



**OUTER HEBRIDES ECONOMIC STRATEGY 2025-2035**

Report by Chief Officer, Economic & Community Regeneration

**PURPOSE**

- 1.1 The purpose of the report is to seek approval of the Outer Hebrides Economic Strategy 2025-2035.

**EXECUTIVE SUMMARY**

- 2.1 The Comhairle was asked to approve a draft Outer Hebrides Economic Strategy 2025-35 in February 2025. Following this, external consultation has taken place on the strategy, and this has been considered and reflected as felt to be appropriate in the final version, for which approval is now being sought.
- 2.2 Consultation was done via the Comhairle's dedicated consultation webpage, a press release directing the public to the consultation page, and emails to key stakeholders requesting feedback. A total of 11 consultation responses were received and these have been considered in finalisation of the document.
- 2.3 Respondents were in broad agreement of the vision for the strategy. However, when looking at the detail, there was a broad split between those who were broadly supportive but who suggested areas for improvement and additional consideration, and a number who expressed strong concerns regarding a focus on renewable energy sector opportunities. Section 6.2 of the report summarises the feedback received and how this has been addressed.
- 2.4 The strategy sets out a vision for 2035 of an Outer Hebrides which is **thriving, prosperous** and **sustainable**. It proposes what success against this vision will look like over the next decade and suggests two overarching measurements of progress relating to population and productivity. Activity is focused against 3 key themes: (1) Key Sectors, (2) People and Community, and (3) Infrastructure, with priority areas and actions identified within these themes. The final version of the Outer Hebrides Economic Strategy 2025-2035 is at Appendix 1 for approval.

**RECOMMENDATIONS**

- 3.1 **It is recommended that the Comhairle approve the Outer Hebrides Economic Strategy 2025-2035 at Appendix 1.**

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Appendix: 1. Outer Hebrides Economic Strategy 2025-2035 (Final)

## IMPLICATIONS

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

<b>Resource Implications</b>	<b>Implications/None</b>
Financial	None
Legal	None
Staffing	There may be a need to prioritise staff activity and resource.
Assets and Property	None
<b>Strategic Implications</b>	<b>Implications/None</b>
Risk	None
Equalities	None
Corporate Strategy	Supports the Corporate Strategy 2022-2027 ambition to strengthen the local economy.
Environmental Impact	None
Consultation	Public consultation has taken place.

## BACKGROUND

- 5.1 Over the coming decade, there is scope to retain and attract population to the islands, through the development of new and high value economic propositions for the islands, particularly due to investment related to renewable energy, as well as through supporting our existing key sectors of food and drink, tourism and creative industries to add more value locally and increase resilience. Realisation of these opportunities can only be achieved if they are supported by infrastructure investment, particularly around roads, transport, digital connectivity and housing.
- 5.2 The Outer Hebrides Economic Strategy sets out how the Comhairle will seek to work with community, public and private sector partners to support the realisation of these opportunities. In the context of declining public sector resources, it seeks to prioritise and focus effort on where there is a tangible impact that can be made, rather than seeking to be too wide-ranging and all encompassing. The focus of the Economic Strategy has been informed by the evidence base and strategic framework, including the National Strategy for Economic Transformation, HIE's Operational Plan, the Highlands and Islands Regional Economic Partnership Economic Strategy, and the Comhairle's Corporate Strategy 2022-27. The Strategy and associated actions are anticipated to evolve as economic conditions change and as progress is made.
- 5.3 Following Comhairle approval of the draft strategy in February 2025, public and stakeholder has taken place to develop a final version, which is detailed for approval at Appendix 1.

## OUTER HEBRIDES ECONOMIC STRATEGY

- 6.1 Consultation was done via the Comhairle's dedicated consultation webpage, a press release directing the public to the consultation page, and emails to key stakeholders requesting feedback. A total of 11 consultation responses were received and these have been considered in finalisation of the document.
- 6.2 Respondents were in broad agreement of the vision and of the strategy. However, when looking at the detail, there was a broad split between those who were broadly supportive of the detail of the strategy, and a number who expressed concerns regarding the focus on renewable energy. The table below report summarises the feedback received and how this has been addressed.

Summary of Feedback	Response
Detailed feedback from a number of respondents regarding views of the negative impacts of N4 and large onshore wind. Strong views expressed on commercial vs community energy, and a feeling that the Strategy was predisposed toward Spiorad na Mara approval and held many allusions to N4.	The document was reviewed to ensure no assumptions of any specific onshore or offshore scheme proceeding. The estimated value of the renewable investment was removed. The document was reviewed to ensure opportunity for community renewables was included and it was felt to be sufficiently reflected in the relevant action.
Harris Tweed sector was noted as a strength in the SWOT analysis, but it was felt there needed to be a specific action in relation to the Comhairle's ongoing support to the Harris Tweed industry.	Addition of specific reference in action plan to work with the Harris Tweed industry.
Negative views on impact of cruise tourism and the lack of infrastructure in place to cover with the cruise market.	Infrastructure is recognised on an ongoing basis within the Cruise Destination Plan which is already an action within the strategy.
Hydrogen identified as a potential growth areas.	Added to the action to cover reference to export opportunities, which is already part of the longer-term vision.
Suggestion to focus on areas such as data centres, etc., requiring copious amounts of electrical power.	This is now referenced as an opportunity and will be considered in terms of the inward investment theme.
Number of comments on opportunity and benefits of local, added value, food production and growing produce to shorten supply chain dependencies.	Widened out the action in relation to fisheries and aquaculture to cover the wider food & drink sectoral opportunities.
Comment against reference to providing support to Arnish.	Action regarding Arnish retained as being essential to a diverse and high-value employment opportunities.
There were general comments regarding decline in services, including transport, and the quality and importance of 'enabling services' including healthcare and education in attracting and retaining working families.	Strategic actions do cover some relevant areas such as transport, housing and childcare. Comments on healthcare, leisure and education provision valuable and noted but outwith the scope of the strategy and action plan and fall more within the role of the Community Planning Partnership.
Further work needed on skilled workforce development and supply chain availability	Supply chain and skills already mentioned within the Action Plan. This is an area where the detail of the actions may develop further.
Importance of highlighting current strengths in academic research.	Reflected in SWOT analysis
Request for specific mention to be made of support to Taigh Chearsabhaigh and An Lanntair in respect of support to the creative industries sector.	Action Plan updated to indicate that the Creative Hubs projects in the Islands Deal relate to projects led by AL and TC.
The need for a more aggressive strategy to target UK and Scottish Government, including significant fiscal / financial benefits to living here.	Part of this is the wider lobbying work the Comhairle does through a range of mechanisms with UK and Scottish Government. The action plan mentions work on fiscal measures that it is proposed to refresh and promote through these

## **CONCLUSION**

- 7.1 In general, there was consensus on the strategy's vision, measures of success and themes. A number of comments made in relation to the SWOT analysis and the Action Plan, have been reflected in the final version. It was, however, clear that there were several fundamental objections to the focus on renewable energy within the strategy. The strategy has been reviewed to ensure a sufficient balance between community owned and commercial renewable energy, and to ensure no assumptions are in place around any specific onshore or offshore proposals proceeding.
- 7.2 The aim is to have a strategy that will reflect the need to respond to challenges and opportunities within the current economic context, support prioritisation of resource within the Economic Development service, direct our external funding strategy, and support our work with external partners such as HIE. It is believed that this is reflected in the final version at Appendix 1. A delivery plan will be put in place to further detail out and monitor progress. Reports will be provided to the Comhairle on an Annual Basis, with quarterly reporting on those actions integrated within the Service Business Plan.