



CROWN ESTATE REVENUES – ROUND 6 DISTRIBUTION

Report by Chief Executive and Chief Officer, Economic and Community Regeneration

PURPOSE

- 1.1 The purpose of the Report is to agree the distribution of Round 6 of the Crown Estate Revenue funding to the Comhairle.

EXECUTIVE SUMMARY

- 2.1 Crown Estate Round 6 income to the Comhairle is £1,865,365, an increase of £245,365 from Round 5.
- 2.2 The distribution of Crown Estate funding has sought to take a balanced approach between community-level distribution, support for strategic investment, and investment in provision of services to communities. This approach has reflected the Comhairle's policy goals in the areas of community empowerment, community wealth building and participatory budgeting, and it is proposed to maintain those principles for Round 6.
- 2.3 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 £288k Crown Estate funding be utilised to support the budget deficit.
- 2.4 This report outlines the proposed allocation of Crown Estate Round 6 funding across core service requirements, strategic projects and community-led distribution. It is 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 is at Appendix 1 and largely represents clarification and refinement of arrangements that have been in place for distribution of Crown Estate revenue funding at ward level in previous years.

RECOMMENDATIONS

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

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Appendices: 1. Coastal Communities Fund – Scheme of Administration
2. Coastal Communities Fund – Guidance for Applicants (Draft)

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	Financial implications are dealt with in the body of the Report.
Legal	None
Staffing	The main staffing requirement will be through day-to-day implementation of the Fund through the Community Engagement Unit. Financial and management inputs will also be required.
Assets and Property	None
Strategic Implications	Implications/None
Risk	None
Equalities/Child Rights	None
Corporate Strategy	The community empowerment approach to the implementation of the Fund is aligned with the Corporate Strategy.
Environmental Impact	None
Consultation	Allocation of Crown Estate funding has been the subject of discussion at a number of budget seminars, and meetings of the Budget and Strategy Board.

BACKGROUND

- 5.1 The Coastal Communities Fund (CCF) was introduced as a UK-wide programme created and funded by the UK Government with the aim of encouraging the economic development of UK coastal communities by awarding funding to create sustainable economic growth and jobs. New Scottish arrangements were announced by Scottish Ministers in 2019, replacing the CCF and allocating funding to coastal Local Authorities to deliver coastal community benefit. The funding allocations come from revenue generated from Scottish Crown Estate marine assets out to 12 nautical miles.
- 5.2 Comhairle nan Eilean Siar has previously utilised the Fund for a mix of strategic investments and to create a local Fund to support local projects and initiatives. Over the previous five Rounds the Comhairle sought to stimulate community wealth building and community empowerment by devolving project consideration and decision-making down to each council Ward through area fora. It is proposed to maintain that approach for Round 6. The criteria were amended in Round 4 to scope out stronger community economic projects that met the original requirements of the CCF. There is scope for future rounds to move towards a greater contribution to national priorities around green recovery, blue economy and a just transition to net zero, through larger-scale approaches, leverage, and innovation.

ROUND 5 FUNDING

- 6.1 In April 2024, the Comhairle chose to allocate the £1,504,000 Crown Estate Round 5 funding to support the following services, functions and objectives:
- Evening Bus Services £120,000
 - Creative Industries Transition £94,000
 - Athletes Fund £25,000
 - Stornoway Town Centre / Cruise Uplift £100,000
 - Museum Visitor Assistants £20,000
 - Planning Support £100,000
 - Whale Strandings / Ocean Debris £25,000

- UHI / Archaeology Projects £45,000
- Ward Distribution (£75,000 per Ward) £825,000
- Pan-Island Competitive Fund £150,000

ROUND 6 FUNDING: OPTIONS

- 7.1 The Comhairle’s financial deficit currently stands at approximately £7.25m, and the meeting of the Budget and Strategy Board of 19 December 2024 resolved, using its delegated powers, to authorise preparation of a budget based on use of at least £800k of Crown Estate funding towards the provision of core services for the benefit of coastal communities. Further development of the budget, which shows a reduction in the forecast deficit, now suggests a sum of £288k of Crown Estate funding be utilised to support these core services.
- 7.2 While there was no commitment made to continuing funding any specific area from Round 5 to Round 6, Members are asked to consider supporting the following Round 5 areas as ongoing priorities at the levels below:

Service / Project	25/26 Option	Rationale
Evening Bus Services	£120,000	No alternative source of funding exists.
Creative Industries Transition	£71,000	Requirement remains but there is scope to reduce to c£71k to reflect current exit strategies and ongoing Sgioba na Gaidhlig commitment.
Athletes Fund	£25,000	No alternative source of funding.
Planning Support	£80,000	£80k requested to support anticipated pressures in the service.
Tighean Innse Gall (TIG)	£35,000	TIG received £65k funding from the competitive Pan-Island fund in 24/25 but had submitted a 2-year funding request related to costs of a Development Officer and asked for an element of 25/26 ring-fencing. Members are asked to consider an allocation in Year 6.

- 7.3 Macaulay College received £34k from the Crown Estate pan-island fund in 24/25, which was significantly lower than an initial application of £150k. They also indicated that they would intend to submit an application to a future round of the pan-island fund. The Macaulay College capital project that was the specific subject of the application made for Crown Estate pan-island funding in last financial year is now fully funded.
- 7.4 Community Transport received £70k from the Islands Cost Crisis Emergency Fund (ICCEF). As the ICCEF is now incorporated within the total Comhairle funding from Scottish Government, it is suggested it would be appropriate to fund continued support for 25/26 from Crown Estate revenue funding.
- 7.5 As can be anticipated, there are a range of areas where additional resource would support the Comhairle to deliver on its strategic objectives. In particular, Members are asked to consider £140k funding towards a Heritage Projects Manager in 25/26 and 26/27. There is a pressing business need to secure this post as it is listed as one of many key factors in regaining Museum Accreditation lost during the cyber-attack. Should funding be allocated to this post, it is recognised that external funding will be required to be secured to allow longer term sustainability.

7.6 The proposed options are summarised below:

	OPTION 1	OPTION 2	OPTION 3
Core Budgets	£287,769	£287,769	£287,769
Evening Bus Services	£120,000	£120,000	£120,000
Creative Industries Transition	£71,000	£71,000	£71,000
Athletes Fund	£25,000	£25,000	£25,000
Planning Support	£80,000	£80,000	£80,000
Community Transport	£70,000	£70,000	£70,000
Heritage Project Manager		£140,000	£140,000
Tighean Innse Gall			£35,000
Ward Distribution	£1,211,596	£1,071,596	£1,036,596
Total	£1,865,365	£1,865,365	£1,865,365

Coastal Communities Fund 25/26	Option 1	Option 2	Option 3
Crown Estate Ward Distribution	£1,211,596	£1,071,596	£1,036,596
Amount Per Ward	£110,145	£97,417	£94,236

7.7 It is recommended that Members agree to Option 3, which would allow a contribution to core budgets, enable continued impact across a range of islands-wide Comhairle strategic and service priorities, and secures a c£94k allocation per ward through a Coastal Communities Fund.

COASTAL COMMUNITIES FUND – SCHEME OF ADMINISTRATION

8.1 It is necessary that approaches to distribution of the Crown Estate ward funding is aligned across ward areas, notwithstanding that Members will have a different range of community engagement mechanisms and fora in each of their ward areas.

8.2 The proposed process for the Coastal Community Fund is at Appendix 1 and represents a refinement of the processes in place for Crown Estate ward funding in previous years. Draft eligibility and application requirements for applicants is at Appendix 2.

8.3 Members are asked to note specific aspects of the scheme of administration at Appendix 2 as follows:

- The minimum grant award will be £5,000.
- The intervention rate is expected to be 75% but this can be varied at the discretion of the Ward Councillors.
- Projects must be able to demonstrate that they address at least one of the following priorities:
 - supports economic and community regeneration
 - improves community resilience
 - delivers positive climate and net zero impacts
 - impacts on the challenges of depopulation

- 8.4 Decision on allocation of funding will be taken at Ward level. Only projects that directly support activity taking place or to benefit the residents of a specific ward can be supported. Applications across multiple wards are generally discouraged. Applicants will be asked to indicate where they are submitting an application to more than one ward and a joined-up approach will be sought in terms of decision making on applications across multiple wards.
- 8.5 An application process will be put in place and must be followed by applicants. Disbursement of Comhairle Community Revenue Fund grant monies will be managed as follows:
- Application checks carried out by Community Engagement Unit staff.
 - Local Area Forums (or equivalent) asked to provide feedback on applications received.
 - Applications scored by Ward Councillors based on framework provided by Community Engagement Unit, and with consideration of the feedback received from Local Area Forums.
 - Ward Councillors will meet, with support from CEU staff, to review individual scores, Local Forum feedback, and to determine successful applications.

CONCLUSION

- 9.1 The approach proposed for Round 6 Crown Estate Funding remains in line with the Comhairle's Corporate Strategy and the overall objectives of benefiting coastal communities. The proposals seek to secure a balance between addressing the current financial deficit to protect Comhairle service provision to its communities, supporting strategic priorities for the Comhairle, and empowerment to local areas to support community-level priorities.

COASTAL COMMUNITY REVENUE FUND – 2025/26

Scheme of Administration

1. The Comhairle's Coastal Community Fund will support community-led and supported projects at ward level.
2. The amount available is £TBC per Ward.
3. The minimum grant award will be £5,000.
4. The intervention rate is expected to be 75% but this can be varied at the discretion of the Ward Councillors.
5. Eligible applicants will be:
 - constituted community groups
 - charities
 - voluntary and social enterprises
 - co-operatives and community ownership initiatives
 - development trusts
6. Eligibility Criteria
Projects must be able to demonstrate that they address at least one of the following priorities:
 - supports economic and community regeneration
 - improves community resilience
 - delivers positive climate and net zero impacts
 - impacts on the challenges of depopulation
7. Each project must also be able to demonstrate that it:
 - is viable and sustainable
 - offers value for money
 - is additional to present activity
 - has ward level support and benefit
 - is environmentally sustainable and seeks to mitigate, adapt or build resilience to climate change
 - has considered equality issues; and
 - has ensured that value for money has been achieved by proper quotations for work and proper procurement procedures.
8. Decision on allocation of funding will be taken at Ward level. Only projects that directly support activity taking place or to benefit the residents of a specific ward can be supported. Applications across multiple wards are generally discouraged. Applicants will be asked to indicate where they are submitting an application to more than one ward and a joined-up approach will be sought in terms of decision making on applications across multiple wards.
9. An application process will be put in place and must be followed by applicants.
10. Disbursement of Comhairle Community Revenue Fund grant monies will be managed as follows:
 - Application process opens
 - Application checks carried out by Community Engagement Unit staff
 - Local Area Forums (or equivalent) asked to provide feedback on applications received

- Applications scored by Ward Councillors based on framework provided by Community Engagement Unit, and with consideration of the feedback received from Local Area Forums.
- Ward Councillors will meet, with support from CEU staff, to review individual scoring, Local Forum feedback, and to determine successful applications.

11. All awards must comply fully with Subsidy Control regulations and officers will ensure that Subsidy Control implications are assessed during application checks.
12. Payment of grant shall follow standard Comhairle processes and be based on evidence of expenditure.
13. Projects must start within six months of the Letter of Offer date and must be completed - with all monies drawn down - within twelve months. Should these timescales not be met, the funding shall be decommitted.

Guidance for Applicants (Draft)

COMHAIRLE NAN EILEAN SIAR

COASTAL COMMUNITY REVENUE FUND 2025/26



Eligibility Criteria and Guidance

The allocation to each ward will be £TBC in 2025/26.

To be eligible to apply to the Fund, the following criteria must be met:

Eligible Applicants

- constituted community groups
- charities
- voluntary and social enterprises
- co-operatives and community ownership initiatives
- development trusts

Eligibility Criteria

Projects must be able to demonstrate that they address at least one of the following priorities:

- supports economic and community regeneration
- improves community resilience
- delivers positive climate and net zero impacts
- impacts on the challenges of depopulation

Each project must also be able to demonstrate that it:

- is viable and sustainable
- offers value for money
- is additional to present activity
- has ward level support and benefit
- is environmentally sustainable and seeks to mitigate, adapt or build resilience to climate change
- has considered equality issues; and
- has ensured that value for money has been achieved by proper quotations for work and proper procurement procedures.

Intervention Rates and Decision-Making Process

The intervention rate is expected to be 75%. This can be varied at the discretion of the Ward Councillors. Decision on allocation of funding will be taken at Ward level. Only projects that directly support activity taking place or to benefit the residents of a specific ward can be supported. Applications across multiple wards are discouraged but a joined-up approach will be sought in terms of the decision making on applications across multiple wards.

APPLICATION FORM GUIDANCE

The purpose of the application is to provide information on the Project you are developing and to apply for funding from Comhairle nan Eilean Siar's Coastal Community Revenue Fund 2025/26.

Section – Application & Project Details

Please select your Ward Area and contact details of the person who will deal with your application & a group email address – we do not accept personal email addresses – as personnel within groups change frequently.

Please provide a brief description of your Project. This should include reference to how the project relates to one or a number of the priorities indicated below.

- supports economic and community regeneration
- improves community resilience
- delivers positive climate and net zero impacts
- impacts on the challenges of depopulation

Please also demonstrate ward level community support for your project in this section.

Please indicate if you are submitting an application to more than one Ward.

Section – Social & Economic Regeneration

Please indicate by stating yes or no whether your Projects meets the criteria listed.

Section – Strategic Fit

Please indicate by stating yes or no whether your Projects meets the criteria listed.

Please check the criteria.

Please show link to local priorities

Please provide information on how the project fits with Comhairle priorities/Corporate Strategy, OH Economic Strategy, Community Wealth Building principles.

Section- Funding

Please provide information on the total cost of your Project.

Please provide information on any funding that you have already secured.

Please provide details of any other organisations that you have approached for funding and the amount you have requested.

Please provide details of the funding you are requesting from Comhairle nan Eilean Siar.

Please indicate when the project will be completed and the funding you received spent.

Section 6

Please provide details of Forum or Group to which the funding should be paid.

Please submit a copy of your constitution, copy of your Bank Statement and a statement of quotes for your project if this is relevant.

Section 7

Please provide the groups bank details.

It should be a Company/Business Bank Account that is provided.

Section 8

Please describe the impacts and outputs of your project and how you will evaluate them. You will be required to submit evaluation information to the Comhairle the year after funding is received.

For further information or queries – email crown.estate@cne-siar.gov.uk