



CORPORATE STRATEGY UPDATE: SINGLE AUTHORITY MODEL AND JOINT ISLANDS STRATEGIC WORK

Report by Chief Executive

PURPOSE

- 1.1 The purpose of the Report is to provide an update to the Comhairle on the development of a Single Authority Model for local governance in the Western Isles and on the progress of joint strategic work with the Islands Councils and Scottish Government.

EXECUTIVE SUMMARY

- 2.1 There has been a marked and significant increase in the pace of change in favour of what has always been the Comhairle's desired policy position, of moving to detailed discussion in the course of this year of options as to how a single island authority could look and work. Options, for the first time from partners other than the Comhairle, are currently being considered and will be the subject of further discussion both locally and with Scottish Government, all in terms of the welcome timetable set out by the Minister for Public Finance, which requires outline proposals to be submitted to Scottish Government by the end of September 2025, with detailed and preferably agreed options being submitted by the end of December 2025.
- 2.2 The joint islands strategic work has also moved forward quickly, focused on three aspects of the joint islands' submission:
- Infrastructure Funding Model
 - Islands Cost of Living
 - Community Benefit Funding: Local Authority Involvement

Suggested governance arrangements for both elements of work are set out at paragraph 8 below.

RECOMMENDATIONS

- 3.1 It is recommended that the Comhairle:
- (a) notes the progress of work with Scottish Government towards development and implementation of a single authority model of local governance in the Western Isles;
 - (b) establishes a Reference Group of Members, with membership as set out in paragraph 8.2 below;
 - (c) delegates authority to the Chief Executive, in consultation with the Members of the Reference Group referred to in paragraph (b) above, to submit a response to Scottish Ministers and Scottish Government in relation to preferred option(s) for a Single Authority Model for the Western Isles, in terms of paragraph 6.3 below, and
 - (d) notes the joint work undertaken with Orkney and Shetland Islands Councils in support of shared policy objectives regarding renewable energy delivery, including specific issues such as mitigation of fuel poverty and the distribution of Crown Estate revenues; public service reform and financial sustainability of the islands' public sector; and infrastructure improvements.

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 James Mackinnon, Communications Officer

Background Papers: Statement of Benefits of a Single Authority Model, August 2024

IMPLICATIONS

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

Resource Implications	Implications/None
Financial	While there are no immediate financial implications of this Report, adoption of new models of public service delivery in the Western Isles, particularly an integrated single island partnership model, are essential in addressing the financial challenges of the Comhairle and other public sector organisations serving our communities. The Comhairle has identified additional resource within Chief Executive's Office to support this and other work on key corporate policy objectives
Legal	There are no legal implications at this stage. Primary legislation could likely be required to make final changes to the local governance landscape in the Western Isles and elsewhere.
Employee	There are no immediate employee implications; employees and their representatives would form a key element of consideration of future structures for delivery of a single island partnership model. Initial discussions with employees and trade unions will take place over the next three months.
Assets and Property	There are no immediate implications. A single authority model would allow greater opportunities for integration and sharing of assets and property, contributing to organisational deficiencies and freeing up resource for frontline and other essential services.
Strategic Implications	Implications/None
Risk	The promotion of different governance models forms a key part of the Comhairle's Corporate Strategy and is therefore fully risk assessed. There are significant financial and other organisational risks to the status quo, particularly as regards Local Government funding, in future.
Equalities/Child Rights	There are no immediate implications
Corporate Strategy	Promotion of public service reform and a single island partnership model is a key part of the Comhairle's Corporate Strategy. Joint working with the other Islands Councils to improve the autonomy and financial sustainability of the Comhairle and other Islands Councils is consistent with these policy objectives and forms part of the Key Strategic Outcomes work agreed at the April 2025 series of meetings.
Environmental Impact	There are no implications
Consultation	Considerable consultation took place between 2016 and 2018 on the Comhairle's clear view that a single island partnership model was a preferable means of securing the future of services, local democracy and accountability within the Western Isles, and Further consultation was undertaken by the leader at 2 series of ward visits in 2020 and 2023 of the 24, with a very positive response being received to the principle but also urgency of public service reform in the Western Isles. As proposals develop, further consultation both in and through the Community

	Planning Partnership, and directly by the Comhairle, will be undertaken as appropriate.
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BACKGROUND

- 5.1 The first Review of Local Governance was announced in the Programme for Government in 2017 and Comprised two Strands: Strand 1 focused on Community Engagement and was planned and co-ordinated through an Enabling Group, comprising representatives from a range of public and third sector organisations; the Chief Executive represents the Society of Local Authority Chief Executives in Scotland (SOLACE Scotland) on the Group. Joint political oversight arrangements involving Scottish Government and COSLA were established for political oversight. Strand 2 was focussed specifically on exploring the reforms which Local Government and other Public Sector Organisations sought from the Review. Councils and other Public Service organisations were invited to submit proposals and identify issues which they wished the Review to address.
- 5.2 The Comhairle set out its policy position very clearly in February 2018 through its unanimous support for a single island authority model, with a specific model agreed as the basis for discussion and development with Scottish Government and partners. This commitment was reaffirmed in December 2018 in the unanimous approval of the Comhairle's response to Strand 2 of the Review. It was noted at that time that the Single Island/Public Authority model has gained momentum beyond its traditional advocates within the Comhairle and Orkney Islands Council, but also from mainland Councils, such as Scottish Borders and West Lothian Councils, with significant common ground among quite diverse authorities as to the value of a single public authority approach in delivering the improved outcomes which Councils envisage from that model in terms of good governance, local management of resources but, equally critically, services to individuals.
- 5.3 Scottish Government colleagues have previously confirmed that the Single Island Authority Model advanced by the Comhairle and OIC was undoubtedly the most radical and potentially transformative element of the whole local governance process, and COSLA rightly sees strong links between our proposals and the three key empowerments: functional, fiscal and community, which are COSLA's policy objectives, taking a "whole system" approach to local governance reform. A meeting at political level took place in March 2024, attended by the Islands Councils' Leaders and Chief Executives, and by the Deputy First Minister, the Cabinet Secretary for Social Justice, Local Government and Housing, and the Cabinet Secretary for Health and Social Care. That meeting adopted a constructive and purposive approach and supported work to lead to governance arrangements which are best suited to the unique circumstances of the islands areas. It was significant that the Cabinet Secretary for Health and Social Care confirmed the involvement of NHS in the work and, while emphasising the need for accountability and power of direction to remain with the Cabinet Secretary for Health and Social Care in relation to specifically NHS matters, it was agreed to proceed on a collaborative basis to develop specific options on what was described as landmark public service reform. An officials' workshop-style meeting was held in May to review current proposals, to update these to take account of changed circumstances and to move matters onto the next stage, which is the development of workable options.

UPDATE ON PROGRESS: PUBLIC SERVICE REFORM AND SINGLE AUTHORITY MODEL

- 6.1 There has been a marked and significant increase in the pace of change in favour of what has always been the Comhairle's desired policy position, of moving to detailed discussion in the course of this year of options as to how a single island authority could look and work. In September 2024, Policy and Resources Committee was asked once again to note *the progress of work with Scottish Government towards development and implementation of a single authority model of local governance in the Western Isles* and to note the updated *Statement of Benefits of a Single Authority Model* document.

- 6.2 Space does not permit the recording of all the official and ministerial- level meetings which have taken place in 2025 alone, both relating to the Western Isles solely and also to joint and shared with Argyll and Bute Council, and Orkney Islands Council. The important point is that all that work has been productive and entirely conducive to achievement of the Comhairle's policy objectives. The commitment of the Minister for Public Finance, Ivan McKee MSP, and his officials has been total and culminated in a meeting on 12 August 2025 in Stornoway attended by the Director for Public Service Reform in Scottish Government, the Depute Chief Executive of NHS Scotland, and other senior officials together with the Chief Executive and Chair of NHS Western Isles. The Chief Executive of NHS WI presented for the first time options for local governance, including a single authority model, from the NHS perspective. These models are now being analysed, alongside the Comhairle's own proposed single authority models, and it is likely that the Comhairle will be asked at the September series of meetings to approve an option or options for submission to Government in terms of the agreed timetable which the Minister has helpfully set out. That timetable requires outline proposals to be submitted to Scottish Government by the end of September 2025, with detailed and preferably agreed options being submitted by the end of December 2025.
- 6.3 Discussions with NHS Western Isle have not yet taken place regarding refining a combined list of Comhairle proposed models and NHS proposed models, though the Comhairle hopes this will have been done before the Committee meets. While there is not yet agreement in terms of a preferred model, or two or three preferred models, a response has to be submitted to Scottish Ministers by end September, and pending further discussion, it is recommended that delegation be granted to the Chief Executive, in consultation with Members of the reference group to approve a response setting out models which meet the Comhairle's objectives in respect of:
- increased democratic accountability of public-facing services, including Primary Health and Social Care
 - promotion of principles of financial, strategic and organisational integration around a Single Outcome Agreement for the Western Isles, at least and at a minimum for the services for which the Comhairle and NHS WI are currently responsible;
 - agreement of a process for developing and agreeing a suitable budgetary provision for a single authority model;
 - agreement of future provision for area forums and such other means of decision-making which communities may wish to adopt, at an island and community level;
 - agreed development of an integrated structure for strategic planning, political decision-making, audit and scrutiny;
 - begins work on a senior and integrated management structure suitable for delivery of a single authority model.

UPDATE ON PROGRESS: JOINT ISLANDS STRATEGIC WORK

- 7.1 Policy and Resources Committee of 30 April 2025 noted that the Leaders and Chief Executives of the Comhairle, Orkney Islands Council and Shetland Islands Council had been considering how best to advance joint islands strategic interests regarding:
- (i) renewable energy: delivery, benefits, including specific issues such as mitigation of fuel poverty and the distribution of Crown Estate revenues;
 - (ii) public service reform and financial sustainability of the islands' public sector;
 - (iii) common service issues, including Health and Social Care, transport and connectivity; and
 - (iv) infrastructure improvements,

about which there was significant policy alignment among the three Islands Councils.

7.2 Following communication with The First Minister and senior Civil Service, a meeting of the First Minister and the three Islands Councils took place in Stornoway on 14 and 15 August 2025. The meeting focused on three aspects of the joint islands submission:

- Infrastructure Funding Model
- Islands Cost of Living
- Community Benefit Funding: Local Authority Involvement

Progress was made in respect of each element of the submission. It is envisaged that a further meeting with the First Minister will take place in October.

GOVERNANCE

8.1 Since there is now greater security that the work is moving forward at the right pace, it is timely to give some consideration to establishing a Reference Group of Members, in order to reflect what is now a faster-moving environment in which internal and external options require to be considered and reviewed at relatively short notice. Discussion of its membership took place at the Budget and Strategy Board meeting of 26 August 2025.

8.2 It is suggested that the Reference Group comprise:

- Leader
- Depute Leader
- Convener
- Leader, SNP Group
- Chair and Vice-Chair of Audit and Scrutiny Committee
- Cllr Iain A MacNeil, Uist and Barra Independent Group and Barra and Vatersay Councillor
- Cllr Kenneth MacLeod, Na Hearadh Councillor

a total of eight Members.

8.3 For information, the Officer Group comprises:

- Malcolm Burr, Chief Executive
- Tim Langley, Chief Officer, Law and Governance
- Norma Skinner, Chief Officer, HR and Performance
- Emma Macsween, Depute Chief Officer, Health and Social Care
- Sandy Gomez, Chief Financial Officer
- Anne Murray, Chief Officer, Economic and Community Regeneration
- John Cunningham, Chief Planning Officer
- Derek MacKay, Governance and Elections Manager
- Niall Houston, Strategy Officer
- James Mackinnon, Communications Officer

CONCLUSION

9.1 it is something of an understatement to state that the pace of productive work on Public Service Reform has increased significantly in recent months, and the interest and commitment of Scottish Government and civil service in/to a Single Authority Model for the Western Isles and other areas which seek to develop such a model has been demonstrated by the series of Ministerial and senior official level meetings at both a Western Isles level and nationally. Commitment is further demonstrated by the award of £300,000 of funding under the *Invest To Save* scheme, to be

administered by the Comhairle for the benefit of the work on the single authority model, both internally and for other organisations. The sum represents the total sum sought by the Comhairle which indicates Scottish Government approval of our proposals at this stage.

- 9.2 The meeting in Stornoway on 12 August 2025, attended by senior officials of Scottish Government and the Chief Executive and Chair of NHS Western Isles, was productive and, in practical terms, saw for the first time options on local governance produced by NHS Western Isles. These options are currently being considered and will be the subject of further discussion both locally and with Scottish Government, all in terms of the welcome timetable set out by the Minister for Public Finance, which requires outline proposals to be submitted to Scottish Government by the end of September 2025, with detailed and preferably agreed options being submitted by the end of December 2025. That there is now a focused discussion underway on the details of how a single authority might look and work represents a very significant advance and represents a marked increase in the pace of change.