



BEST VALUE - CONTINUOUS IMPROVEMENT ACTION PLAN

Report by Chief Executive

PURPOSE

- 1.1 The purpose of the Report is to inform the Audit and Scrutiny Committee of the progress with the Continuous Improvement Action Plan and present the key findings for effective challenge and scrutiny.

EXECUTIVE SUMMARY

- 2.1 Mapping the performance of services in delivering improvement is essential as this provides the context required to effectively plan service change. A performance review of the Continuous Improvement Action Plan (CIAP) was undertaken to highlight the work outstanding and the action being taken by services.
- 2.2 The mid-year 2024/25 performance review of the CIAP found that seven of the ten CIAP actions presented to the Audit and Scrutiny Committee in the end-of-year 2023/24 performance review report were carried forward to the 2024/25 period and three new actions have been added. The key improvement outcomes from two external audits, seven internal audit follow-up reviews and one self-assessment have still to be completed. These are represented as CIAP actions in Service Business Plans (SBPs) and are included in the departmental business plan progress reports made available to the public on the Comhairle's website quarterly.
- 2.3 A summary of the CIAP is in the Appendix to the Report with a link to the audit and self-assessment reports, where available, and the name of the officer responsible for taking each action forward to completion.
- 2.4 Elected Members have access to Interplan and can view the progress of SBPs and CIAP actions online throughout the year.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle:**
 - (a) **note the Continuous Improvement Action Plan performance review; and**
 - (b) **scrutinise the key findings summarised in the main body of the Report.**

Contact Officer: Fiona Knape, Team Leader, Organisational Development
Appendix: Continuous Improvement Action Plan Summary
Background Papers: Report to Audit and Scrutiny Committee on 25 June 2024

IMPLICATIONS

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

Resource Implications	Implications/None
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Financial

None

Legal

As per the Accounts Commission for Scotland's Publication of Information (Standards of Performance) Direction 2021 under section 1(1) (a) of the Local Government Act 1992, Councils have a statutory duty to ensure balance in reporting areas of improvement that have been achieved and not achieved. SPI 2 includes the requirement for the Comhairle to assess how it is performing against its duty of Best Value through self-assessments, service review activity, audit assessments (including those in the annual audit), assessments from other scrutiny and inspection bodies, and how it has responded to these assessments.

Staffing

None

Assets and Property

None

Strategic Implications	Implications/None
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Risk

None

Equalities

None

Corporate Strategy

The Report is aligned to Strategic Outcome 4.1.5 - Effective governance of the Comhairle is in place.

Environmental Impact

None

Consultation

None

BACKGROUND

- 5.1 The Statutory Performance Information (SPI) [Direction](#) published on 21 December 2021 is given by the Accounts Commission for Scotland ("the Commission") and applies to reporting performance for the three years from 1 April 2022. The Direction introduced the Commission's [Strategy 2021-2026](#). The Commission holds councils and other local government bodies in Scotland to account and, through the Direction, sets out the performance information that they require councils to publish, and to ensure a balance in reporting areas of improvement that have and have not been achieved.
- 5.2 The Commission's Transformation in councils [Report](#) (Oct'24) prepared by Audit Scotland, reported that they expect *"individual councils to prioritise and urgently progress the delivery of their local transformation ambitions and engage effectively in sector-led transformation activity, securing political backing and committing resources"*. The Commission will be auditing local transformation work through year three of their Best Value reporting programme that starts in October 2024.
- 5.3 The Commission highlighted in the Comhairle's Best Value Assurance [Report](#) (BVAR) that *"the Comhairle has implemented many successful initiatives but the overall pace of change has been slow. It needs to ensure that it has the leadership capacity to drive strategic and transformational change at the pace needed"*.

CONTINUOUS IMPROVEMENT ACTION PLAN

- 6.1 At its meeting on 11 February 2015, the Comhairle agreed the proposals for the development of its Continuous Improvement Agenda to reflect best practice and audit requirements. To satisfy the requirements of the Commission's SPI Direction in the Achievement of Best Value, the Comhairle at its meeting on 14 December 2016 approved the Audit and Scrutiny Committee's recommendation to include the outcomes of internal and external audits and inspections in the CIAP for effective challenge

and scrutiny. Since March 2020, the CIAP also includes the areas for future development and the priority recommendations identified from completed corporate self-assessments.

- 6.2 It is important to include all inspection and audit reports in the CIAP report to inform the Audit and Scrutiny Committee of reasons why services may not be able to take forward some of the recommendations. It is also important for services to challenge the completion dates set by auditors and agree realistic timelines for when the recommendations can be fulfilled, with consideration to current service requirements and resources available.
- 6.3 Services use the Comhairle's online performance management system Interplan to record and monitor SBP Actions. As guided by the Comhairle, the priority recommendations and areas for future development identified from corporate self-assessments, the recommendations brought forward from previous external audits and inspections, and the outstanding recommendations from internal audit follow-up reviews have been input to Interplan as SBP Actions and more will be added as they become known. All outstanding actions are included in the Continuous Improvement Action Plan (CIAP) that is presented to the Audit and Scrutiny Committee for effective challenge and scrutiny.
- 6.4 Elected Members have access to Interplan and can view the progress of SBP and CIAP actions online as required.

KEY FINDINGS

- 7.1 The Comhairle experienced a criminal cyber incident on 7 November 2023 that impacted on services completing some of the CIAP actions within the recommended time period. The incident also affected the Comhairle's website, therefore, links to some of the audit and self-assessment reports are no longer available. A temporary website to allow the public to access important information was launched on 14 November and an Incident Management Team (IMT) was established on 20 November to lead on the response to this incident.
- 7.2 Three of the ten CIAP actions presented to the Comhairle in the previous report are now complete and three new actions were added. The performance review found that 50% of the implementation dates set by Auditors and confirmed with management have been extended, some more than once. The dates of when the original report was issued and to be implemented by are included in the Appendix to the Report, and where relevant the revised completion date is also included.
- 7.3 There are no CIAP actions reporting red.
- 7.4 Updates have been provided in Interplan for all CIAP actions. The Comhairle has undergone a period of organisational restructuring and, therefore, the alignment of some services to departments may be different to that stated in the original audit or self-assessment reports.
- 7.5 The key findings are summarised in the Report by department and service.

CHIEF EXECUTIVE DEPARTMENT

Chief Executive's Office

- 8.1 The Best Value external audit undertaken by Audit Scotland (Sep'22) made nine recommendations. An action plan was approved by the Comhairle in December 2022 to take these forward and work is now underway by services and the CMT to deliver the actions set out. The BVAR Action Plan Progress Report was presented to the Audit and Scrutiny Committee in February 2024 and, as such, the completion date has been amended from December 2023 to March 2025. While the actions are not yet fully complete, there has been good progress to date. A further update was presented to the Audit and Scrutiny Committee in September 2024 detailing that six actions are now complete with significant

progress made on the remaining three (capital project templates and lessons learned, development of the LOIP and training opportunities).

Human Resources, Strategy and Performance

- 8.2 The Management of Sickness Absence Internal Audit Review (Jun'23) made nine recommendations and the follow up review (May'24) found eight recommendations to be outstanding and management have confirmed that the remaining recommendations are ongoing. It should be noted that the service was affected by the cyber-attack in November 2023, and understandably the focus has been to resume normal practice as a priority. The Internal audit recommendations summarised below will continue to be worked on and implemented as required.
- 8.3 Although an up-to-date Training programme for new and existing Line Managers is recommended (2.1) to provide them with the knowledge and tools to manage sickness absence and identify and control any issues, this is delayed due to staffing resources. A review of the Sickness absence policy (2.2) will be undertaken once employee engagement is concluded through the forthcoming employee survey scheduled for December 2024. Stress prevention will be considered within the employee engagement survey and a review of the Employee Health & Wellbeing Strategy and the Stress Prevention Policy (2.3) will be undertaken once the analysis of the employee survey is concluded. The ResourceLink project has been testing the move to the cloud which is scheduled to be undertaken in quarter three (2.4). The HR Manager has been holding meetings with Chief Officers and Managers to review sickness absence data and proactive management of sickness absence (2.5). The Payroll service continue to issue notification of payroll deadlines for the processing of FIN forms and HR are reviewing FIN forms to make them more user friendly (2.6). A more proactive approach to Wellbeing promotion and support is recommended (2.7) in addition to EAP signposting to ensure early intervention to wellbeing issues. A new EAP resource (Wisdom) was launched and promoted internally, and work is on-going to proactively promote all wellbeing schemes available to employees on a regular basis (2.8). Employee intranet pages also contain resources including Health and Wellbeing, cycle to work scheme and trauma Informed information.
- 8.4 The Corporate Training Internal Audit Review (Apr'23) made 11 recommendations and three are partly outstanding. The recommendation (2.6) for all new staff to have their Corporate Induction date issued at job offer stage is reliant on the HR system to be fully operational. In the interim, Trainers are cross checking against new starts list. Arrangements are to be made for IT and Schools IT to enable teaching staff to have access to the Training Calendar, LearnPro and the Intranet (2.7). Although the follow-up review found that Teaching staff have access to LearnPro, the intranet and training calendar is unavailable currently to Education employees based in schools. Education have notified the Training team that this is on the list to look at for consideration of the training calendar to be moved onto Glow. However, there has to be discussion over clearances for a glow account and Education IT have been reminded that this remains an outstanding priority. Education staff continue to have access to LearnPro. The service is continuing to explore other options to having a single corporate database within the training section in order that there will be a singular point of facts that can be relied on as part of day-to-day task management and strategy delivery (2.10). A scoping exercise was undertaken with a view to having a combined Learn and TMS System. Some costings have been received which are above the current budget and a decision is yet to be made about the chosen way forward.

Law and Governance

- 8.5 The Comhairle's Annual Audit Report 2021/22 published by the Commission on 1 December 2022 brought forward seven recommendations from previous audits and two are partly outstanding. The IT Service is working with the Incident Management Team and the Resilience Team to ensure lessons learned from the cyber incident are built into their Business Continuity, Cyber Resilience, and Disaster Recovery Plans (5). The Procurement Guide and Tender Evaluation Guide have been reviewed, updated, and finalised (7). As agreed with Internal Audit, training was to be carried out by the end of

the financial year 2023/24, however, this was impacted by the cyber incident. Consequently, the training has taken a back seat to other priorities. A LearnPro module had been drafted which has now been lost, but attempts are being made to re-create it and once finalised it will be rolled out during 2024/25.

Assets and Infrastructure

- 8.6 The Information management self-assessment (Jun'21) included two priority recommendations: a refresh of the IT Strategy; and a review of IT security, with consideration to be given to the continued change from office to home working environments and the effects this may have on information security moving forward to ensure the integrity of corporate information in a home working environment. Work on both priorities is underway. The area for future development requires the continuation of employee training to raise awareness of the importance of, and legal requirements relating to, information security. The IT strategy is under revision following the cyber incident. Key themes will include cloud based solutions where appropriate. Due to the impact and resource implications of the cyber incident, the IT Strategy will need to be considerate of the ongoing learning outcomes and financial implications of the IT system rebuild. These are currently being reviewed through the Incident Management Team (IMT).

Economic and Community Regeneration

- 8.7 As per the Homelessness Internal Audit Follow Up Review (Jun'24), two of the six recommendations made in the original report are still to be fully implemented. It was recommended (2.1) that the Homeless Services Manager ensure that all cash received must be posted to the service user accounts at the end of each month and a reconciliation undertaken to identify any discrepancies that may not have been identified. This action was initiated but has been hampered by a lack of debtor information since the cyber-attack and there will be no further progress until the debtors system is restored. It was also recommended (2.5) that the Homeless Services Manager proceed to follow up the issue of the emergency lighting that has been outstanding over a number of years and ensure that it is resolved. This issue has been followed up with Assets and Infrastructure and the emergency lighting has been tested for compliance, however, there are issues with the fittings which require a resolution. Options are currently being explored by the Assets and Infrastructure service but, at present, no resolution has been found.

EDUCATION AND CHILDREN'S SERVICES DEPARTMENT

Education and Children's Services Directorate

- 9.1 The Education Maintenance Allowance (EMA) Internal Audit Review (May'22) made four recommendations and one is partly outstanding (2.1) and requires the service to update and refresh the EMA policy that is published on the Comhairle's website. The Scottish Government EMA Guidance and Process document was finalised late 2023 and did not give enough time for the policy development and report to be presented to the November 2023 series of meetings. Proposals were for the updated policy and report to be presented to the first series of meetings in 2024. However, the cyber incident and the subsequent loss of the Comhairle website has led to a pause with this project. Recovery has been the focus of the officer responsible for refreshing the policy and there has been a delay. It is anticipated that this CIAP Action will be concluded by the end of the 2024/25 period.

Sport and Leisure

- 9.2 The Sports Centres Internal Audit Review (Sep'23) advised of 19 recommendations and the Follow-up Review (Jun'24) found seven to have been fully implemented. Management have confirmed that the remaining 12 recommendations will be implemented by December 2024. A progress update will be included in the end-of-year 2024/25 performance review of the CIAP, if required.

HEALTH AND SOCIAL CARE (IJB)

Health and Social Care Services

- 10.1 The Learning Disability & Autism Service Internal Audit Review (Oct'22) made 11 recommendations and one is partly outstanding (2.1) and requires the completion of the Learning Disabilities and Autism Strategy. Although the progress was pending recruitment to the substantive service manager post, the Interim Service Manager has completed a final draft of the Strategy. The draft strategy is planned for stakeholder engagement on appointment of the Service Manager.
- 10.2 The Residential Care Services Internal Audit review (Jul'23) made eight recommendations and one is partly outstanding (2.2) and requires the Service Manager in collaboration with Legal Services to follow up the balances and make arrangements to clear down the balances through the appropriate procedures. The Internal Audit Follow-up Review (Mar'24) found that the process is underway with identification of solicitors/executors in the first instance, communication made to relevant solicitors, and requests made for Confirmation Certificates. 11 out of 18 cases are actively progressing, two complete. Where certificates have been received (3 cases) process to initiate release of funds has begun and work continues with Legal Services to complete for all cases. The quarter two progress update indicates that this is still a work in progress and release of funds complete in six of the accounts.

CONCLUSION

- 11.1 The Comhairle experienced a criminal cyber incident on 7 November 2023 that impacted on services completing some of the CIAP actions within the recommended time period. The incident also affected the Comhairle's website, therefore, links to some of the audit and self-assessment reports are no longer available. A temporary website to allow the public to access important information was launched on 14 November and an Incident Management Team (IMT) was established on 20 November to lead on the response to this incident.
- 11.2 The half-year 2024/25 performance review of the CIAP recorded in Interplan was undertaken to highlight the work outstanding, the action being taken by services and the areas of work outwith the control of services. The review found that all SBPs in Interplan have been updated to advise how the recommendations are progressing and that key improvement outcomes from two external audits, seven internal audit follow-up reviews and one self-assessment have still to be completed. Recommendations from five (50%) of the audits/self-assessments have not met their original implementation date.
- 11.3 In the wider context of the current public sector financial environment, and the significant decrease in real terms funding experienced by the Comhairle and highlighted in its BVAR by the Commission, it is essential to ensure that services are as efficient and effective as possible through continuous improvement and show ongoing viability in delivering the Comhairle's strategic priorities and statutory obligations.
- 11.4 Although a year-end 2024/25 performance review of the CIAP will be undertaken and presented to the Audit and Scrutiny Committee in 2025, Elected Members have access to Interplan and can monitor the progress of SBPs and CIAP actions online throughout the year.

CONTINUOUS IMPROVEMENT ACTION PLAN SUMMARY

NB: The table below displays External Audits shaded blue, Internal Audit Follow-up Reviews shaded yellow and Self-assessments shaded orange.

* Brought forward from the end-of-year 2023/24 performance review report.

CIAP Summary	Interplan Reference	Responsible Person	Status	Original Report Issued	Implement by	Revised Completion Date	% Complete	Target	On Target
CHIEF EXECUTIVE'S DEPARTMENT									
Chief Executive's Office									
<u>Best Value Assurance Report: Comhairle nan Eilean Siar</u>	4.1.5.49*	Malcolm Burr	In Progress	29/09/2022	Dec 2023	Mar 2025	80%	75%	Green
HR, Strategy and Performance									
<u>Management of Sickness Absence</u>	4.1.5.67	Norma Skinner	In Progress	19/6/2023	31/03/2026		25%	20%	Green
<u>Corporate Training</u>	4.1.5.66*	Norma Skinner	In Progress	24/04/2023	31/12/2024		75%	75%	Green
Law and Governance									
<u>Comhairle nan Eilean Siar annual audit report 2021/22</u>	4.1.5.55*	Sandy Gomez	In Progress	01/12/2021	Mar 2024	Mar 2025	80%	100%	Amber
Assets and Infrastructure									
<u>Information Management</u>	4.1.5.25*	Calum Mackenzie	In Progress	22/06/2021	Mar 2022	Dec 2024	70%	80%	Amber
Economic and Community Regeneration									

CIAP Summary	Interplan Reference	Responsible Person	Status	Original Report Issued	Implement by	Revised Completion Date	% Complete	Target	On Target
Homelessness	4.1.5.69	Lorraine Graham	In Progress	22/09/2023	31/03/2025		70%	50%	Green
EDUCATION AND CHILDREN'S SERVICES DEPARTMENT									
Children's Services									
Education Maintenance Allowance	4.1.5.56*	Jordan Carberry	In Progress	16/05/2022	Sept 2023	Dec 2024	80%	100%	Amber
Sports Centres	4.1.5.68	Donald A. Macleod	In Progress	21/09/2023	Dec 2024		40%	40%	Green
HEALTH AND SOCIAL CARE (IJB)									
Health and Social Care Services									
Learning Disability & Autism Service	4.1.5.59*	Emma MacSween	In Progress	27/10/2022	Mar 2024	Dec 2024	90%	100%	Amber
Residential Care Services	4.1.5.65*	Emma MacSween	In Progress	10/7/2023	Dec 2024		90%	90%	Green