach supports continued awareness of island-specific issues and helps ensure that policies and services remain responsive to local needs.