

# Leadership of the development of new local strategic priorities

**Best Value thematic work in Comhairle nan Eilean Siar 2022-23**



**Prepared by Audit Scotland**  
August 2023

---

# Contents

---

Key messages	3
1. Scope of the audit	5
2. Council vision and priorities	8
3. Citizen and community engagement	12
4. Reducing inequalities and tackling climate change	15
5. Alignment of delivery plans	19
6. Leadership	21
Appendix 1	24

---

# Key messages

---

- 1 The Comhairle has set a wide-ranging vision for the area based on local need. It needs to identify clearer strategic priorities to focus action as it develops its new corporate strategy. The Comhairle and its partners have not yet started their planned update of the Local Outcomes Improvement Plan (LOIP).
- 2 The Comhairle has updated its strategic workforce, digital and corporate asset plans. These are scheduled for committee approval later in the year. It has employed consultancy support to develop its financial planning.
- 3 The Comhairle should ensure that its revised corporate strategy and strategic plans are consistent and identify clear priorities to target its activities. It is implementing revised performance management arrangements from September 2023.
- 4 Elected members show a close understanding of their communities. The Comhairle has shown good practice in consulting with communities, but this activity declined throughout the pandemic. A new Community Engagement Team is now in place to take this forward.
- 5 The Comhairle has continued to use member-officer working groups, seminars and its budget strategy group to engage members on more strategic leadership issues. Members are involved in developing its new corporate strategy. The planned mid-term organisational review brings an opportunity to address leadership capacity and succession planning.
- 6 The Comhairle has locality plans in place for two priority areas of need. It also makes use of area forums for some local spending decisions. It has more to do to shape its plans for community empowerment and devolving more responsibilities across the islands.
- 7 Climate change is a prominent focus in the priorities of the Comhairle and OHCPP. The Islands Deal has a strong focus on renewable energy opportunities. The Comhairle has recently approved a new climate strategy.
- 8 The Comhairle's focus on inequalities is primarily on reducing poverty including the cost of living and fuel poverty. This activity is supported by the OHCPP's poverty working group, financial inclusion officers and community learning and development officers.

- 9 The Comhairle's improvement actions from this review are included at Appendix 1 of this report. It sets out the council's response to audit recommendations made.

# 1. Scope of the audit

1. The Accounts Commission has noted that councils are operating in a complex and increasingly volatile, unprecedented and unpredictable environment. Strong leadership from councils is needed now more than ever, with new and returning councillors being able and willing to make difficult decisions about where and how to spend highly pressurised resources.
2. This report concludes on the effectiveness of the council's leadership of the development of the council's strategic priorities, following the recent local government elections.
3. [The Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

## Code of Audit Practice 2020 Best Value reporting requirements

### Best Value reporting – extract from the Code

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate. <sup>1</sup>
- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

<sup>1</sup> The Controller of Audit will report the first tranche of council BV reports to the Commission between October 2023 and August 2024 on Moray, Falkirk, Dundee City, Orkney Islands, South Ayrshire, Dumfries and Galloway, Clackmannanshire and West Dunbartonshire.

**4.** This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on the effectiveness of the leadership of the development of the council's strategic priorities.



**5.** In carrying out the work auditors have considered the following questions:

- How clear is the new council vision and its priorities?
- How effectively have the views of citizens and communities been reflected in the priorities and decisions taken by the council?
- How effectively do the council priorities reflect the need to reduce inequalities and climate change?
- How good are the delivery plans and is there alignment of financial, workforce, asset and digital plans with the council's priorities?
- Overall, how effective has the leadership been (political and officer) in setting clear priorities and a sustainable approach to delivering them?

**6.** A Best Value Assurance Report on the Comhairle was published in September 2022. The majority of findings in that report remain valid, and this report updates on progress relating to the leadership theme since that time. We recognise that the Comhairle's recent priorities have included managing the intake of new elected members and budget-setting. This will have reduced the Comhairle's capacity to progress some of the BVAR recommendations.

**7.** An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

**8.** The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020.](#)

---

## 2. Council vision and priorities

**The Comhairle has set a wide-ranging vision for the islands based on local need. It needs to identify clearer strategic priorities to focus action.**

**9.** A council focused on achieving Best Value in how it operates will be able to demonstrate that elected members and officers have a clear vision and priorities for their area.

**10.** The Local government in Scotland Overview 2022 says that Scotland's councils have had a pivotal role in supporting and working with communities as they respond to the impacts of Covid-19. Following the council elections in May 2022, councils will have reviewed their priorities.

**11.** The Comhairle's Corporate Strategy (2022-27) was developed and approved in September 2021 prior to the May 2022 local government elections. This was to provide continuity into the new council. The Comhairle plans to review the strategy over summer 2023 allowing time for the new intake of members to adjust to their roles. It sees this settling in period as important given the large number of independent members who operate without a framework of party-political priorities.

**12.** The Outer Hebrides Community Planning Partnership (OHCPP) also intends to update its local outcomes improvement plan (LOIP). In view of this, it is too early to assess the Comhairle's revised over-arching strategic priorities in this audit.

**13.** The BVAR found that the current 2022-27 corporate strategy, [Exhibit 1](#), sets out a broad vision for the area based on a good understanding of local need. It also found that the corporate strategy needs to set clearer and more specific overall priorities.



## Exhibit 1

### Corporate strategy

The corporate strategy includes 20 strategic outcomes linked to four broad overall priorities.

#### STRATEGIC PRIORITIES

Strengthen the local economy	Support children, families, and young people	Support resilient communities and quality of life	Be a sustainable and inclusive Council
------------------------------	--	---	--

#### STRATEGIC OUTCOMES

Deliver our Islands Deal projects	Attainment rates continuously improve	The Gaelic language, natural heritage and culture of our communities is supported and promoted	Communities are empowered and continue to be at the heart of our decision making
Digital investment delivers outcomes for the community	Early intervention in place to keep our most vulnerable children safe	People receive the care and support they need to live healthy and independent lives	Reduction in our carbon footprint and development of an island route map to Net Zero
Investment in our buildings and infrastructure	Schools are centres for lifelong learning and key assets for the community	Planning and infrastructure meet the needs of our communities	Equality of opportunity is increased
Increased level of skills across our communities and workforce	People are healthy and active	Our communities are safe, inclusive, and resilient	Efficient and sustainable services are provided to the community
Growth in small and medium sized businesses demonstrated	Childcare facilities in place to meet the needs of working parents	Reduce inequality and poverty and promote social mobility	Effective governance of the Comhairle is in place

Source: Comhairle nan Eilean Siar, Corporate Strategy 2022-27

**14.** The over-arching strategic priorities within the current 2017-27 LOIP and the corporate strategy are consistent. The three broad aims of the LOIP are consistent with the corporate strategy strategic priorities and comprise:

- a sustainable population,
- a sustainable economy and
- improving quality of life.

**15.** The Comhairle and its key partners share a common understanding of the broad issues they face. Partners indicated that they see the LOIP as a useful statement of shared direction. The existing strategic priorities remain a focus for the Comhairle and provide a relevant context for its planned strategy refresh.

### **Elected members are involved in updating the corporate strategy.**

**16.** The Comhairle held a members' seminar in June 2023 to inform the initial stages of its corporate strategy refresh. This was attended by the majority of members and also representatives from the corporate management team (CMT). The event highlighted priority areas of interest. The Comhairle recognises that population retention and growth is its fundamental aim. It intends repopulation to feature much more prominently in its revised strategy.

**17.** The Comhairle will develop its corporate strategy further with members, including setting expected outcomes around key priorities. Once a draft strategy is prepared it will be subject to wider consultation with partners, stakeholders and the public. This is planned to take place in the autumn, with the strategy being approved by December.

**18.** The Comhairle anticipates that the OHCPP will not update its LOIP until next year. As such these key strategic documents are not being developed in tandem. It is important therefore that the Comhairle and its partners ensure that the documents are consistent.

**19.** External funding is a key priority for the Comhairle. The chief executive anticipates that further budget savings would necessitate staff and service reductions. The Comhairle leadership is a strong advocate for Public Service Reform. It sees this Scottish Government programme as an important opportunity to address funding concerns in the islands and to improve outcomes and develop greater community empowerment.

**20.** Its strategy refresh is therefore likely to reference its ambitions for a single island authority. The Comhairle believe that this model would enhance democratic accountability and community empowerment, offering integration of services and planning and local autonomy in and throughout the Western Isles.

### **The Comhairle has shown some good practice in consulting over its strategic aims**

**21.** The BVAR found that the Comhairle engages well with communities and makes good use of local data to inform its plans. In these small island communities, elected members have close ties to their communities, and this facilitates consultation.

**22.** Section 3 notes that the Comhairle demonstrated good practice in consulting over local initiatives and its LOIP. Despite this, the consultation over the 2022–27 corporate strategy during the pandemic was less successful and attracted only a very limited response.

**23.** In preparing its revised strategies, the Comhairle should ensure that it addresses areas for improvement identified in the BVAR, in particular to:-

- build on its good engagement practice to inform its revised corporate strategy and the LOIP
- ensure clear linkages between the corporate strategy, LOIP and key supporting strategies including financial, digital, and resources; and

- include clear overall priorities that are backed by specific actions to achieve them and allow members and CMT to readily monitor progress.

**24.** The Verity House Agreement between local and Scottish Government includes the priority to streamline existing strategic and service level plans and reporting including LOIPs, Climate Plans, Children's Services and Poverty Plans. The Comhairle should ensure that its practice is informed by developments in this area.

---

## 3. Citizen and community engagement

---

**The Comhairle has shown good practice in consulting with communities. Its new community engagement team is a good basis for taking this forward. Area forums have a role in local funding choices, there is scope to develop them further.**

**25.** Recovery from the pandemic requires councils to work alongside their local communities. Councils, with their community planning partners, have a responsibility to ensure that people and communities are able to be fully involved in the decisions that affect their everyday lives.

**26.** Early and meaningful engagement and effective collaboration with communities should be a core part of determining a council's vision and priorities. This is essential both to identify and understand local needs, and to inform decisions that affect the planning and delivery of services.

**27.** The BVAR found that the OHCPP has local plans in place for priority areas of need (North Uist and Benbecula, and Stornoway West). It was developing a stronger focus on climate change and poverty. The Comhairle believe that the Anti-Poverty Group was a particular success and aimed to enhance its work more at strategic level. However, some of its working groups had lost momentum, during the pandemic, and the three Priority Groups within the OHCPP had not met for a considerable amount of time: Sustainable Population; Sustainable Economy; and Improving Quality of Life. This made it unclear how important priorities such as re-population were being taken forward.

**28.** In November 2022, the Comhairle considered a paper setting out the need to review its OHCPP priorities and LOIP. It indicated that this would take place in early 2023. The paper set out the context for a review including EU-withdrawal, Covid-19 and resource pressures. It noted the need for the partnership to consider how it addresses population challenges.

**29.** The OHCPP has not yet implemented this review or updated its LOIP. It is currently facing capacity issues as it is operating without a community planning co-ordinator.

**30.** Other priority areas in the OHCPP include the Community Justice Partnership, and the Children and Young People's Planning Partnership. The Comhairle approved its Integrated Children's Services plan in April 2023. This plan sets out good contextual information and includes actions for the OHCPP subgroups.

## The Comhairle supports communities in making local funding choices

**31.** The BVAR found that the council engages well with communities, partners and stakeholders over its priorities. The LOIP was developed over 18 months through *community conversation* events and a *Get Heard* initiative was used to involve area forums and community councils. Partners used the Place Standard tool and a How Good Is Our Place survey to inform the LOIP's priorities. The Comhairle also used its community conversation events to seek views on design options for local services.

**32.** Community engagement features strongly in the current corporate strategy which includes the following two aims in its over-riding priorities:

- To be a sustainable and inclusive Council
- To support resilient communities and quality of life

**33.** The corporate strategy does not expand on wider community empowerment activities such as participatory budgeting and local budget decision-making. It would be useful for the revised corporate strategy to set the Comhairle's ambitions in these important areas.

**34.** The current 2022-27 corporate strategy also includes the more specific strategic outcome of 'Communities are empowered and continue to be at the heart of our decision making' In turn this is supported by four 'measures of success' to allow an indicative measurement of public engagement:

- 'Have Your Say' Consultations completed
- 'Have Your Say' Community Participation Requests received
- Public engagement with community planning engagement events (number of people)
- Percentage of active Community Councils submitting Challenge fund applications.

**35.** The Comhairle has made the outcomes of 58 consultations (2016-2022) available on its website.

**36.** The impact of the Covid pandemic had resulted in reduced engagement activity around the time of the BVAR. Since the BVAR was published the Comhairle has bolstered its community engagement capacity through creating a Community Engagement Team. This brings together related posts within the chief executive's department including community regeneration, community learning and development, communications and OHCPP support.

**37.** The Community Engagement Team will lead on council communications and community education. It replaces various smaller functions and aims to provide a more efficient and consistent approach. The team provides a good basis for taking forward public consultation over the Comhairle's revised strategic priorities.

**38.** The Community Empowerment (Scotland) Act 2015 enables communities to request to participate in decisions and processes which are aimed at improving outcomes. The Comhairle did not receive any participation requests in the period from 1 April 2021 to 30 March 2022. However it engages communities over asset opportunities outside of the more formal community engagement processes, which the Comhairle believes has made good use of opportunities for asset transfer.

**39.** The BVAR noted that the Comhairle piloted a participatory budgeting exercise in 2019 with communities and third sector providers to design its community transport contract. The Comhairle had a stated objective to demonstrate its commitment toward achieving the Scottish Government target of one per cent of budgets being allocated to participatory budgeting by June 2020.

**40.** Progress with this has stalled, in part owing to the pandemic. The timescale has been revised to March 2024. The Comhairle has however undertaken some smaller scale activity. This includes its small grants scheme for community benefit projects that support Scottish Government priorities including net zero, child poverty and the cost-of living-crisis. This will use a participatory budgeting approach to decide on how the funding will be awarded.

**41.** The Comhairle has been a strong advocate for the use of Crown Estate funding to support social and economic regeneration in coastal communities. Crown Estate funding is the Comhairle's main mechanism for community-led budgeting. It has 12 area forums that distribute funding across the islands. The forums allow local representatives including elected members, community councils, and community organisations to decide what local projects are to be supported through local Crown Estate and other funding such as the Community Challenge Fund.

**42.** Area forums have a broader role in local participation and engagement. The Comhairle provides each area forum with up to £30k, from Crown Estate funding, to support its local administration costs. Each forum has local discretion over how it operates and involves wider organisations and representatives. Some such as Barra have adopted a stronger role including developing local action plans. The BVAR indicated that two further area forums were also pursuing this model.

**43.** It is increasingly important that the Comhairle considers how it can optimise community resources such as the area forums given the resource pressures it is facing. The BVAR noted that the Comhairle could do more to communicate its locality working plans and the opportunities available.

**44.** The Comhairle is looking at opportunities around the internationally recognised Community Wealth Building (CWB) approach. Comhairle nan Eilean Siar was one of the Scottish Government's five pilot CWB sites. CWB is now a feature of the Islands Plan and is also an important principle behind the Comhairle's funding bids for economic development.

---

## 4. Reducing inequalities and tackling climate change

---

**Inequalities and climate change are prominent corporate priorities in the Comhairle. It has recently approved its climate strategy and action plan.**

**45.** Council priorities are expected to reflect the Best Value expectations that all activity should contribute to tackling poverty, reducing inequality and promoting fairness, respect and dignity for all citizens, alongside a focus on sustainable development, including climate change.

**46.** The Local government in Scotland Overview 2022 report says that the impact of the pandemic and service disruption have been felt most strongly by those already experiencing inequality. Councils have worked hard and adapted to maintain service delivery but those most in need of support are still being affected. Councils must evaluate these impacts so that recovery and renewal supports those most affected and addresses inequalities.

**The Comhairle's focus is on local equalities issues including poverty, transportation and equal pay.**

**47.** The Comhairle has met its statutory duty to publish its Equality Outcomes and Mainstreaming Progress Report 2023; the Equality Monitoring Statistics 2022; and the Equal Pay Audit 2023 reports. These are available in its Equality and Diversity webpages.

**48.** The Fairer Scotland Duty requires councils to consider how they can reduce inequalities of outcome caused by socio-economic disadvantage. The OHCPP has a focus on tackling inequalities in two of the islands' most disadvantaged areas, and its Child Poverty Action Group supports low-income families.

**49.** The Comhairle has two financial inclusion officers who support people with debt management, access to benefits and fuel poverty. It has worked with its partners to help re-settle refugees. It is also providing beginner's English classes and resources through its e-Sgoil online learning platform.

**50.** The Comhairle and its partners reacted quickly to the pandemic, including providing support to its most vulnerable people, for example:

- launching a volunteer helpline which quickly attracted over 130 local community groups and volunteers
- maintaining full operating capacity of benefits staff including emergency free school meal payments



- expanding pupils' access to online learning and using its e-Sgoil platform to deliver live, interactive lessons
- operating six holiday hubs over the summer for key workers' children and vulnerable pupils.

**51.** The Community Learning and Development (CLD) team is active locally, including work with LGBTI groups, promoting 'no-cost' activities, and its work during the pandemic to help vulnerable people.

**52.** Integrated Impact Assessments (IIA) provide a framework to enable councils to comply with their statutory obligations around fairness and equality. The Comhairle uses integrated impact assessments to consider fairness and equalities in the design of new or revised policies. These go beyond the protected characteristics and include environmental sustainability, human rights including the rights of children and young people, and poverty.

**53.** To improve transparency and public awareness, the Comhairle should ensure that it makes its relevant IIAs available online. It has not published any IIAs on its website since 2022. The Comhairle has indicated that this is because of a temporary resource issue that it is now addressing.

**54.** The BVAR found that the Comhairle has taken steps to promote fairness and equalities. Training in equal opportunities is included in the induction for elected members and new starts. Staff can elect to take further training in equal opportunities however this is not mandatory.

**55.** The BVAR noted that the Comhairle does not have an equalities forum to help it to understand and address equalities issues. It noted that the Comhairle's focus on equal opportunities is on wider issues impacting its population such as fuel poverty, cost of living and transportation. Such issues are taken forward through the OHCPP and relevant service departments rather than a dedicated equalities resource.

**56.** The Comhairle has identified equal pay as a priority corporate area to address from its review of national LGBF indicators. The Comhairle undertook an equal pay audit in 2023. The gender pay gap is 12.34% compared to 11.6% for Scotland in 2021. The Comhairle uses this audit and plans to undertake an employee engagement survey to help set its equality outcomes.

### **The Comhairle has had some success in diversifying elected member representatives**

**57.** Over its previous term, the Comhairle was the only council in Scotland with no female councillors. It has worked with external providers to encourage more women into local politics. These events were well attended and resulted in eight female candidates standing in the 2022 election, two of whom were elected. The election also saw the islands' first representative from a minority ethnic background. The events also led to more women becoming community council representatives.



**The Comhairle has a strong focus on climate issues including green energy. These are prominent in its climate strategy and the Islands Deal**

**58.** The Scottish Government has recently published guidance on public sector leadership on the global climate emergency to help public bodies in leading climate action. Addressing the climate emergency and setting actions to achieve net zero will need to be a key element of councils' recovery and renewal from the pandemic.

The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 committed Scotland to Net Zero by 2045. The Public Bodies Climate Change Reporting Duties place a legal requirement on public bodies to set target dates for zero direct emissions and indirect emission reductions. They must also report on how spending and resources will contribute to these targets, and report on the body's contribution to Scotland's Climate Change Adaptation Programme.

**The climate strategy includes actions to address both islands-wide issues and the Comhairle's own activities**

**59.** The Comhairle prepared its draft Climate Change Strategy in August 2022. This provides strategic direction on climate change and includes measures to ensure statutory obligations on mitigation and adaptation are met.

**60.** The strategy has three priority areas aligning to national priorities on climate change: a Carbon Neutral Comhairle, Net Zero Islands and Climate Resilient Islands. An action plan with performance indicators has been developed and will be used to track progress against key outcomes.

**61.** The joint Islands Deal with Orkney and Shetland islands councils has a strong focus on green energy and climate issues including coastal erosion which can be exacerbated by climate change. Internally, the Comhairle is developing its local heat and energy strategy.

**62.** In line with good practice, the Comhairle consulted the public over the draft strategy. A total of 25 completed responses to the consultation were received. These consisted of 22 responses from individuals and 3 responses from organisations. Responses were received on each of the priority areas and were wide-ranging in scope: see [Exhibit 2](#).

**Exhibit 2**

## Climate Strategy consultation

<b>We Asked</b>	<b>We Asked your views on the draft Climate Change Strategy. The consultation invited responses on each of the priorities and general comments on the draft.</b>
<b>You Said</b>	<p>Respondents generally welcomed the Comhairle's:</p> <ul style="list-style-type: none"> <li>• Commitments, aspirations and progress on Corporate Emissions,</li> <li>• Ambitions on Waste and the Circular Economy.</li> <li>• The exploration of energy solutions to reduce the cost of energy, reduce fuel poverty and maximise community benefits</li> </ul> <p>There was some concern over the impact of onshore wind.</p> <ul style="list-style-type: none"> <li>• The importance of public transport was stressed by respondents.</li> <li>• Strong views were expressed on Land Use, Land Use Change and Forestry.</li> </ul>
<b>We Did</b>	Responses were analysed by theme and the draft strategy was revised based on the constructive feedback received.
<hr/> <p>Source: Comhairle nan Eilean Siar</p> <hr/>	

## 5. Alignment of delivery plans

**The Comhairle is updating its key strategic plans. Detailed performance monitoring is in place; a clearer focus on key priorities is needed.**

**63.** Making the best use of public resources is at the heart of delivering Best Value. With clear plans and strategies in place, and with sound governance and strong leadership, a council will be well placed to ensure that all its resources are deployed to achieve its strategic priorities, meet the needs of its communities and deliver continuous improvement.

**64.** The BVAR found that while the corporate strategy was based on a good understanding of local need, it lacked clear and specific priorities. As detailed in Section 2, the corporate strategy includes four strategic outcomes each with five supporting priorities. These set out broad aims such as 'People are healthy and active' but do not clearly set out what the council is trying to achieve.

**65.** The corporate strategy lists over 200 performance indicators to monitor progress toward the strategic outcomes. The performance indicators detailed in the corporate strategy are not currently reported to Committee as part of the performance reports. Instead, performance reports have performance Indicators related to service business plans. The Comhairle intends to report Corporate Strategy performance indicators in table form by strategic priority and outcome in September 23.

**66.** In early 2022 the Comhairle introduced an operational plan to strengthen the links between the corporate strategy, the LOIP, and service business plans. The operational plan has helped to set out actions and measures to track future progress.

**67.** The Comhairle is also developing a revised format for performance reporting due to become operational from September 2023. This aims to streamline corporate strategy reporting to half-yearly rather than quarterly reporting and introduce more outcomes reporting. It also plans to make performance information on the website more accessible to the public. The Comhairle intends to complete its corporate strategy by the end of 2023 so that it can inform the development of its service business plans.

**68.** The BVAR was critical of the Comhairle's progress with its overall planning framework. It lacked an effective medium- or long-term financial strategy that links to transformation, workforce and asset-planning. The Comhairle's workforce and asset plans were out of date and needed to be updated. Progress in these areas had been hampered by workload pressures and a long-standing vacancy in the key post of head of assets and finance.

**69.** The Western Isles Integration Joint Board is yet to prepare its strategic plan. National Care Reform proposals adds uncertainty to longer-term planning in the critical area of health and social care.

**70.** The Comhairle has since made progress. It has employed a financial consultant through SOLACE to develop its longer-term financial strategy. It has updated its over-arching asset management plan, with the supporting operational plans to be developed. It has also prepared a revised workforce strategy which is due to go to committee for approval in September 2023.

**71.** The Comhairle has had success with implementing remote working and its digital e-Sgoil initiative to provide school pupils with online learning. The Comhairle has now prepared its Digitalisation Strategy for 2022-27. This sets out a wide range of ambitions across services, setting broad principles and anticipated outcomes, but it lacks specific actions, priorities and timescales. The strategy does not quantify potential transformation or cost efficiency benefits.

**72.** The BVAR noted that the Comhairle only partly realised its ambitious savings anticipated from previously identified areas for service redesign. The Comhairle has identified the need for ongoing organisational review of its organisation structures. However, it lacks a transformation plan to identify corporate improvement priorities for example in digitalisation, asset management and service delivery.

## 6. Leadership

**Elected members work well together but need a stronger focus on strategic issues. A mid-term organisational review brings opportunities to address capacity pressures.**

**73.** Effective leadership from councillors, chief executives and senior officers is key to councils achieving their objectives and providing clear strategic direction. The complex local government environment means collaborative leadership, working with partners, communities and citizens to improve outcomes is more important than ever.

**74.** Leaders need to be skilled in effective strategic thinking, decision-making and collaborative working and able to learn lessons from new ways of working. Councillors and officers must be clear on their roles in setting the vision and planning for its delivery.

**75.** Leaders should demonstrate behaviours and working relationships that foster a culture of cooperation, and a commitment to continuous improvement and innovation. Good conduct and behaviours when working together are crucial. Working relationships between members and between members and officers should be constructive and productive. Councillors should show a commitment to agreed council priorities and work together to achieve them.

**76.** The BVAR found that members work well together but need to demonstrate stronger strategic leadership. The Accounts Commission noted in its findings that coherent strategic priorities and direction are vital to inform the difficult strategic decisions that lie ahead.

**77.** As an independent council, the Comhairle operates without a clear administration group or manifesto. Members have a strong focus on their local communities, and in the absence of party manifestos, they tend to take council-wide decisions on merit.

**78.** The lack of a political administration has resulted in a requirement for leadership at Member level to condense the political views and opinions of all Members into a clear, shared vision and direction which is developed by officers working closely with Members. The Chief Executive and the CMT are a vital part of that approach and that is helped by the good level of trust between members and officers.

**79.** Elected members need to take a stronger role in driving change and improvement. Our audit work has found that members are engaged and actively scrutinise committee items. Scrutiny can at times be too operational or focus on local rather than more strategic issues.

**80.** The Comhairle recognises that members need to provide more strategic direction and has taken measures to encourage more strategic working:

- informal monthly members meetings to share information and build relationships (the former committee chairs group meetings have been disbanded).
- the Budget and Strategy Board (former Budget board) has extended its remit beyond budget setting to cover wider policy issues.
- member seminars continue to be used on strategic topics including audit and scrutiny and climate.

**81.** Officers have indicated that members showed a strong interest in more strategic matters at the June 2023 corporate strategy seminar. Members recognise their important community leadership role, and are strong advocates for island issues including funding, renewable energy and transportation.

**82.** The Comhairle works collaboratively with its partners and actively promotes islands issues. It continues to operate with a strong public profile, including:

- collaborating with other bodies as the Islands Deal nears its delivery stage.
- hosting the convention of Highland and Islands and the UK Islands Forum.
- its active participation within COSLA.
- hosting other organisations within the Comhairle main offices.

**83.** The chief executive sees the Single Island Authority concept as its main area of collaboration at present. He gave evidence on public service reform opportunities and islands funding pressures to the Finance and Public Administration Committee of the Scottish Parliament in July 2023. The Leader also attended the UK island forum. This is a cross-party initiative to encourage collaboration across island communities to tackle common challenges such as connectivity, infrastructure, demographic trends and the transition to net zero.

**84.** Members cite good relations with officers, who are responsive and provide good support and information. There are also good relationships between members.

**85.** The BVAR found that elected members and officers need to have more focus on targeted performance management, improvement and self-evaluation. Self-assessments are undertaken in service departments and have led to mostly smaller-scale improvements in processes. Self-assessment activity needs to be more strategic. The Comhairle also needs to engage its employees more in its change and improvement activity.

**86.** Members received induction training at the start of term. This highlighted the ongoing need for training on strategic decision making and economic decisions in terms of key themes such energy transition. Member seminars and

member-officer working groups continue to be valued by members to explore more strategic issues.

**Workforce pressures continue with recruitment difficulties and high sickness absence.**

**87.** Workforce capacity is an issue across the Comhairle. The BVAR noted pressures both on staff and leadership and included a case study on social care pressures. The Comhairle cites that there is a limited external market and high contracting costs on the islands. This adds to the burden on the Comhairle in providing services such as leisure, waste management and street cleaning.

**88.** BVAR highlighted recruitment difficulties including in key leadership posts. The key post of strategic finance director remains vacant. An experienced consultant is being used as an interim measure. This post is reviewing strategic plans, savings opportunities and the Comhairle's use of reserves. An internal appointment has been made for the Director of Education vacancy, following external advertisement and competitive interview.

**89.** The Comhairle continues to face capacity challenges with turnover in posts. It has recently seen the planned retirement in three director/head of service posts. Some posts at middle management are also being lost to the NHS which can offer better pay.

**90.** Succession plans have been developed for most of the senior management team. The Comhairle also plans to undertake ongoing stress audits to identify pressure points within services. It is exploring a joint mentoring arrangement with the other islands councils to share expertise with limited cost.

**91.** The Comhairle plans to undertake a mid-term review of its organisational structures to look beyond the current council term. Given the recruitment difficulties and turnover issues, the focus is on retention and development of existing staff.

**92.** It aims to examine options for an organisational structure that would facilitate more strategic working across services. In doing so, the Comhairle should ensure it considers the capacity of the arrangements given the current workload pressures.

**93.** The Comhairle continues to use home-working with around 50 plus per cent of office based staff adopting a hybrid approach. Sickness absence remains high and Comhairle plans to consider the impact of remote working on absence levels.

# Appendix 1

## Improvement Action plan

Issue/risk	Recommendation	Agreed management action/timing
1. Leadership of strategic improvement	The Comhairle should ensure that clear and specific priorities are agreed for members' leadership and scrutiny. It should develop a prioritised improvement plan including potential efficiency opportunities arising from its asset, digital and workforce plans.	<p>The corporate strategy is being developed in consultation with members. Revised asset, digital and workforce plans have been developed and subject to approval by committee later in 2023. Member training is ongoing including seminars on strategic themes including scrutiny. Financial consultant in place to develop financial plans and efficiency opportunities.</p> <p>Lead: Chief Executive June 2024</p>
2. Reflecting local issues in Strategic plans	The Comhairle needs to seek public views on its revised corporate priorities. It should develop its public engagement activities building on previous good practice. It should assess available locality/ demographic data including customer feedback.	<p>A new Community Engagement Team (CET) is in place. Consultation over corporate priorities anticipated from September 2023.</p> <p>Lead: Head of HR and Performance June 2024</p>
3. Realising community empowerment opportunities	The Comhairle, in partnership with communities should set out its plans for Area Forums, local budgeting and Participatory Budgeting.	<p>This is ongoing and largely dependent on local groups. The CET has a facilitation and communication role.</p> <p>Lead: Chief Executive June 2024</p>



#### 4. Alignment of strategic plans with council priorities

The Comhairle should review its strategic plans for consistency and alignment with priorities. It needs to further develop service plans, operational asset plans, and service-level workforce plans within its strategic framework. It should work with OHCPP partners to review its LOIP and set agreed priorities.

The Comhairle anticipates having new corporate plans in place by the year end, in time for the development of service plans in early 2024. It has also appointed a financial consultant. Progress with the LOIP is dependent on the OHCPP capacity.

Lead: Head of HR and Performance

March 2024

---

#### 5. Addressing fairness and inequalities within the islands and the Comhairle.

The Comhairle should continue to engage with communities and staff. This includes ongoing staff surveys and addressing sickness absence. Integrated Impact Assessments should be made available online.

CET is in place to engage communities. The Comhairle plans to undertake internal stress surveys. Equal pay audit is underway. IIA issue is being addressed.

Lead: Head of HR and performance

June 2024

---

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

**[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)**

For the latest news follow us on social media or  
**[subscribe to our email alerts.](#)**



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
Phone: 0131 625 1500 Email: **[info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)**  
**[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)**