POLICY AND RESOURCES COMMITTEE

18 JUNE 2025



CHIEF EXECUTIVE'S SERVICE: CORPORATE POLICY AND OUTCOME DELIVERY REPORT

Report by Chief Executive

PURPOSE

1.1 The purpose of the Report is to advise on the progress of corporate policy matters and to present a progress report on the 2024/25 Strategic Priorities for the Chief Executive's Service

### EXECUTIVE SUMMARY

- 2.1 This Report provides a progress update on the strategic priorities aligned to the Service. An update on key cross-service areas of strategic risk is included, with progress on the strategic outcomes and the resources identified to implement the Business Plan.
- 2.2 Strategic Risk is aligned with the Corporate Strategy 2024-2027. Strategic Risks that cover more than one service are allocated to the Chief Executive Department. Strategic risk is monitored on Interplan and reported externally via the Comhairle's website. Graphical representation of the strategic risk for the Service is provided at paragraph 6.
- 2.3 The Business Plan is aligned to three strategic priorities, and the Service contributes to the achievement of 11 Strategic Outcomes. Progress on the Outcome Delivery Plans is detailed in the main body of the report at paragraph 7.
- 2.4 Full detail in regard to Business Plan progress for the Chief Executive's Service can be viewed at: <u>Service</u> <u>Business Plan Progress Reports</u>. In line with Audit Scotland's recommendations, Elected Members are also encouraged to access the Comhairle's online performance monitoring and reporting system Interplan, which contains all Service Business Plans. Interplan can be accessed at: <u>Interplan</u>.

#### RECOMMENDATIONS

**3.1** It is recommended that the Comhairle notes progress of the Outcome Delivery Plans for the Chief Executive's Service.

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#### IMPLICATIONS

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

<b>Resource Implications</b>	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	Risk Management associated with the Chief Executive's Business Plan is		
	identified at paragraph 6 of the Report		
Equalities	There are no identified equality issues within this Report		
Corporate Strategy	The 2024/25 Business Plan is aligned with the Corporate Strategy 2022-27.		
Environmental Impact	There are no identified environmental impacts within this Report		
Consultation	There is no consultation associated with this Report. The Business Plan		
	and the quarterly progress updates are published on the Comhairle's		
	webpages.		

### BACKGROUND

- 5.1 This Report aims to provide Members with information on progress of the strategic priorities which are relevant to the Service. The Report includes an update on key cross-Service areas of strategic risk, progress on the strategic outcomes to which the Service contributes, and the resources identified to implement the Business Plan.
- 5.2 The Corporate Strategy has 4 Strategic Priorities and 20 Strategic Outcomes.

#### **RISK MANAGEMENT**

- 6.1 The Comhairle has identified 15 strategic threats, 6 of which are monitored by the Chief Executive's Service:
  - SR1 There is a change in external political leadership with different priorities;
  - SR9 Partnership working failure (excluding the Adult Health & Social Care Integration Bill addressed at SR6);
  - SR13 The Comhairle fail 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. Rapid reduction of workforce;
  - SR17 Disruption to services and to the wider community; and
  - SR21 Cost-of-living pressures.
- 6.2 SR21 Cost-of-living pressures is assessed initially as a High Risk reducing to Medium once controls have been put in place.
- 6.3 The full risk register details can be accessed via the <u>Interplan Risk Management Module.</u>

# STRATEGIC RISK MATRICES - September 2024 THREATS



### **OUTCOME DELIVERY PLANS**

7.1 The Department is aligned to three Strategic Priorities and contributes to the fulfilment of 11 Strategic Outcomes and progress on the Outcome Delivery Plans are reported below under each of these.

### Priority 1.1: Strengthen the local economy

#### Outcome 1.1.2: Digital Investment.

- 7.2 An internal Digital Transformation Group has been established to lead on the embedding of digital processes within the Comhairle, streamlining working processes and identifying areas of good practice. A review of data requirements and management throughout the Comhairle is being considered along with inventory of digital platforms and training opportunities.
- 7.3 A Report has been provided to CMT with a survey circulated to Service Managers on their assessment of digital processes and requirements. Once results are returned the Group will be able to identify opportunities for learning, investment and streamlining.

#### Outcome 1.1.3: Investment in Buildings and Infrastructure

- 7.4 The National Islands Plan review consultation analysis was published in April 2024 and identified a need for prioritisation of the strategic priorities, a reduction in the number of outcomes, a lack of performance monitoring, and a lack of focus and ability to measure performance. A new National Islands Plan is to be published this year. Through the £3 million 2024/25 Islands Programme Fund Ionad Eilean na h-Òige, Eriskay, and Taigh Chearsabhagh Creative Hub, North Uist received funding of £651,000 and £50,500 respectively. A new round of RCGF, to support place-based community-led regeneration, has been announced with Stage 1 applications due by 27 June 2025. Funding would be provided for expenditure in 2026/27.
- 7.5 The Islands Growth Deal has moved into its third year of delivery which has recently seen the official opening of the redeveloped UHI Stornoway Campus. Construction at Calanais Visitor Centre continues to progress well and is due to continue throughout the year. Construction work on the Creed Hydrogen and Skills Innovation Centre, delivered in partnership with PlusZero, UHI and the Comhairle, has now also begun which will deliver an innovative facility for hands-on hydrogen technology training and next

generation electrolyser research and field testing. The Annual Conversation among the three islands councils, and Scottish and UK Governments, took place in Edinburgh on 29 May 2025. In addition to noting progress of the projects and inevitable issues around availability of match funding, the meeting noted the proposals which the Comhairle approved at the April 2025 series of meetings regarding reset of the Deal Programme, which will be submitted to Scottish and UK Ministers in due course.

7.6 The Crown Estate Grants provide support to community groups many of which underpin usage of local infrastructure and facilities. Year 5 Crown Estate Funds were dispersed throughout the Western Isles during this 2024/25, with £1,865,365 being made available in Round 6, an increase of £245,365 from Round 5. Ward distribution was £94,236 per ward, the highest figure ever.

### Outcome 1.1.4: Increased Level of Skills

- 7.7 Following the announcement of the UK Budget on 30 October 2024, the UK Government has confirmed that £20.25m will be made available for projects in the Western Isles. This sum replaced the Levelling Up Partnership funding announced in 2023 by the previous UK Government and has been rebranded Community Renewal Partnership (CRP).
- 7.8 As agreed by Members, a suite of capital projects focused in the Uists and Barra have been put forward by the Comhairle to be supported by the CRP funding. UK Government officials have completed a series of visits to Lewis, Harris, Uist and Barra to conduct their own 'deep dive' into the local economy. UK Government policy leads will present their findings to Members later this month.
- 7.9 The Islands Deal funded TalEntEd Programme continues to move ahead with the recent recruitment of a Project Manager and two Island Coordinators for RGU-led work package, Islands Entrepreneurship Network, with the manager position based in the Outer Hebrides. With staff now in post, delivery of a Creative Entrepreneurship Programme and Women in Business programme, focusing on Childcare, due to be held later this year.
- 7.10 There are ongoing internal governance meetings held regularly regarding the UK Shared Prosperity Fund (SPF), and the latest Monitoring Report has recently been submitted where the full 2022-2025 allocation of £2.2m has been expended. Following the 2024 Autumn Statement announcement, the UKSPF funding has been extended for a further year with a National additional funding allocation of £900 million. This comprises a 40% reduction in overall funding for 2025/26 where the Comhairle has been allocated £736,329 comprising £208,783 Capital and £527,546 Revenue.
- 7.11 Through a strategic partnership with Cothrom Ltd, the Accredited Training Team has developed an innovative and contextualised learning program for all apprentices. This initiative ensures that the training is relevant to the local industry context and addresses the unique challenges faced in our region. In support of the growing demand for Gàidhlig essential posts, the Comhairle's SQA Centre has distinguished itself as a leader in bilingual skills development by being one of only two centres across Scotland equipped to deliver four Foundation Apprenticeships in Gàidhlig—specifically in Health and Social Care, Childcare, Hospitality, and Construction. By offering these apprenticeships in Gaidhlig, the Centre not only facilitates access to critical qualifications but also actively contributes to the preservation and promotion of the Gaelic language within key sectors of our local economy.
- 7.12 The Accredited Training and Skills team through the Local Employability Partnership (LEP), continues to work in close collaboration with Skills Development Scotland to address and meet the employability needs. This partnership model has proven effective in responding rapidly to sector-specific challenges such as last year's PACE (Professional Apprenticeship and Career Enhancement) initiative at Bakkafrost, and more recently at Harris Distillery that resulted in over 50 participants moving directly into employment across key sectors. These actions not only enabled prompt skill development and reskilling of at-risk participants but has provided measurable benefits, demonstrating that a locally driven, partnership-based model is ideally positioned to deliver industry-relevant training solutions.

### Outcome 1.1.5: Growth in Small and Medium Sized Businesses

7.13 The Procurement Team supports Community Wealth Building by engaging with local businesses in order to try to remove any barriers (or perceived barriers) for tendering for Comhairle contracts. That includes trying to streamline processes as far as possible for smaller businesses, the aim being to encourage as much local participation as possible in contract opportunities which in turn will benefit the local economy. The team always tries to promote the use of local suppliers wherever it is lawful to do so. The Community Wealth Building (Scotland) Bill, currently at stage 3 in the Scottish Parliament, will compliment and support the Comhairle's work in this area.

### Priority 3.1: Support resilient communities and quality of life

Outcome 3.1.3: Planning and infrastructure meet the needs of our communities

- 7.14 Transport Scotland published the final versions of the Islands Connectivity Plan (ICP) Strategic Approach Paper and Vessels and Ports Plan as the successor to the Ferries Plan 2013-22, in May 2025. The objectives of the ICP will be aligned with delivery of National Transport Strategy 2 (NTS2) and the National Islands Plan. The ICP aims to ensure that island ferry services align with the outcomes from Transport Scotland's wider, multi-modal Strategic Transport Project Review 2 (STPR2) which covers Transport Scotland's assets. The next phase of the ICP is undertaking Community Needs Assessments. In parallel, an Islands Communities Impact Assessment, a Business Regulatory Impact Assessment, an Equality Impact Assessment, a Strategic Environmental Assessment and a Fairer Scotland Duty Assessment are being carried out to inform the development of the overall ICP.
- 7.15 A public consultation regarding Clyde and Hebrides Ferry Services (CHFS3) was launched in March 2024. The Cabinet Secretary for Transport announced on 8 May 2025 that Scottish Ministers have decided that a direct award should be made to CalMac Ferries Limited. The due diligence work concluded there is no financial, operational or legal impediment to proceeding with a Teckal-compliant direct award of CHFS3. The initial length of the next contract will be 10 years, with performance reviews at regular intervals. The Cabinet Secretary said "This is a unique opportunity to change the emphasis from a commercially driven arrangement to a public-focused service wholly directed at meeting the important and particular needs of the communities it serves. Discussions will continue with staff, island residents, businesses and communities and trade unions on the arrangements so that the new contract reflects local needs and interests. Transport Scotland is now working closely with CalMac Ferries Ltd on the necessary arrangements for commencement of the new contract on 1 October 2025. "
- 7.16 Following the outputs of Transport Scotland's extensive stakeholder engagement exercise and public consultation, Transport Scotland have worked collaboratively with CalMac to develop an Enhancement and Change Plan. This Plan aims to bring in changes to areas such as community engagement, local decision making and performance reporting; areas that the consultation evidenced would benefit from enhancement. CalMac have appointed additional Area Operations Managers to enhance local decision making and communication with communities.

#### Outcome 3.1.4: Our communities are Safe, Inclusive, And Resilient

7.17 The Comhairle continues to implement the Resilience Strategy 2023-28 Action Plan, with notable recent activities including the multi-agency SGN Gas Plant exercise. This saw Category 1 and Category 2 responders participating in a live exercise at the gas plant, and the Western Isles Emergency Planning Coordinating Group convened to test aspects of the Emergency Plan, including call-out procedures, communications and multi-agency arrangements. This provided staff at all participating agencies with the opportunity to build competencies. The Resilience Team continue to work with multi-agency partners to develop and deliver a training and exercising programme, review emergency plans on a rolling basis, and respond to incidents or potential incidents as these arise. Progress in delivering the Comhairle's Resilience Strategy will be reviewed and reported on in full to Committee in 2025/26.

7.18 The Strategy Team has worked with the Outer Hebrides Community Planning Partnership's (OHCPP) Climate Change Working Group (CCWG) to develop a Climate Rationale and Case for Action. These documents aim to provide an overview of the climate challenge for the Outer Hebrides and enable priorities for climate change adaptation in the islands to be identified and were approved by the OHCPP Board. The Strategy Team continues to collaborate with the CCWG to progress work on climate adaptation action with the aim of ensuring our communities are resilient to the effects of a changing climate. Next steps for the CCWG include seeking funding to develop a Climate Change Adaptation Plan for the islands.

Outcome 3.1.5: Reduce Inequality and Poverty and promote Social Mobility

- 7.19 The Comhairle has recently concluded allocation of the 24/25 Islands Cost Crisis Emergency Fund which has seen more than £250k of support pledged to 15 initiatives that directly tackle the effects of poverty, supporting young people, those in food and fuel poverty and those who are more vulnerable and isolated in our community and more likely to feel the effects of poverty. The Comhairle has recently received a welcome notification of a similar allocation of funding from ICCEF for the current financial year, which requests a focus on tackling child poverty.
- 7.20 The Strategy Team is working in partnership on the Outer Hebrides Community Planning Partnership's Anti-Poverty Strategy by developing and publishing statutory Annual Reports on progress. Work is underway on the annual Outer Hebrides Local Child Poverty Action Report for 2024/25 which is to be incorporated in a refreshed Anti-Poverty Strategy as the strategy is due for renewal. The refreshed strategy will report from 2024 to 2026 to align with the Scottish Government Child Poverty Delivery Plan, and to align with the development of the new LOIP that also is to report from 2027. At the June 2024 series it was agreed to support Anti-Poverty and related corporate policy work, for a period of three years, to give some stability to the Comhairle's leading work on anti-poverty support, and cost of living mitigation. This post has been successfully recruited internally and is fully operational.

### Priority 4.1: Be a Sustainable and Inclusive Council.

Outcome 4.1.1: Communities are empowered to support delivery of the Comhairle's Strategic Priorities

7.21 The Community Engagement team has supported community groups that were successful in Islands Programme Funding. Awards from the UKSPF-supported four community projects and support has been provided to projects to take them from design to capital readiness. The team also support the Comhairle's strategic projects under the Islands Growth Deal - Destination Development.

Outcome 4.1.2: Reduction in our Carbon Footprint and steps towards Net Zero

- 7.22 The Comhairle's Climate Change Strategy, approved in September 2022, sets out how the Comhairle will work to decarbonise our estate, assets, and services; and how we will work with partners to support the islands towards Net Zero and to build resilience to the effects of a changing climate. Progress has been made against each of the strategic priorities set out in the Strategy, with enabling strategies developed and consideration of climate change mitigation and adaption continuing to be embedded into Comhairle processes and service delivery. Under the Climate Change Act, the Comhairle is required to submit a Public Bodies Climate Change Duties report to the Scottish Government annually. The most recent report, submitted in November 2024, evidenced a reduction in the Comhairle's carbon footprint in 2023 compared to 2022, and provided a list of further carbon reduction activities to be progressed over the coming year.
- 7.23 The Comhairle continues to work with the Outer Hebrides Community Planning Partnership's (OHCPP) Climate Change Working Group to coordinate, plan and deliver climate change action across the Western Isles. To mark Scotland's Climate Week, an "Outer Hebrides Conference of the Parties", or OH-COP1 was organised by Climate Hebrides in September 2024, supported by the OHCPP Climate Change Working Group. The event took place at An Lanntair, with Young People's voices featuring

throughout the day. The Comhairle's primary and secondary schools also participated in e-Sgoil and OHCOP Climate Assemblies, in addition to a range of climate change challenges to mark Climate Week. The climate challenges were designed to encourage young people to have conversations about the climate and local climate issues, commit to climate change action and take part in climate activities. The Comhairle's Strategy Team presented an overview of the Comhairle's Climate Change Strategy, commitments and strategic priorities relating to Climate Change at the OHCOP event.

- 7.24 The Strategy Team is also supporting Barra and Vatersay as part of the Scottish Government's Carbon Neutral Islands (CNI) project, which aims to see six islands, including Barra and Vatersay, become Carbon Neutral by 2040. As part of the programme, the Scottish Government announced the establishment of the Carbon Neutral Islands Capital Fund (CNICF), and invited applications for net zero projects in the selected islands from Local Authorities working in partnership with community organisations. The Comhairle was awarded £127k in 2024/25 from the Carbon Neutral Islands Capital Fund to decarbonise Cobhair Bharraigh. The Strategy Team will continue to work with local organisations and the CNI Development Officer for Barra and Vatersay to apply to future rounds of the fund.
- 7.25 The Islands Deal funded Islands Centre for Net Zero in the Outer Hebrides has recently assessed a number of applications to its Transition Fund process. The Project Board has agreed upon a suite of decarbonisation projects to support through the ICNZ, totalling more than £2.8m. These projects will now be further developed and supported through the Islands Deal Full Business Case process to bring them to fruition.

### Outcome 4.1.3: Equality of Opportunity is increased

- 7.26 The Comhairle's Equal Pay Audit 2025 and equality monitoring were published in March 2025 to comply with statutory requirements. The Equal Pay Audit shows a positive trend with the gender pay gap decreasing from 12.3% to 9.6%. The Comhairle takes a robust approach to ensure equal pay including the continued application of the analytical job evaluation scheme which is recognised as ensuring equal pay for work of equal value and a grading structure that is robust in terms of equal pay.
- 7.27 The Employee Survey was circulated to employees on 1 November 2024 and a corporate report on the findings was presented to the Comhairle in April 2025. Comhairle employees continue to report a consistent level of satisfaction with work. A range of other factors have also been reported at an increased level of satisfaction including pay, working hours and work life balance. 87% of respondents reported that their work is important to them as it makes a difference.
- 7.28 The survey also identified a number of areas for improvement and services are now tasked to set out actions to address concerns raised. Employees reported feeling disadvantaged particularly due to age, (12% of respondents) and gender (11% of respondents) and there was an increase in accounts of bullying and/or harassment, the highest number of which is reported from service users/general public. Although employees are now reporting over 50% of instances this level presents on-going concerns within the work environment.
- 7.29 A range of internal training courses were set as mandatory towards the end of 2024/25 including information security, data protection, code of conduct, and equality and diversity training. The compliance for completion will be monitored and reported for 2025/26.

## Outcome 4.1.5: Effective Governance of the Comhairle supports delivery of the Comhairle's Strategic <u>Priorities</u>

7.30 The Scottish Government has continually emphasised and renewed its commitment to the Review of Local Governance and to exploration of Single Authority Models of governance in the Western Isles and elsewhere, which have received strong political and academic endorsement currently (as in the past) and remain a key focus for the Service in 2024/25. The Comhairle has produced a research paper setting out successful models of integration in other jurisdictions and has continued to emphasise, as have Audit Scotland and the Finance and Public Administration Committee of the Scottish Parliament, the need for Government to lead urgent action to move public service reform forward at pace.

- 7.31 The Programme for Government, published in May 2025, again affirmed Scottish Government's commitment to conclusion of the process of examination of Single Authority Models, and this commitment was reinforced firmly in the First Minister's presentation to COSLA Leaders on 30 May 2025. Subsequent meetings have confirmed both a structure and a timeline to enable final development of models of Single Authority Governments which will ultimately be considered by Scottish Ministers. NHS and other partners are now fully involved in the process at both national and local levels, and the Comhairle's application for funding support for Scottish Government's Invest to Save fund was fully successful, which will provide capacity to develop models, answer legal and financial questions and engage in further public communication/engagement. The Chief Executive now leads the Single Authority element of the reform of local governance on behalf of SOLACE.
- 7.32 Following the BVAR Report completed by Audit Scotland in 2022, the Comhairle developed an Action Plan to address the priority areas highlighted. A biannual update on progress was presented to the Audit and Scrutiny Committee in April 2025 with the majority of the actions noted as complete. Progress will continue to be monitored through the Chief Executive's Business Plan.
- 7.33 A programme of transformational change projects were approved by the Comhairle in February 2025, and these projects are underway with regular progress updates provided to committee. The projects focus on Driving Performance, Digital innovation and Future Proofing.
- 7.34 A new Organisational Development Strategy 2024-30 was approved by the Comhairle in November 2024. The Strategy aims to develop a dynamic working environment through the three integrated frameworks of Work Well, Work Smart and Work Sustainably.
- 7.35 The Risk Management Policy and Strategy was updated and approved by the Comhairle as were the Operational Risk Registers, Business Continuity Plans, and Business Plans for 2025/26 which were presented to the Comhairle for approval at the April series of meetings.

### **SPI PERFORMANCE**

- 8.1 The Comhairle has previously approved prioritisation of two LGBF indicators for the Chief Executive's Service. These are areas where the Comhairle has low performance measured against the relevant family groups. The two priorities are sickness absence and the gender pay gap:
  - CORP6a Sickness Absence Days per FTE Employee (Teachers).
  - CORP6b Sickness Absence Days per FTE Employee (exc. Teachers).
  - CORP3c The gender pay gap between average hourly rate of pay for male and female council employees.
- 8.2 Initial analysis of the sickness absence data for 2024/25, shows an increase in Teacher's absence, at 9.7 days per FTE (8.2 days per FTE in 2023/24) and a decrease in absence with non-teaching staff at 13.8 days per FTE (15.1 days per FTE in 2023/24). This data has still to be subject to quality assurance checks prior to submission to the Improvement Service.
- 8.3 Overall employee absence including Teachers decreased from 13.8 days per employee in 2023/24 to 11.8 days per employee in 2024/25. The main reasons for absence continue to be musculoskeletal, stress (work-related and non-work-related) related absence, surgery/post op and mental health.
- 8.4 The Scottish average for 2023/24 excluding Teachers was 13.9 days and for Teachers was 7.6 days. It is likely to be late autumn 2025 before the Scottish average data for 2024/25 figure is available.
- 8.5 The Comhairle supports the proactive management of sickness absence, through sickness absence review meetings, Occupational Health referrals and return to work interviews. The Comhairle also provides support for employees through the Employee Assistance Programme. HR will continue to monitor the data and will report the verified 2024/25 data in due course.
- 8.6 The gender pay gap between average hourly rate of pay for male and female council employees is an LGBF indicator and an Equal Pay Audit is completed every two years to measure this in detail. The

2025 Equal Pay Audit demonstrated that the gender pay gap reduced to 9.6% from the 12.3% detailed in the 2023 Report.

8.7 The Comhairle has a robust analytical job evaluation scheme in place and grading structure ensuring that there is equal pay for work of equal value and there are policies which support flexible working. Further action to support a reduction includes a continued focus on the promotion of the flexible working policies and on promoting skills and training.

#### **RESOURCING THE PLAN**

9.1 The Chief Executive's Service has an underspend of £387k, however £365k of this funding is specific carry forwards on grant funding which leaves a net underspend of £22k. This is within carry forward tolerances.

	Total Budget £k	Actual £k	Actual Over/(Under) £k
Chief Executive	4n	Actual 2K	over/(onder) 2k
	311	301	-10
Chief Executive	193	200	
Internal Audit			
Investment Delivery	31	33	
Total	535	534	-1
Human Resources and Performance			
Human Resources	839	770	-69
Strategy and Organisational Change	614	530	-84
Resilience and Training	352	335	-17
Employability Services	478	247	-231
Total	2,283	1,882	-401
Law and Governance			
Legal and Procurement	1,538	1,575	37
Governance Services	371	375	
Total	1,909	1,950	41
Community Engagement			
Community Regeneration	-1,899	-1,958	-59
Communications	88	122	34
Community Learning & Development	641	640	-1
Total	-1,170	-1,196	-26

### CONCLUSION

10.1 The Chief Executive's Service has continued to maintain good controls on business planning, governance, and budget management at the end of 2024/25. In addition to its core functions and responsibilities in supporting the good governance of the Comhairle, the Service has led significant progress on a number of key strategic and political policies both at local and national level.