



COMHAIRLE NAN EILEAN SIAR

Corporate Strategy 2020-2022: Recovery and Renewal

Foreword

Welcome to Comhairle nan Eilean Siar's refresh of its Corporate Strategy, which will set the Comhairle's programme of strategic-level ambition and action to the end of this current electoral term. The external environment in which the Comhairle delivers its services and supports its communities has changed significantly since the last iteration of the Corporate Strategy in 2017. During 2020, the COVID-19 pandemic looks set to result in enduring impacts on our local society and economy, demonstrating that the Outer Hebrides are not insulated from global shocks, but also confirming that we have resilient, innovative and collaborative communities, businesses and organisations. The Comhairle has responded quickly to the crisis, putting in place new ways of working, and with a renewed focus on effective partnership working.

Our Corporate Strategy for 2020-2022 seeks to ensure that the Comhairle becomes increasingly agile and responsive in order to deliver our aspirations for our people and our place, as the Outer Hebrides adapts to a "new normal" post COVID-19, building on our current programme of Transformation and Change.

As we go forward from Resilience to Recovery and Renewal, we anticipate that opportunities may arise, including potential movement of population due to the islands being perceived as a low risk, clean, attractive destination for businesses and individuals; that local supply chains, particularly for food, will be valued more; that more visitors will choose the islands in preference to foreign holidays; and that decentralised health and social services will be an increasingly preferred model. Digital connectivity will now be viewed as absolutely central to the new economy, in which business interaction and working practices will migrate to decentralised digital platforms and transformative growth opportunities will emerge from our world beating Renewable Energy resource.

While our key corporate strategies have not changed fundamentally, COVID-19 has inevitably adjusted our priorities, but has not replaced them. Our priorities going forward remain geared towards effective financial and workforce planning, service redesign, Public Sector Reform and direction of travel towards Single Island Partnerships, Community Empowerment and Governance, the Islands Act, the Islands Growth Deal, Energy and Climate Change, and Capital and Infrastructure. This demands consideration of the structures required to ensure effective delivery of these strategies at both political and officer levels. Internally, the Comhairle has established a Corporate Recovery Team and a Corporate Planning Team to deliver on internal recovery. Externally, the Comhairle will lead on the multi-agency Recovery Co-ordinating Group, and the Comhairle and Highlands and Islands Enterprise will lead on the Economic Forum which will have decentralised delivery through existing area groups.

As part of Recovery, it is recommended that milestones are identified and agreed, and these will evolve in the short, medium and longer term. The community should and will be involved in assessing these standards. Milestones provide a means of measuring progress and may assist in deciding when specific recovery activities can be scaled down. While the following list is not exhaustive, suggested milestones could include some of the following:

- demands on public services (including health) are returned to normal levels;
- utilities are fully functional;
- schools are fully functional;
- transport infrastructure is running normally;
- local businesses are trading normally;
- tourism in the area has been re-established;
- the public sector is working collaboratively and partnerships are strengthened; and
- the Comhairle is working closely with Scottish and UK Governments.

Our vision for this Corporate Strategy is that through partnership and reform we can strengthen the communities and economy of the Outer Hebrides by supporting a strong and socially inclusive recovery that creates empowered, resilient communities, based on a green economy in which digital connectivity and innovation are prioritised.

***Cllr Roddie Mackay
Comhairle Leader***

***Mr Malcolm Burr
Chief Executive***

Social and Economic Context

Our Corporate Strategy must reflect the internal and external environment in which the Comhairle operates, and our direction is accordingly shaped by the challenges and opportunities this environment brings.

Prior to COVID-19, there was a clear differential between the economy in the Outer Hebrides and the rest of Scotland. Although rates of employment are higher in the Outer Hebrides than the Scottish average, GVA and average wages are noticeably lower.

The economy of the Outer Hebrides has been severely impacted by the Covid-19 pandemic. The impact of the resulting lockdowns and social distancing measures will reverberate through the local economy for some time. The effect on the islands has been particularly challenging because of the nature of the islands economy, with a significant number of people whose income is dependent on tourism and primary industries, including food and drink production, aquaculture, and fishing, the majority of whom are small businesses and/or self-employed.

It is also possible that the social and economic impacts of the pandemic will have had, and will continue to have, a disproportionate impact on some sections of our community than others, including the self-employed, younger people, women, lone parents and those in lower waged occupations.

However, as highlighted previously, the pandemic has also identified economic opportunities around localism, business diversification, innovation and digitisation, that we must seek to build on these through the recovery phase. The Economic Forum and area groups will have a significant role to play in realising these opportunities.

In terms of lessons learned, the pandemic has demonstrated the extent to which our communities are resilient and the ability of the Comhairle, public agencies and community organisations to work together to support individuals, especially the vulnerable, through the pandemic. However, it has also confirmed once again how the economic base is reliant on a small number of sectors, and the level of our dependence on external transport links for food and drink, and for access to markets.

The pandemic has also demonstrated the capacity of local communities and businesses to adapt and innovate, be this in terms of community groups mobilising to support the vulnerable, or businesses adopting digital channels to get their products to market.

The islands are fortunate that the public sector still accounts for an estimated 50% of the economy, which has been key in addressing and mitigating some of the more harmful socio-economic impacts of the pandemic, and will be critical in the recovery phase.

Population

Population decline and an ageing demographic are highlighted as a key issue in the 2017-21 Corporate Strategy and in the Local Outcome Improvement Plan 2017-27, and we continue to project a decreasing and ageing population¹. The 2018 based projections predict a 6.1% decrease in the population of the Outer Hebrides over the 10 year period from 2018 to 2028. This is one of the largest decreases in Scotland. This decline will be particularly focused on the younger population (the 0-15 year age group is predicted to decline by 13%) and the working age population (decline of 6%), so we continue to expect a skewed demographic profile going forward. There may be opportunities for population attraction as a result of the pandemic, and if adequately supported by transport and digital connectivity, with the islands being perceived as a low risk, clean, attractive relocation opportunity for businesses and individuals.

Brexit

The UK left the European Union in January 2020 and is now in the Transition Phase until December 2020. A No Deal Brexit, would be likely to inflict further damage on an economy already under enormous strain from COVID-19. Beyond Brexit, the loss of EU Structural and Rural Development funds is of great concern to local authorities, and the Comhairle and partners, in consultation with Scottish Government, will lobby for clarity as to the shape of a future regional policy and funding. To be effective, these must continue to recognise particular geographic, demographic and economic challenges on islands and in peripheral rural areas. Historically, EU funds have supported businesses, major infrastructure, facilities and transport,

¹ National Records of Scotland published 2018 based population projections on 24 March 2020.

helped support the establishment of the University of the Highlands and Islands, and delivered wider community benefit through training and social inclusion programmes. In recent years, EU funding has become more restrictive and there is now an opportunity, with greater flexibility, to ensure that regional and local economic development, regeneration and competitiveness are at the heart of the objectives of the Fund. It is also vital that the annual budget of the UK Shared Prosperity Fund is no less, in real terms, than the EU and UK funding streams it replaces.

Finance

Prior to Brexit and Covid-19, the Comhairle was operating in a prolonged period of economic austerity and public sector funding constraints. Since Covid, Scottish Government has financially supported local authorities with business support, food supply and job retention through furlough. Unless further funds are received from central government, the pressure on the Comhairle's budgets and reserves will be challenging.

It is likely that there may be additional pressures should there be a reduction in external funding resulting from Brexit and post-Covid-19 realignment of government funding. It is therefore vital that the Comhairle's Service Redesign Programme is extended to all areas of the Comhairle to deliver required savings. Comhairle service redesign will continue to take place in a partnership context, which explores potential new forms for shared and collaborative delivery of services both locally and nationally.

Islands (Scotland) Act 2018

The development of the National Islands Plan's Implementation Routemap will set the framework for how Scottish Government, along with island communities, will deliver the aims and aspirations of island communities within the National Islands Plan. In conjunction with the development of Island Communities Impact Assessments (ICIAs), it is critical that the Comhairle and its partners ensure that these processes deliver the best possible outcomes for the Outer Hebrides.

Strategic Themes

Our Corporate Strategy, within the context of overall economic recovery, is to be delivered under three strategic themes: Community and Public Services; Economy; and Energy and Climate Change.

STRATEGIC THEME 1 – COMMUNITY AND PUBLIC SERVICES

We aim to promote and support community ownership, empowerment and resilience, capitalising on our natural and cultural assets, to improve population stability and balance.

OUTCOMES:

- **empowered communities maximising the value of our natural, human and cultural resources, and empowered to support social and economic regeneration;**

- a place-based model of empowered local governance and delivery of public services, with increased democratic legitimacy and accountability;
- vibrant, healthy, resilient and well-connected communities with a good demographic balance;
- in partnership with Scottish Government, Community Planning Partners, the third sector, the business community and communities themselves, the development of a whole-service approach to the planning, funding and delivery of public services, leading to a demonstrable Single Island Partnership; and
- capital investment in assets and infrastructure, including the Spinal Route, reflective of the needs of our communities and leveraging in funding from other sources.

Priority 1.1: Community Governance and Empowerment

- Build on existing work on area fora and plans, with a view to supporting Local Place Plans.
- Increase deployment of Comhairle employees to place based functions and support, facilitating communities to access funding, arrange and deliver services.
- Advance localism by prioritising and supporting the development of local supply chains, skills and businesses within a framework which meets legal, equalities and governance standards.
- Progress the devolution of Crown Estate management and Regional Marine Planning responsibilities.

Priority 1.2: Implementation of the Islands (Scotland) Act 2018

- Ensure that the Comhairle, through the Islands Strategic Group and the Islands Partnership Group, has a key role in progressing the National Islands Plan's Implementation Routemap, and the development and implementation of Island Community Impact Assessments.

Priority 1.3: Public Sector Reform/Single Island Partnership

- Continue to review and advance the concept of a Single Island Partnership as a solution to the future financial and organisational issues affecting the public sector in the Outer Hebrides, in the context of Scottish Government expectations and the Local Governance Review.
- Build on the effective COVID-19 pandemic partnership response to seek to encourage and support the Outer Hebrides Community Planning Partnership and other Statutory Partners, to develop a consensus towards Public Sector Reform.

- Explore new opportunities for joint delivery of health and social care services and shared/collaborative arrangements for the delivery of other services, building on positive joint working between the Comhairle and Highlands and Islands Enterprise in delivering economic outcomes.
- Deliver savings over the whole lifetime of the Redesign Programme, noting that savings, over and above those required for the current year in the order of £4m, are to be achieved by 1 April 2021.
- Develop and deliver the Comhairle's Workforce Strategy in light of the COVID-19 response to embed new ways of working, maintaining and improving the pace of response to external stimuli, and with input from elected Members.

Priority 1.4: Capital Assets & Infrastructure

- Working with Scottish Government, deliver key local capital projects which evidence best practice and have potential for replication nationally, and to source the necessary funding as appropriate.

Priority 1.5: Gaelic Language & Culture

- Implement the Comhairle's Gaelic Language Plan, strengthening the Comhairle's educational, community and economic contribution.
- Supporting the Western Isles' position as the heartland of Gàidhlig language and culture.
- Ensuring that the Western Isles are recognised and continue to be supported by national organisations in their contribution in support of Gàidhlig, linguistically and economically.

Priority 1.6: Transport Policy

- Introduce a new Outer Hebrides Local Transport Strategy to support the delivery of affordable, reliable and high quality external and inter-island transport links, underpinned by principles of decarbonisation and social inclusion.
- Ensure continued engagement with Scottish Government and key transport stakeholders to identify resources and further the interests of local priorities.

Priority 1.7: Housing

- Deliver the Outer Hebrides Local Housing Strategy and Strategic Housing Investment Plan to ensure that residents across the Outer Hebrides have equal access to high-quality, energy efficient and affordable housing.
- Support innovation in local housing design and construction, tenure, ownership and financing models in order to provide a housing mix that will impact on population attraction and retention, particularly to more peripheral areas.

STRATEGIC THEME 2 – ECONOMY

We aim to maximise economic opportunity with a focus on digital connectivity, high value growth sectors and partnership working, to reduce the economic disparities between the islands and the rest of Scotland. We will support local business diversification, resilience and local supply chains, focusing on the concept of localism within the economy to better withstand future shocks.

OUTCOMES:

- **our homes and businesses have access to high speed digital infrastructure;**
- **our businesses are innovating, diversifying and are more resilient; and**
- **our people have access to higher value and more diverse economic opportunities.**

Priority 2.1: Growth Deal for the Islands

- Following the announcement of the Islands Growth Deal, work to conclude satisfactory Heads of Terms by late 2020 / early 2021 in order to progress identified projects.
- Through the Growth Deal, develop and progress transformational economic opportunities around Energy, Visitor Destination Development, Creative Industries, Space Industries, and Primary Industries.
- Utilise the Growth Deal commitment to lever in additional funding, and to develop new partnerships with public, private sector and academia for the socio-economic benefit of the islands.
- Work in partnership with Orkney and Shetland Islands Councils, Skills Development Scotland and Highlands and Islands Enterprise, to deliver a Skills and Talent Attraction programme as part of the Islands Deal.

Priority 2.2: Brexit

- Work with regional partners and governments to develop a domestic Regional Policy, tailored to the West Coast region that addresses area-specific opportunities and challenges, reduces geographic disparities and promotes regional competitiveness. Particular focus will be on mitigating the negative implications of Brexit on community sustainability, particularly around crofting, fishing, forestry and agri-support.
- Commit to Scottish Local Government's proposed International Engagement Strategy 2020-2030.

Priority 2.3: External Funding

- Lobby for continuation of certain European Transnational Programmes post-Brexit.

- Maximise share of funding to the islands from the UK Shared Prosperity Fund, the UK Industrial Strategy, continuing European Funding sources, Scottish Government and other external funding streams.
- Seek to influence Scottish Government funding streams and priorities through maintaining existing high level Scottish Government relationships, working alongside the Islands' Team.

Priority 2.4: Decentralisation

- In the context of the Islands Act, work with Scottish Government and other national agencies such as Highlands and Islands, CalMac, Bòrd Na Gàidhlig, to seek tangible progress around decentralisation, localism and responsiveness to island communities, evidenced by demonstrable impacts on employment opportunities, and flexibility in national policies and fiscal measures.

Priority 2.5: Digital Economy

- Support the provision of high speed digital infrastructure to every domestic property and all business premises by 2022.
- Focus on Gigabyte Fibre rollout beyond the R100 programme.
- Support business adoption of digital solutions and utilisation of digital infrastructure to stimulate new business opportunities and inward investment.
- Support digital relocation opportunities, with a particular focus on the diaspora.
- Conduct a cost/benefit analysis on the establishment of research and development hubs in the Outer Hebrides, in partnership with Highlands and Islands Enterprise and the University of the Highlands and Islands.

Priority 2.6: Visitor Economy

- Support a co-ordinated approach to Destination Management and the tourism sector post COVID-19, and provision of visitor infrastructure, particularly in the context of the anticipated Cruise Terminal at Stornoway's proposed Deep Water Port.
- Strengthen the Islands' position as a world-class visitor destination and significantly increase the local economic value generated while ensuring the long-term protection and sustainability of the Islands' unique natural environment, social, cultural and archaeological heritage upon which the visitor experience is based.
- Strengthen the mutually supportive links between the tourism, heritage, creative industries and food and drink sectors to increase the overall level of visitor spend across each sector in the Islands.

STRATEGIC THEME 3 – ENERGY AND CLIMATE CHANGE

We aim to demonstrate leadership in reducing our islands carbon emissions and to maximise the socio-economic benefits derived from our unrivalled Renewable Energy resource, while also utilising our renewable resources to meet our energy needs, and decarbonise the islands while adapting to, and mitigating against, Climate Change.

OUTCOMES:

- **our Islands are on track to achieve Net Zero by 2035, ten years ahead of the rest of Scotland;**
- **our Islands are deriving significant economic and community benefit from our renewable energy resources; and**
- **our Islands are self-sufficient in meeting our energy needs, with an impact on energy costs.**

Priority 3.1: Onshore Wind

- Support the delivery of 500MW of commercial Onshore Wind and 200MW of Community-owned Onshore Wind.
- Work with developers, the regional Transmission Owner, the UK Government's Business, Energy & Industrial Strategy Department and the Energy Regulator to create the conditions in which the proposed 600MW HVDC Radial Connector project can proceed for energisation in early 2026.

Priority 3.2: Offshore Wind

- Support the delivery of 600MW of Offshore Wind (conventional bottom-fixed and floating).
- Ensure that island supply chain content is maximised as Offshore Wind rolls out.

Priority 3.3: Local Energy Economy

- Work with stakeholders to develop a mechanism that would allow locally generated, electricity to be delivered to local consumers at a competitive price, and further develop 'Hebrides Energy' as the vehicle for local energy supply.

Priority 3.4: Hydrogen

- Explore the feasibility of Green Hydrogen production at an Outer Hebrides Energy Hub (Arnish) for on-island use (heat and transport).
- In partnership with Scottish Gas Networks, explore the conversion of the Stornoway Town Centre Gas Network to initiate local hydrogen demand.
- Engage international developers to secure access to European markets for bulk export Hebridean Hydrogen.

- Identify opportunities for Community Generators to contribute to the Hebridean Hydrogen Economy, either through on-site manufacture for local use, or through supply of green electricity to central Electrolysers.
- Work with Scottish Government to progress the Comhairle's own Hydrogen aspirations.
- Work with partners on the development of Hydrogen Ferry potential.

Priority 3.5 Climate Change Mitigation & Adaptation

- Reduce the Comhairle's carbon emissions, and show positive leadership within our communities through reducing emissions within the Council estate, reduction of fleet emissions, and promotion of behavioural change.
- Develop and implement Waste Management solutions to reduce the amount of waste produced, through effective assessment of resource need and greener procurement policies, while encouraging recycling and circular economies within the Comhairle and across the community.
- Through appropriate research, fully understand and assess Climate Change impacts and risks, and introduce appropriate land use management and infrastructure protection regimes in areas susceptible to coastal and fluvial flooding.
- Explore flexible land use and review Development Management policies to reduce risk.
- Through continuous review and research, ensure early identification of infrastructure at risk, including roads, piers and buildings, to enable appropriate measures to be identified.