



POLICY AND RESOURCES COMMITTEE:
AUDIT AND SCRUTINY COMMITTEE:

24 SEPTEMBER 2025
25 SEPTEMBER 2025

PERFORMANCE PROJECT - TRANSFORMATIONAL 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 a number of formal meetings since its approval by the Comhairle in February 2025.
- 2.2 Initial work was undertaken to gather and analyse financial, performance and HR data from the HR and Performance Service and Strategic Finance and to use this information to guide future proposals.
- 2.3 The Project Team split into two groups to focus on performance data and reporting and on processes within services. The project team are now keen to test their initial findings on frontline service areas. Testing these approaches with pilot frontline service areas will check the transferability of proposals and ensure a more effective roll-out, if successful.
- 2.4 It is currently proposed that reported KPIs focus on costs, customers, complaints, and service performance measures and a Terms of Reference has been developed to support work on efficiency.
- 2.5 This Report details stage 2 of the business case, which continues to set out the framework of the project and work undertaken by the project team.

RECOMMENDATION

- 3.1 **It is recommended that the Comhairle notes the work undertaken by the Performance Project to date.**

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Appendix: 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 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.
- 5.3 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.



PERFORMANCE PROJECT

- 6.1 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.
- 6.2 The first is a review of performance measures (KPIs), with a focus on customers and engagement. This work could support further improvement by revising the service measures to capture service costs, performance and customers. These should align closely with the Corporate Strategy and Customer Services Strategy and provide a cohesive illustration of Comhairle performance.
- 6.3 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 strategic work being undertaken on digital innovation as there is clearly crossover with data and performance.
- 6.4 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. A reduction in the levels of sickness absence could therefore reduce costs and drive performance within services.
- 6.5 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.

STAGE 2 BUSINESS CASE

- 7.1 Data for the pilot services has been gathered, and the team has analysed what statutory reports services are providing, what data is being gathered and how services can best use data to monitor and report performance. The primary focus is on KPIs and to develop a consistent approach to data gathering across services that can also build a corporate picture. In the two corporate areas tested to date, some KPIs currently being collated are not considered necessary and some additional KPIs are now required. At this stage in the project, detailed analysis on expenditure and income is not required but will be included as KPIs for monitoring and reporting.
- 7.2 It is proposed that an annual performance report using KPIs that measure costs (and potentially income), customer contact and satisfaction, complaints, and service performance be undertaken by relevant services. A format using tables and graphs is more visually engaging, and a template is currently being tested. The project team has been working to review the business plans as we approach the half year point with any updates being presented to the December series of meetings. There are currently plans in place to undertake a further trial with a frontline service area to understand whether this approach is transferable to frontline services.
- 7.3 The project team is also undertaking work to analyse work processes that can be made more efficient. A Terms of Reference has been developed for this work, and a pilot area has been identified for testing. Work will now commence mapping customer transactions with this service to identify where efficiency can be achieved particularly through online interactive forms. Testing this approach with a pilot area will ensure consistency and a more effective roll-out if successful. An IIA will be completed by the project team with the service before any proposed changes are implemented.
- 7.4 Work on the health and well-being aspect of the project has also commenced with a range of new and updated training courses currently being drafted and policies being reviewed. HR continues to work with services to undertake sickness absence reviews, and to support employees. In addition, the



Employee Assistance Programme continues to be promoted both on the intranet and via email with a monthly health newsletter included.

- 7.5 To date the team has engaged with the Best Value Action Team, the Employee Forum and the Joint Consultative Committee on the project. This ensures that employees are kept up to date on projects underway. Further engagement will be undertaken with each service as the project progresses.
- 7.6 The action plan appended to the Report provides an outline for work undertaken and further steps to be implemented.

CONCLUSION

- 8.1 The project continues to progress and is moving to stage 3 of the project where the focus is on identifying options. While plans have been developed using corporate pilot areas, further engagement will be undertaken with frontline services to ensure proposals are fit for purpose and effective.

