PERFORMANCE PROJECT - TRANSFORMATION PLAN

Report by Chief Executive

PURPOSE

1.1   The purpose of the Report is to provide a progress update for the Performance transformation project.

EXECUTIVE SUMMARY

2.1   The Performance Project team has been established and has held two formal meetings since its approval by the Comhairle in February 2025.

2.2   Work has been undertaken to gather and analyse financial, performance and HR data initially for the HR and Performance Service and Strategic Finance. Work on these two areas will inform proposals when working with other services across the Comhairle.

2.3   This Report details stage 1 of the business case, which sets out the framework of the project and initial work undertaken by the project team.

RECOMMENDATION

3.1   It is recommended that Comhairle notes stage 1 of the business case and work undertaken by the Performance Project group from February to April 2025.

Contact Officers:	Norma Skinner, Chief Officer, HR and Performance
Appendix 1:	Performance Project, Action Plan

IMPLICATIONS

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

Resource Implications	Implications/None
Financial	There are no financial implications associated with this Report.
Legal	There are no legal implications associated with this Report.
Staffing	There are no staffing implications associated with this Report.
Assets and Property	There are no asset and property implications associated with this Report.
Strategic Implications	**Implications/None**
Risk	SR2 – Continued reduction of income streams. SR3 – Unplanned expenditure/budget savings not realised. SR13 – Failure to deliver high quality continuously improving services that are reflective of local needs. SR14 - the Comhairle does not have the capacity or a sufficient workforce to deliver services.
Equalities	There are no identified equality issues within this Report. An IIA may require to be undertaken as the project progresses.
Corporate Strategy	4.1.1 - the Comhairle has achieved a systematic approach to improving organisational effectiveness that aligns strategy, people and processes and the service provided is high quality, continually improving and cost effective.
Environmental Impact	There is no impact associated with this Report.
Consultation	Consultation will likely be a requirement associated with this project as it progresses.

BACKGROUND

5.1 The Comhairle has undertaken transformative work for many years, recognising the particular demographic and financial challenges of both the Western Isles and the Comhairle itself. This work has led to cost savings, income generation, increased efficiency, and improved service delivery.

5.2 In February 2025, the Comhairle approved a new suite of transformation projects with each requiring a business case and reporting schedule. This Report focuses on the Performance Project.

TRANSFORMING PUBLIC SERVICES

6.1 Audit Scotland noted in their Local Government Overview 2023 that Councils have never faced such a challenging situation, with increasing demand, workforce pressures and Council Budgets under severe strain. They go on to state that transformation is about changing how Councils operate and deliver services to achieve planned outcomes in a financially sustainable way with five key transformation principles setting out how it is undertaken: vision, planning, governance, collaboration and innovation. This is about good project management and governance.

6.2 There are also three areas that projects should be aiming to achieve through transformation:

- operational effectiveness, - which encompasses cash savings, effectiveness, efficiency, quality control, resilience, flexibility, compliance and performance.
- customer service, - which encompasses increased satisfaction, accessibility, reduced cost to deliver, reduced demand, improved equality and inclusion, and improved performance; and

- improved outcomes - which encompasses improved social, economic and environmental outcomes and resources better utilised to deliver services that are joined up, targeted and preventative.

6.3   it is important that both the transformation principles and the corporate objectives are captured within each project.

STAGE 1 BUSINESS CASE

7.1   Whilst it is acknowledged that all services within the Comhairle have focused on performance over recent years to drive efficiency, it is proposed that there are three key aspects to performance that can be further supported through this business case.

7.2   The first is a review of performance measures (KPIs), alongside a focus on customers and engagement. This work could support further improvement by revising the service measures to capture service cost, performance and customers. These should align closely with the Corporate Strategy and Customer Services Strategy and when gathered together, should provide a cohesive illustration of Comhairle performance as a whole.

7.3   The second aspect is exploring the volume of manual processes to explore rationalisation and digitalisation with a focus on efficiency. This would also take into account the work being undertaken on digital innovation as there is clearly a cross-over with data and performance.

7.4   The third is a focus on wellbeing and the management of sickness absence. This aspect of the project is about supporting managers in the management of sickness absence and proactively supporting employees to remain at work. A reduction in the levels of sickness absence could therefore reduce costs and drive performance within services.

7.5   Alongside these themes, it is important that this project remains closely aligned to the Organisational Development Strategy. This Driving Performance business case is largely focused on operational effectiveness, and improved customer service.

POLICY OBJECTIVES

8.1   The policy objectives for this project are:

- To ensure the Performance Management Framework remains robust
- To gain efficiencies in how information is processed
- To gain efficiency and effectiveness in the management of data insofar as it relates to performance reporting
- To explore options to reduce service reporting burden and to develop a comprehensive suite of corporate performance measures
- To ensure high quality reporting with effective service performance measures
- To drive service performance using performance measures
- To improve customer service and engagement
- To promote employee engagement with their wellbeing
- To improve reporting of sickness absence and to reduce sickness absence rates

PERFORMANCE PROJECT TEAM

9.1   The Project team has been established and consists of the following Officers:

- Chief Officer, HR and Performance
- Team Leader, Organisational Development
- HR Manager
- Strategy Officer

- Customer Services Manager
- Senior Accountant
- Internal Auditor
- Finance and Risk Officer

Additional officers may be co-opted onto the team to support specific pieces of work, as required.

GOVERNANCE

10.1 It is important that there is appropriate scrutiny and challenge of the project and that the Corporate Management Team and Members receive regular updates on progress and milestones. It is therefore proposed that there are:

- Twice monthly meetings with Minutes of Meetings recorded.
- Monthly update reports to CMT
- Quarterly Reports to Budget and Strategy Board, Policy and Resources Committee and Audit and Scrutiny Committee.
- Lead Chief Officer assigned by Chief Executive

10.2 The Project Team is chaired by the Chief Officer and includes relevant service managers, Accountancy, HR, and other members of CMT as appropriate. Administrative support has been identified from within the lead Service.

SERVICES AND COSTS

11.1 The Performance project will be led by the HR and Performance section. The Remit includes an examination of performance and related efficiencies across all Comhairle services.

11.2 As this project will cross a range of service areas, work needs to be undertaken to examine income and cost analysis. This will be undertaken as part of the data analysis stage of the project (stage 2).

EMPLOYEES

12.1 There are no specific impacts on employees at this stage of the project.

RISKS

13.1 There are a number of identified service and corporate risks associated with the Performance Project

- Lack of service engagement
- Reduced resources to measure and report on performance
- Services unable to implement proposed process efficiencies
- Reduced resources to monitor and proactively manage sickness absence
- Reduction in employee health and wellbeing
- No generation of real savings

STAKEHOLDERS, INCLUDING TRADE UNIONS

14.1 With all projects there are stakeholders, and it is important that they are involved in all relevant aspects of the project. Engagement will primarily be internal through relevant committee meetings and discussion with services, Corporate Management Team and Comhairle Members.

14.2 There may be occasion to involve the Recognised Trade Unions through the JCC if any proposals could have implications for employees in terms of their work location, duties, or other service changes.

14.3 Community consultation may be required if there are proposed changes to how services are delivered or to how customers interact with the Comhairle.

14.4 It is likely that this project will involve interaction with partners such as Audit Scotland and the Improvement Service as there may be changes to performance reporting and increased benchmarking to inform the project.

14.5 There may be occasion to engage with the Outer Hebrides Community Planning Partnership if the proposals extend to the performance reporting of the OHCPP.

INTERNAL CONSULTATION

15.1 The Project Group will work closely with members of the Corporate Management Team and will consult with them on any proposals that come out of the Project work.

15.2 The Project Group will also engage Internal Groups including the Employee Forum, BVAP Group and JCC to get relevant information and feedback and to ensure there is full consultation on any proposals.

COMMUNICATION

16.1 Communication will be primarily through minuted discussion at meetings, and Committee Reports.

16.2 If community consultation is required, this will be via the Comhairle's 'Have Your Say' consultation webpages.

SUPPLIERS

17.1 The Comhairle has a number of suppliers of IT systems that support monitoring and reporting of performance. The Digital Project will undertake initial work to scope the range of systems and data available. Once this work is complete, there may be scope for this performance project to consider suppliers further.

17.2 If suppliers become a consideration relevant to this project, this section of the business case will be updated to provide relevant information.

TIMING OF IMPLEMENTATION

18.1 The Action Plan is appended to the Report. This action plan is a dynamic document with new actions added as required. The initial action of the group is to begin to gather the relevant data and information to support consideration of stage 2 (detailed below).

DATA TO BE COLLECTED

19.1 it is important to undertake an analysis of data availability and to gather data related to:

- Performance Indicators
- Local Government Benchmarking Framework data
- Income analysis for services
- Cost analysis for services
- Sickness absence data for services
- Job analysis

STAGE 2 BUSINESS CASE

20.1 The Project Team has now gathered significant data for the two services that it is using to trial the approach: namely HR and Performance and Strategic Finance. This work commences Stage

2 of the business case. The team is now scheduled to meet to analyse the data and to consider what viable options are available to address performance.

20.2   An update on stage 2 of the business case will be reported to the Comhairle at the June series of meetings.