



TOWN CENTRE LEGACY FUND

Report by Chief Officer, Economic and Community Regeneration

PURPOSE

- 1.1 The purpose of the Report is to seek approval of the allocation of the balance within the Town Centre Legacy Fund, and the utilisation of the capital income from the sale of 49-51 Cromwell Street.

EXECUTIVE SUMMARY

- 2.1 The Town Centre Legacy Fund was established in 2012 to reinvest rental income from two properties purchased through the Scottish Government's Town Centre Regeneration Fund, back into Stornoway Town Centre. A Scheme of Administration was agreed by the Comhairle in June 2014, to cover utilisation of the fund between 2014-2017.
- 2.2 79 Cromwell Street, Stornoway, was disposed of in 2014. At that point the Scottish Government required that the net capital receipt from the disposal be retained for town centre regeneration purposes. Funding of £79k to Stornoway Port Authority towards the redevelopment of Cromwell Street Quay has utilised the remainder of the Town Centre Capital fund.
- 2.3 49-51 Cromwell Street was disposed of during 24/25, generating a capital receipt of £453k for the Comhairle. As the Scottish Government funding for the original purchase of the property dates to 2012, any obligation period regarding the use of the capital receipt is believed to have passed. Therefore, utilisation of the capital receipt should be in line with accounting practice, which is to transfer to the Capital Reserve, for spend on projects in line with Comhairle priorities. In this instance it is suggested to Members that c50% of the income (£230k) be utilised toward the Medical Adaptation Budget within the 2023-28 Capital Programme. Due to level of demand for major and minor adaptations it is projected that the £2m allocation within the current Capital Programme will be fully committed before the end of the current Capital Programme, leaving the Comhairle at risk of breaching its Statutory Duty. This contribution will go some way towards reducing this risk.
- 2.4 The current revenue balance within the Town Centre Legacy Fund stands at £101,231. It was agreed in 2021/22 that £45k would be ring-fenced towards the Comhairle's Town Centre Painting Scheme. This was not drawn down as the core budget for the scheme continued to 2024/25 but has now been taken as a budget saving. As there will no longer be any income to the Town Centre Legacy Fund, and as the Scheme of Administration is now out of date, the report seeks agreement on proposals to utilise the balance over the next three financial years.

RECOMMENDATIONS

- 3.1 It is recommended that the Comhairle:
 - (a) Agree that £230k of the capital receipt from the sale of 49-51 Cromwell Street be used to supplement the Medical Adaptations budget within the 2023-28 Capital Programme.
 - (b) Note that the remainder will be retained within the capital programme for spend in line with Comhairle priorities.
 - (c) Agree the proposals for utilising the revenue balance within the Town Centre Legacy Fund.

Contact Officer: Anne Murray, Chief Officer, Economic and Community Regeneration
Background Papers: Reports to Policy & Resources and SD Committee, June 2014

IMPLICATIONS

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

Resource Implications	Implications/None
Financial	Report relates to utilising remaining funding within the Town Centre Legacy Fund and income related to the sale of 49-51 Cromwell Street, Stornoway.
Legal	There are no legal obligations associated with the income from sale of 49-51 Cromwell Street, Stornoway
Staffing	None
Assets and Property	Report relates to the use of capital receipt from sale of 49-51 Cromwell Street, Stornoway
Strategic Implications	Implications/None
Risk	The recommendations seek to reduce risk of the Comhairle not meeting statutory obligations in respect of medical adaptations.
Equalities/Child Rights	Potential equality issue if Comhairle does not meet statutory obligations in respect of medical adaptations.
Corporate Strategy	The recommendations of the report support the Corporate Strategy strategic objectives in relation to (1) strengthening the local economy; and, (2) supporting caring and resilient communities and quality of life.
Environmental Impact	None
Consultation	None

BACKGROUND

- 5.1 The Town Centre Legacy Fund (TCLF) was established in 2012 to reinvest rental income from properties purchased through the Scottish Government's Town Centre Regeneration Fund, back into Stornoway Town Centre. A Scheme of Administration was agreed by the Comhairle in June 2014, to cover utilisation of the fund between 2014-2017.
- 5.2 Following the disposal of 49-51 Cromwell Street, there will no longer be any income generated to the TCLF, and it is an appropriate time to consider optimum use of the remaining balance in the TCLF. Members are also required to agree utilisation of the capital receipt from the sale of 49-51 Cromwell Street.

TOWN CENTRE LEGACY FUND (CAPITAL)

- 6.1 79 Cromwell Street was disposed of in 2014, and it was required that the net capital receipt from the disposal be retained for town centre regeneration purposes. In 23/24 it was agreed to provide funding of £79k to Stornoway Port Authority towards the redevelopment of Cromwell Street Quay, which has utilised the final amount remaining.
- 6.2 49-51 Cromwell Street was disposed of in Q3 of 24/25, generating a capital receipt of £453k for the Comhairle. As the Scottish Government funding for the original purchase of the property dates back to 2012, any obligation period regarding the use of the capital receipt is believed to have passed. Therefore, utilisation of the capital receipt should be in line with accounting practice, which is to transfer to the Capital Reserve, for spend on projects in line with Comhairle priorities.
- 6.3 In this instance it is suggested to Members that 50% of the income (£226k) be utilised toward the Medical Adaptation Budget within the 2023-28 Capital Programme. Due to level of demand for major and minor adaptations it is projected that the £2m allocation within the current Capital Programme

will be fully committed before the end of the current Capital Programme, leaving the Comhairle at risk of breaching its Statutory Duty.

TOWN CENTRE LEGACY FUND (REVENUE)

- 7.1 The revenue balance within the Town Centre Legacy Fund stands at £101,231.
- 7.2 At its meeting on 27 February 2025, the Stornoway Area Forum, which includes representation from all Stornoway Councillors, considered a list of priority areas for improvement developed by the Stornoway Traders Group and representatives of Western Isles Lifestyle Lottery.
- 7.3 It was agreed the Comhairle would consider these proposals in relation to available funding from the Town Centre Legacy Fund. The areas put forward have been considered by Comhairle Officers in the context of affordability.
- 7.4 Many of the medium to long term proposals are larger capital items which could be taken forward should Scottish Government or other funding sources re-emerge with a focus on Town Centre capital investment, for example a Harbour Walkway, Bus Shelter improvements, and traffic calming measures.
- 7.5 The smaller value proposals reflect a number of areas already underway through an allocation of £100k Crown Estate Funding in 24/25, of which £80k is being utilised for bollards to the pedestrian area, and £20k for enhanced cleaning of areas within the Town Centre which have been identified in consultation with the Area Forum. It is proposed that what has been done for the 2025 Summer season continue into the next two financial years to support additional work by the Comhairle on cleaning, landscaping and general maintenance in the Town Centre. Priorities for this programme of work against available budget will be identified in consultation with the Stornoway Area Forum.
- 7.6 It was agreed in 2021/22, that £45k would be ring-fenced towards the Town Centre Painting Scheme. To date, the Comhairle's Development Planning Team have operated a small scheme of c£11k per annum. This was removed from the service in the most recent round of budget savings. Given the importance of building maintenance to the appearance of the Town Centre, it is proposed that £33k be allocated to support a Town Centre Painting Scheme from 25/26 onwards to continue to incentivise private sector businesses to invest in their properties over the next 3 financial years.
- 7.7 Given there may be different priorities and opportunities that emerge in future years, it is proposed that an amount of £5.5k per annum be allocated to allow the Stornoway Area Forum to identify any further areas of investment to the benefit of the Town Centre, subject to there being no ongoing maintenance requirements arising as a result.
- 7.8 A summary of the proposals is below:

Area	25/26	26/27	27/28	Total	Lead
Powerwashing / Maintenance Programme	N/A*	26,000	26,000	52,000	Comhairle – A&I
Area Forum Priorities	5,500	5,500	5,500	16,500	TBD
Painting Scheme	11,000	11,000	11,000	33,000	Comhairle - Planning
Total	17,000	43,000	43,000	101,500	

*Work in advance of the 2025 Summer Season has been funded through Crown Estate funding.

CONCLUSION

- 8.1 Proposals for the utilisation of the capital receipt from 49-51 Cromwell Street will support the Comhairle towards meeting its statutory duties by responding to the increasing level of demand for medical adaptations from households across the islands.
- 8.2 Regarding the utilisation of the balance within the Town Centre Legacy Funds, there is a comparatively small amount available, but the proposals put forward seek to go some way towards responding to community, visitor and business concerns on the appearance and cleanliness of the Town Centre, particularly over the Summer. The impact of what can be achieved with the budget can only be limited and it is important that all partners with a stake in the success of the Town Centre continue to work collaboratively and creatively on opportunities to secure investment in the town.