



**TRANSFORMATION PLAN PROPOSALS**

Report by Chief Executive

**PURPOSE**

- 1.1 The purpose of the Report is to seek approval to progress a plan for transformation projects across the Comhairle.

**EXECUTIVE SUMMARY**

- 2.1 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. The Comhairle's work on a single authority model for the Western Isles with all its previously-noted advantages is the main element of that transformative work, but work has also taken place both corporately through Corporate Management Team (CMT) and through a range of work undertaken by Services themselves. This work has led to cost savings, income generation, increased efficiency, and improved service delivery.
- 2.2 While many of the ambitions were achieved, in some cases the detailed project planning was less detailed than required; some work was also lost in the cyber-attack. Appendix 1 therefore provides examples of projects undertaken to highlight the significant work that has already taken place.
- 2.2 In more recent years, Services have focused on continuous improvement while also managing budget cuts, Covid 19 and a cyber-attack. While these issues have had impacts internally on services, the impact to the community has been minimal, which is a testament to the quality of services being delivered.
- 2.3 To continue to support the Comhairle to transform its services it is proposed that a number of cross-cutting projects are undertaken running alongside continuous improvement within services. Each project, if approved, would be led by a Chief Officer; a business case would be developed and be presented to the Budget Board for consideration.
- 2.4 The projects detailed in paragraph 7 are outlines for discussion to aid further development. Further work would be required to develop the full business case for these projects.

**RECOMMENDATIONS**

- 3.1 **It is recommended that the Comhairle approve, subject to the development of full business cases, the three Transformation Projects detailed in paragraph 7 of the Report.**

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Appendix 1: Examples of Transformation Projects undertaken by services 2017-24

Appendix 2: Business Case Template

## IMPLICATIONS

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

<b>Resource Implications</b>	<b>Implications/None</b>
Financial	This Report seeks to propose a range of projects that explore financial savings either through cost-savings, efficiency or income generation.
Legal	While there are no legal implications associated with this Report, legal aspects will require to be monitored throughout each project.
Staffing	While there are no staffing implications associated with this Report, there may be employee implications associated with business transformation projects and the Comhairle will engage with Recognised Trade Unions as appropriate.
Assets and Property	There are no asset and property implications associated with this Report.
<b>Strategic Implications</b>	<b>Implications/None</b>
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. IIAs would require to be undertaken as an integral aspect of each project.
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. Each project, if taken forward, would be required to consider whether there would be potential environmental impacts associated with implementation.
Consultation	Consultation would be a requirement associated with each project.

## 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. The Comhairle's work on a single authority model for the Western Isles with all its previously-noted advantages is the main element of that transformative work, but work has also taken place through CMT, including Transformation Team work led by the previous Directors for Assets, Finance and Resources, and Education, Skills and Children's Services and through a range of work undertaken by Services themselves. This work has led to cost savings, income generation, increased efficiency, and improved service delivery.
- 5.2 As part of a Lessons Learned Report in 2018, a Business Case template was developed to support the effective capture of information and governance of projects. This template is attached as Appendix 2. It is proposed that this template be used to support transformation project work.
- 5.3 Incident Management Team (IMT) supported the recovery work of the Comhairle post cyber-attack. As part of this work, a number of issues were raised that, while not directly relevant to cyber-recovery, would support wider project work on digital innovation and enhanced performance. It is therefore proposed that these two areas be considered as transformation projects.

- 5.4 Significant work has also been undertaken, led by the Chief Executive, on a Single Authority Model. This is a strategic ambition for the Western Isles, not just the Comhairle, that could transform the public sector landscape, protecting local services and improving outcomes for the people and communities of the Western Isles. It is therefore proposed that this work, which is now being taken forward jointly with Argyll and Bute, and Orkney Islands, Councils and supported by Scottish Government also forms a major part of a Comhairle transformation 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 improves 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.

### **PROPOSED PROJECTS**

#### *Project 1 - Digital Innovation*

- 7.1 The Comhairle, like all local authorities, has a wide range of services and holds vast amounts of data. This data is across a wide range of service and is held on a wide variety of systems. There is therefore potential to strategically connect and manage data more effectively. This has the potential to improve data-driven decision making, reduce duplication of effort, share expertise amongst those handling data regularly, reduce the number of IT systems, automate reports to improve efficiency and support increased service delivery performance.
- 7.2 Alongside work on data, it is important that this project also takes forward key aspects of the Digitalisation Strategy through the themes of People and Place, Digital Economy and/or Technology and Services. Alongside this there is also a case to be explored for using AI for some limited areas of service.
- 7.3 The Digital Innovation business case would largely focus on operational effectiveness and improved customer service although there is also the potential for improved outcomes. A reduction in the number of IT systems across the Comhairle has the potential to achieve cash savings.
- 7.4 It is therefore proposed that a project be developed to explore digital innovation based on the above principles.

### *Project 2- Driving Performance*

- 7.5 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 may be three key aspects to performance that can be further supported by a dedicated project.
- 7.6 The first is a review of performance measures (KPIs), alongside a focus on customers and engagement. This work could support further improvement by better focusing the measures that services are working towards and reporting on and inform services on customer needs and expectations. 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.
- 7.7 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 cross-over with data and performance.
- 7.8 The third is a focus on wellbeing and the management of sickness absence. Sickness absence rates were at 13.8 days per employee (including Teachers) in 2023/24 at a cost of £2.21M in sick pay. A reduction in the levels of sickness absence could therefore reduce costs and provide the resource to drive performance within services.
- 7.9 Alongside these themes, it is important that this project remains closely aligned to the Organisational Development Strategy. This Driving Performance business case would largely focus on operational effectiveness, and customer service although there is also the potential for improved outcomes.
- 7.10 It is therefore proposed that a project be developed to explore a programme to drive performance based on the above principles.

### *Project 3 - Future Proofing*

- 7.11 Audit Scotland notes that the unprecedented financial and service demand pressures mean there is an urgent need for the local government sector to transform how it operates if it is to sustainably maintain services.
- 7.12 There is the potential to radically transform how the public sector operates locally through the development of a single authority model through a Single Islands Authority. This is work that has been led by the Comhairle for some time which has also captured the interest of politicians alongside other Island authorities.
- 7.13 it is therefore proposed that work on the Single Island's Authority model be a key transformation project for the Comhairle. Alongside this work, it is proposed to continue the work that has been undertaken on proactively rationalising the Comhairle's estate, looking both at reducing the assets held and at income generation through shared resources. Work on the Comhairle's estate is an essential element of joined up and shared services with partners and therefore appropriate for inclusion in this project.
- 7.14 This Future Proofing business case would encompass all aspects of transformation namely, operational effectiveness, customer service and improved outcomes.
- 7.15 It is therefore proposed that a project be developed to explore a programme to future proof island-based services based on the above principles.

## **GOVERNANCE**

- 8.1 It is essential that there is robust governance of transformation projects and therefore it is proposed that the governance be through monthly reports to Corporate Management Team and quarterly reports to the Budget and Strategy Board, Policy and Resources Committee and Audit and Scrutiny Committee.
- 8.2 A Business Case template is appended to the Report which was developed in 2018 as part of lessons learned from a previous project. It is therefore proposed that the first presentation to the Budget and Strategy Board in Spring 2025 is the completed stage 1 of the business cases with further stages being presented as the business cases develop. Alongside the business case paperwork, it is proposed that a Report detailing progress be presented to ensure effective scrutiny.

## **CONCLUSION**

- 9.1 The Comhairle has undertaken service based transformational projects for a number of years and has achieved cash savings, income generation and greater efficiency through them.
- 9.2 This paper aims to aid discussion on further transformation projects that cross service areas and look at new ways of working.
- 9.3 Further Reports will be presented once the business cases have begun development.

Examples of transformation undertaken by services - 2017-2024

1. Transport review of bus contracts
2. Participatory budgeting exercise in Barra
3. Introduction of asymmetric week in secondary schools
4. Schools mothballed/closures
5. Introduction of Executive Heads
6. Development of e-Sgoil
7. Development of Goathill complex
8. Comhairle estate rationalisation & renting space to other organisations
9. Development of bespoke internal Apprenticeships
10. Chartership with SDS and shared accommodation
11. Development of the Adhartas Trust
12. Senior Management rationalisation
13. Organisational Structure review
14. Introduction of Vacancy Panels and VER exercises
15. Introduction of Hybrid Working Policy