



STORNOWAY ABATTOIR UPDATE

Report by Chief Officer, Assets and Infrastructure

PURPOSE

- 1.1 The purpose of the Report is to apprise the Comhairle of the throughput and financial performance of Stornoway Abattoir for the 2024 operating season and seek approval for the charges proposed for season 2025.

EXECUTIVE SUMMARY

- 2.1 Stornoway Abattoir is a non-statutory service provided to the crofting and farming industries in the Western Isles. The 2024 operational season for Stornoway Abattoir ran from 12 August until 20 December 2024, providing a slaughtering service for Sheep, Cattle and Pigs.
- 2.2 The abattoir received complementary feedback from Quality Meat Scotland and Food Standard Scotland following the 2024 audits.
- 2.3 Throughput for sheep was similar to 2023, with a 4.5% drop from 2,025 to 1,935.
- 2.4 Cattle were up by 4.8% and pigs were up by 21%, however this is not unusual as cattle and pig numbers can vary significantly from year to year.
- 2.5 Improved workforce management has resulted in lower staffing costs.
- 2.6 Since 2018 there has been approval to increase Abattoir charges gradually until the service reached a cost neutral position. Over the 2023/24 and 2024/25 financial years, £40k was removed from the Abattoir's budget, with income targets being set to "fully fund" the service. It is now evident that the income being generated will not cover the operating costs of the Abattoir on an annual basis, leaving any overspend having to be absorbed by the Municipal Services business unit
- 2.7 The Comhairle agreed in February 2025 to utilise £50K of Crown Estate Fund to support the Abattoir in 2025/26 while other options to increase income generation are explored.
- 2.8 It is proposed that the charges for 2025 are increased by the standard inflation increase of 5%. Details are provided in Appendix two.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle approve the proposed charges for 2025 as outlined in Appendix 2 of the Report**

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Appendix: 1. Throughput Details 2018 to 2024
2. Charges for 2024 and Proposed Charges for 2025

Background Papers: Transportation & Infrastructure Committee 25 February 2025

IMPLICATIONS

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

Resource Implications	Implications/None
Financial	Abattoir Operating Period, Cost Centre 3040
Legal	Food Standards Scotland, Quality Meat Scotland
Staffing	Direct jobs and ancillary businesses
Assets and Property	
Strategic Implications	Implications/None
Risk	Reduced journey times for animal welfare
Equalities	Enable local choice
Corporate Strategy	The abattoir supports the crofting communities in Lewis and Harris which ties into "Supporting caring and resilient communities and quality of life".
Environmental Impact	Reduce food miles
Consultation	Assets, Finance and Resources, MOWG

BACKGROUND

- 5.1 Stornoway Abattoir is the only local authority operated abattoir in the UK. The Comhairle operates Stornoway Abattoir from August to December, providing a slaughtering service for sheep, cattle and pigs. During the period when the abattoir is closed, most of the abattoir staff are employed by Cleansing Services. The remaining staff are employed on a seasonal basis with temporary Cleansing Labourers employed to provide staff cover for refuse and recycling collection duties.
- 5.2 Stornoway Abattoir provides a high-quality service and the facility has regularly received excellent reviews from annual audits carried out by both Quality Meat Scotland and Food Standards Scotland.
- 5.3 Since 2018 there has been approval to increase abattoir charges with the intention that the facility will reach break-even point, however it has become apparent that this will not be the case and service users are commenting on the costs being levied for using the facility.

2024 SEASON

- 6.1 Stornoway Abattoir opened for business on 12 August and closed on 20 December 2024. Operational staff were transferred to the abattoir at the end of July to carry out a deep clean prior to opening and to ensure that machinery was fully functional ready for operation in August. Staff are also required to carry out a further deep clean after the abattoir is closed for the season at the end of each year.
- 6.2 During the 2024 opening period, abattoir management and staff worked as efficiently as possible to ensure that overtime and other controllable costs were kept to a minimum.
- 6.3 The Official Veterinarian provided by Food Standards Scotland, continued to support staff within the abattoir and has again provided an excellent report for both the quality of the stock being processed and the efficiency of the abattoir staff. Stornoway Abattoir also received an excellent audit review from Quality Meat Scotland.
- 6.4 A Member Officer Working Group was established in August 2024 meeting regularly while the abattoir was operational with the aim to ensure that the abattoir would remain a viable option for service users and maintain steady throughput numbers while being as cost effective as possible.

THROUGHPUT AND FINANCIAL PERFORMANCE

- 7.1 The throughput numbers for sheep have remained relatively stable for the season, with only a small drop in numbers compared to 2024. Cattle and pig numbers are up slightly but as can be seen from the annual throughput comparison figures shown in Appendix 1, this is still considered to be within the normal range.
- 7.2 For the 2024 season, the abattoir opened on 12 August. However, the uptake in bookings was very low for the first week. For the 2025 season, it is proposed to open for bookings on week commencing Monday 18 August 2025 and to open for the acceptance of animals on week commencing Monday 1 September 2025. This change could result in a staff saving of around £14k, and although staff costs will increase in 25/26 due to the pay rise, the budget has been increased to cover this.
- 7.3 Final income for 2024 is £124K, however the budget for expected income was £180K resulting in a shortfall of £56K.
- 7.4 Although every effort is made to keep production costs to a minimum, there are uncontrollable costs. These include throughput, maintenance and utility costs. To achieve better efficiency, measures have been introduced to reduce staffing costs. These include shorter working weeks during low throughput periods, with operatives and their costs reassigned to the Cleansing Services team to carry out alternative duties.
- 7.5 Over the 2023/24 and 2024/25, financial years £40k was removed from the Abattoir's budget, with income targets being set to "fully fund" the service. It is now evident that the income being generated will not cover the operating costs of the Abattoir on an annual basis, leaving any overspend having to be absorbed by the Municipal Services business unit.
- 7.6 The figures at Appendix 1 demonstrate the reducing numbers alongside the increase in fees since 2018.
- 7.7 The Abattoir Member Officer Working group discussed fees extensively at its meeting on 10 June 2025 with some members advocating freezing the fees for a year (coupled with increased publicity) to try and increase throughput numbers. There were strong arguments that the reducing throughput figures are a result of the significantly rising fees. Whilst there is a possible correlation between increasing abattoir fees and lowering throughput numbers it is not the only contributing factor.
- 7.8 As the table at Appendix 1 shows, throughput numbers have fallen visibly from 2018 to 2024 (37%) whilst fees have increased significantly in the same period (72%). The Scottish Agricultural Censuses figures show that there has only been a drop of about 5% in Outer Hebrides sheep numbers in a similar period (2015-2024) with the 2024 census showing over 140,000 sheep throughout the Outer Hebrides. National reports show a general trend in reduced meat consumption, particularly carcass meat, which, alongside changing demographics will also impact on abattoir use.
- 7.9 It is recognised that increased fees will impact on throughput; however, it is difficult to determine where the fee threshold is where the increased fee is negated by reduced throughput given the other factors which are affecting abattoir use. Since 2018, there has been approval in place to gradually increase prices above inflation, with the emphasis on eventually achieving a cost neutral position for the Abattoir service.
- 7.10 It is calculated that, assuming static throughput figures, fees would have to be increased by about another 54% for the abattoir to break even. The Crown Estate funding allows a lower percentage increase in fees, whilst exploring additional income sources.
- 7.11 The inflationary increase the Comhairle applied across all income codes for 2025/26 including the abattoir income code was 5% and it is proposed that this 5% increase be applied to the Abattoir charges as detailed in Appendix 2 to the Report.

CONCLUSION

- 8.1 Stornoway Abattoir, which is the only local authority operated abattoir in the UK, is operated by Cleansing Services, which is part of Municipal Services. Historically, the budget available to operate the abattoir has not met the needs of the service, with any financial risk absorbed by the overall Municipal Services budget.
- 8.2 Having staff on site a fortnight before opening has resulted in bookings being received early, which helps with planning operational staffing. However, bookings for the first week of the 2024 season were low and overall throughput did not improve. It is therefore intended to reopen the 2025 season for bookings mid August and open the abattoir for animals on week commencing 1 September 2025.
- 8.3 There have been a number of options considered to see if more income can be generated throughout the year including providing a deer larder service, however the interest in this appears relatively low. A submission has also been made to the Scottish Government to obtain funding for a Private Kill Co-ordinator which would allow for more interactive work within the communities to increase throughput. We are currently awaiting the outcome of this submission.
- 8.4 The service will continue to look for opportunities to increase throughout and engage with service users. Any improvements and efficiencies that can be made within the abattoir both in the building fabric and the machinery used on site will be investigated.
- 8.5 It has been agreed that £50K of unallocated Crown Estate Funds are used to support the Abattoir for 2025/26 while options to increase income generation are explored and developed.
- 8.6 In order to ensure the Stornoway Abattoir is a viable option for service users, it is proposed to increase charges by 5% (rounded to the nearest 50p). The proposed increased charges for 2025, along with the previous charges of the 2024 season are shown in Appendix 2 to the Report.

THROUGHPUT FIGURES FROM 2018 TO 2024

Year	Sheep	Cattle	Pigs	Total	Sheep *	%age increase in Fees
2018	3089	137	81	3307	£25.94	
2019	3240	164	85	3489	£27.19	5%
2020	2933	166	74	3173	£30.53	12%
2021	2720	155	102	2977	£33.62	10%
2022	2338	159	109	2606	£35.30	5%
2023	2025	122	63	2210	£38.83	10%
2024	1935	128	78	2141	£44.65	15%

*Sheep > 12 month slaughtering fee.

APPENDIX 2

CHARGES FOR 2024 (incl. QMS levy and VAT)

	2024	2025 (5% increase)
Sheep <12 months	£42.12	£44.50
Sheep >12 months	£44.65	£47.00
Cutting Fee (Sheep only)	£12.12	£13.00
Goats	£40.56	£43.00
Cattle <30 months	£185.31	£195.00
Cattle >30 months	£253.17	£266.00
Pigs <75kg	£83.01	£87.50
Pigs >75kg	£133.94	£141.00