



COMHAIRLE NAN EILEAN SIAR

BUDGET AND STRATEGY BOARD

Minute of Meeting held in Committee Room 1,
Council Offices, Stornoway on Thursday, 23
January 2025 at 10.00am.

PRESENT

Mr Paul F Steele (Chair)	Mr Calum Maclean
Mr Duncan MacInnes MBE	Mr Donald Crichton
Mr Iain A MacNeil	Mr Iain M Macaulay
Mr Paul Finnegan	Dr Frances Murray
Mr Angus Morrison	Mr Angus McCormack
Mr Ranald Fraser	Mr Norrie Macdonald
Mr Kenneth Macleod	Mr Mustapha Hocine (Substitute Member)

APOLOGIES

Ms Susan Thomson
Mr Uisdean Robertson

OFFICERS IN ATTENDANCE

Mr Malcolm Burr	Mr Sandy Gomez
Mr Norman Macdonald	Mr Calum Mackenzie
Mr Derek Mackay	Ms Norma Skinner
Mr Donald A Macleod	Mr John Cunningham
Mrs Anne Murray	Mrs Emma Macsween
Mr Jack Libby	Mr Colm Fraser
Mr Tim Langley	Mr Iain G Smith

The Chair ruled the items 4 and 5 as urgent to allow the matters to be considered prior to the next meeting of the Board.

MINUTES

Minute of Meeting of 19 December 2024	1	The Minute of Meeting of 19 December 2024 was approved .
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FINANCE

Transformational Change Plan	2	The Chief Officer, HR, Strategy and Performance submitted a Report seeking approval to progress a plan for transformation projects across the Comhairle. Appendix 1 to the Report provided examples of projects undertaken to date, highlighting the significant work that had already taken place. The Report stated that to continue to support the Comhairle to transform its services it was proposed that a number of cross-cutting projects were undertaken running alongside continuous improvement within services. Each project would be led by a Chief Officer; a business case would be developed and be presented to the Budget Board for consideration.
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The proposed projects were detailed in paragraph 7 to the Report and further work would be required to develop the full business case for these projects.

It was agreed to recommend that the Comhairle approve, subject to the development of full business cases, the three Transformation Projects detailed in paragraph 7 of the Report.

UK Government 3
Structural Funding

The Chief Executive submitted a Report which sought approval of the utilisation of the Comhairle's Shared Prosperity Funding for 2025/26 and provided an update on the Community Renewal Partnership with UK Government. The Report stated that the UK Government's Shared Prosperity Fund (SPF) was one of the successors to EU Structural Funding post-Brexit allocated directly to local authorities over 3 financial years from 2022/23. The total allocation to the Outer Hebrides over that period was £2,245,463, of which £387,771 was ringfenced for adult numeracy. An overview of funded activity during Years 1-3 was provided at Section 5 of the Report.

The Report further stated that the Chief Executive received notification on 16th December that the Comhairle would receive £527,546 revenue and £208,783 capital funding for 2025 / 26. Proposals for prioritising Year 4 funding against the existing Investment Plan were detailed at Section 7 of the Report.

The Report further stated that it had been confirmed that the Comhairle would receive £20m through a Community Renewal Partnership with UK Government. It had been agreed by Comhairle Members in April 2024 that priority would be given to investment in Uist and Barra. An overview of anticipated next steps regarding the Community Renewal Partnership with UK Government, including where some early resourcing may be required was provided in the Report.

It was agreed to recommend that the Comhairle agreed to:

- (1) the proposals for the 2025/26 allocation of UK Shared Prosperity Funding as detailed at paragraph 7.2 of the Report;**
- (2) the proposed approach to identifying the Comhairle's investment priorities for the Community Renewal Partnership with the UKG; and**
- (3) delegate authority to the Chief Executive to allocate £90k Community Renewal Partnership capacity building funding to costs associated with the development and delivery of the Partnership.**

Crown Estate 4
Revenues Round 6
– Pan Island
Distribution

The Chief Executive and Chief Officer, Finance submitted a Joint Report to agree the distribution of Round 6 of the Crown Estate Revenue funding to the Comhairle. The Report stated that the Crown Estate Round 6 income to the Comhairle was £1,865,365, an increase of £245,365 from Round 5.

The Report stated that the meeting of the Budget and Strategy Board of 19 December 2024 considered a report and presentation by the Chief Executive and Chief Financial Officer which indicated a revised deficit of £7.249m in relation to the Comhairle's Budget for 2025/26. It was agreed that Crown Estate funding should be included within potential recommendations to address the deficit and should form part of the Comhairle's engagement with the public on its Budget Strategy. It was suggested that a sum of at least £800k be utilised to address the overall budget deficit, noting that final decisions on budget preparation and determination of the Budget itself would take place in January and February 2025. Further development of the budget now suggests a sum of £213k of Crown Estate funding be utilised to support the budget deficit.

The Report outlined the proposed allocation of Crown Estate Round 6 funding across core service requirements, strategic projects and community-led distribution. It was suggested that maximisation of impact and resource at ward-level be achieved through a Comhairle Coastal Community Fund targeted at community economic development and wealth building. The scheme of administration for the funding was detailed at Appendix 1 and largely represented clarification and refinement of arrangements that

had been in place for distribution of Crown Estate revenue funding at ward level in previous years.

Members discussed the options that had been presented at para. 7.6 of the Report. The three options provided a different breakdown of distribution of the funds available. The majority of members present and voting preferred Option 3, in accordance with the recommendation in the Report.

It was agreed to recommend that the Comhairle:

- (1) note that the Budget and Strategy Board has recommended to Policy and Resources Committee that Crown Estate funding contribute to the core Comhairle budget;**
- (2) agree the option for strategic allocation of Round 6 Crown Estate Funding proposed at 7.6; and**
- (3) agree to the proposals for a ward-level Coastal Community Fund, including the Scheme of Administration at Appendix 1.**

Budget Strategy 5
Update 2025/26

The Chief Executive and Chief Officer, Finance submitted a Joint Report and Presentation, including a Spreadsheet providing details of options for savings in Services' budgets, to update the Board as to the anticipated financial position in respect of the 2025/26 Budget following issue of the draft Local Government Finance Settlement for 2025/26, and review of the draft Budget, and to seek approval of the next phases of budget consultation and preparation. The Report noted that the Budget Seminars of 14 September and 14 November, and meetings of Policy and Resources Committee and the Budget and Strategy Board of 27 November and 19 December 2024 noted a projected financial gap for financial year 2025/26 advised of the revised deficit and of options for agreeing a balanced budget in February 2025. These options continued to include options of increases in fees and charges and Council Tax, use of balances and reserves, and Crown Estate funding, but also indicated the need to reduce expenditure through either changes in service delivery or planned reduction of services. The Seminar Presentation made it clear that achieving financial balance was likely to require Members to make policy choices as to budget prioritisation.

The Report further noted that it was agreed by the Comhairle on 4 December 2024 that a programme of public engagement would take place in early 2025,

The Presentation provided context on the current financial background, details of the Scottish Government Draft Financial Settlement, policy options, including proposed use of reserves and distribution of Crown Estate funding. The Presentation also provided a number of recommendations for consideration.

It was agreed:

- (1) to note the updated projected financial position set out in the draft Local Government Finance Settlement 2025/26 and in the Presentation by the Chief Executive and Chief Financial Officer; and**
- (2) that the Chief Executive and the Chief Officer, Finance prepare a draft budget for 2025/2026 on the basis of the recommendations from the Reports at Item 4, the recommendations from the Budget Presentation and the options for savings in Service Budgets.**