

Best Value thematic work

Comhairle nan Eilean Siar

Transformation: how councils are redesigning and delivering more efficient services to achieve planned outcomes



 AUDIT SCOTLAND

Prepared by Audit Scotland
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Key messages

- 1** The Comhairle is in the early stages of its latest transformation projects. It is still developing the business cases for these, so estimated costs and financial and non-financial benefits have not been fully quantified. This includes the identification of savings for incorporation into its financial plans.
- 2** The Comhairle estimates a £26.5 million cumulative budget gap between 2025/26 and 2029/30 in its mid-case scenario. It faces difficult decisions to support it to close this gap and must identify opportunities for further transformational activity to support this.
- 3** The Comhairle's staffing capacity has been constrained in recent years due to the impact of the cyber-attack. The Comhairle has taken steps to allocate staffing resources to support its current transformation projects, but staffing capacity remains a risk.
- 4** The Comhairle has established governance arrangements for its current transformation projects, which includes reporting to its Corporate Management Team and elected members. As projects are at an early stage, progress reporting in relation to time, costs and estimated benefits has not been provided. However, we would expect these elements to be incorporated into reporting when they are quantified.
- 5** The Comhairle has demonstrated it has worked well with partners to deliver transformation and there are several examples of joint funding arrangements in place.
- 6** Budget engagement has been impacted by the cyber-attack in recent years, but the Comhairle carried out an online consultation for setting its 2025/26 budget, with further consultation activity planned to support the 2026/27 budget setting process. There are examples of services engaging with communities on service redesign plans, including engagement with vulnerable groups and the third sector.
- 7** The Comhairle has delivered demonstrable financial and non-financial benefits through its previous transformation projects, supported by

established success measures. For its latest transformation initiatives, success measures are still being developed. However, the Comhairle is actively seeking to enhance its performance reporting as part of one of these new projects, which should help track progress and outcomes more effectively going forward.

- 8** The Comhairle carried out initial integrated impact assessments for its 2025/2026 budget proposals, some of which include service reviews. Its latest transformation projects are not yet at the stage where potential impacts can be identified.
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Introduction

1. Transformation is about radically changing how councils operate and deliver services to achieve planned outcomes in a financially sustainable way ([Transformation in councils](#), Accounts Commission, October 2024). The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms.

2. The Accounts Commission's Transformation in councils report recognises that, while work has been ongoing in relation to local government transformation for decades, a step change is required and the pace and scale of transformation must increase significantly. Transformation, through greater collaboration with partners, will be key for councils to deliver more sustainable service models in challenging financial climates.

3. This report sets out how the Comhairle is redesigning and delivering more efficient services to achieve planned outcomes.

4. [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.

5. This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on transformation and how councils are redesigning and delivering more efficient services to achieve planned outcomes. In carrying out the work, auditors have considered the following questions:

- To what extent does the council have clear plans for transformation that link to its priorities and support long-term financial sustainability?
- To what extent do the council's programme management arrangements facilitate effective oversight of its transformation plans?
- To what extent are partners and communities involved in the development and delivery of the council's plans for transformation?

- To what extent has the council considered the impact of its transformation activity, including on vulnerable or protected groups?

6. An improvement action plan is included at the [Appendix](#) to this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

7. 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](#) and we have considered the Accounts Commission's transformation principles set out in [Transformation in councils](#).

Exhibit 1: Transformation principles

Principle	
Vision	<p>Have a clear vision that sets out the intended end state of any transformation activity, focused on:</p> <ul style="list-style-type: none"> • delivering large-scale recurring savings or generating income for the council, contributing to its longer-term financial sustainability • improving outcomes for citizens in line with council priorities • taking a whole-system approach to see and realise opportunities both within councils and more widely • meeting the needs of the people who use services and reduce inequalities • focusing on preventative activity, where applicable, to reduce the demand for services and to make them sustainable in the longer term.
Planning	<ul style="list-style-type: none"> • Be clear on the scale of the change required and ensure transformation plans are sufficiently ambitious to credibly respond to the scale of the challenge. • Commit staff with appropriate skills, time, and resources to ensure transformation occurs at the scale and pace required and that there is enough capacity for the changes to be embedded. • Be clear about the timescales, costs, outcomes, and anticipated impacts of transformation projects. • Show urgency and progress projects at pace without compromising appropriate governance on projects.
Governance	<ul style="list-style-type: none"> • Have a clear process for monitoring, evaluating, and reporting progress. • Put in place effective governance and escalation processes so that the transformation activities are well managed in their own right, but also able to be given priority alongside other business-as-usual activities.
Collaboration	<ul style="list-style-type: none"> • Develop better working relationships with communities and/or partners to achieve a sustainable model of service delivery. • Actively consider the opportunities offered by regional or national sectoral collaboration, or by integrating services locally with partners, or by supporting individuals and communities to achieve desired outcomes in place of an existing service. • Learn from good practice across Scotland and beyond.
Innovation	<ul style="list-style-type: none"> • Implement new ways of thinking, including innovation, creativity and a desire, willingness, and action to change and do things in new and different ways that achieve the outcomes needed. • Embed the right culture and behaviours to manage change and help maximise the contribution of all the team.

Source: Accounts Commission, October 2024

Transformation planning

8. The Comhairle needs to ensure it can deliver sustainable services now and in the future, and difficult decisions will need to be made to achieve this. The Accounts Commission's [Local government budgets 2025/26](#) briefing noted that councils' cumulative funding gap to 2027/28 is £997 million. Councils will need to identify and deliver recurring measures such as savings or increased income to be financially sustainable in the short term.

Findings and evidence relating to the council's transformation planning arrangements

Findings	Evidence
<p>Responding to the November 2023 cyber-attack has required significant resources and created sustained staffing pressures, but the Comhairle is now in the early stages of its latest transformation projects.</p>	<ul style="list-style-type: none"> • The Comhairle approved its latest transformation plan in February 2025, focusing on three transformation projects: <ul style="list-style-type: none"> – Digital innovation: This project focuses on improving data-driven decision making; reducing duplication and sharing expertise; reducing the number of IT systems; automating reports; and supporting increased service delivery performance. – Driving performance: The project has three elements, the first being a review of key performance indicators to inform services on customer needs and expectations. The second involves exploring rationalisation and digitalisation of manual processes to generate efficiencies. The third involves focusing on staff wellbeing and management of sickness absence. – Future proofing: This project involves radical transformation of how the public sector operates locally through the development of a single authority model through the creation of a Single Islands Authority. It also includes work to rationalise the Comhairle's estate by reducing assets and generating income through shared resources. • The transformation plans are aligned to the Corporate Plan priority of delivering community leadership. This links to the associated corporate plan commitments of ensuring that local people and communities are empowered and at the heart of decision making; delivering efficient and effective services to customers; and ensuring effective governance

Findings	Evidence
	<p>of the Comhairle. However, transformation is not specifically detailed in the medium-term financial plan as projects are at an early stage.</p> <ul style="list-style-type: none"> • The Comhairle has undertaken service-level transformation projects for a number of years and highlighted examples of these alongside its latest transformation plan in February 2025. While its latest transformation plan outlines its three latest projects, there are other ongoing projects across the Comhairle which can be viewed as transformational, including the development of the Barra and Vatersay Community Campus (see Case study 2, page 17) and Islands Growth Deal projects. • The Accounts Commission's 2022 Best Value Assurance Report on the Comhairle noted that while there was a lack of larger-scale transformation activity at the time of the report, there were examples of improvements in performance being driven by innovative practices in service departments, such as: <ul style="list-style-type: none"> – the e-Sgoil initiative – an e-learning service initially set up in 2016 to address teacher shortages and offer greater subject choices for pupils. – modernising the Comhairle chamber using remote meeting technology – community hub proposals to develop a new model of service delivery. • The Comhairle suffered a cyber-attack in November 2023. This encrypted many of its systems and backups, denying access to those systems. As highlighted in the 2023/24 Annual Audit Report, the impact of the cyber-attack was significant. It encrypted many council systems and backups, rendering them inaccessible, with systems needing to be rebuilt entirely. Responding to and recovering from the cyber-attack has been a key focus for the Comhairle following this, which has required substantial resource and placed considerable pressure on staff over a sustained period. The Comhairle reports that in more recent years, services have focused on continuous improvement while managing reduced budgets, the cyber-attack and the impact of Covid-19 and budget cuts.
<p>The Comhairle is in the process of developing full business cases for its three transformation projects. This is in the early stages so anticipated costs and</p>	<ul style="list-style-type: none"> • The Comhairle is in the early stages of developing business cases for its three current transformation projects. The driving performance project is furthest ahead in this process and is at stage three of its business case with stages one and two complete. Details include policy objectives, project team details, governance details, risks,

Findings	Evidence
<p>benefits have not yet been fully quantified.</p>	<p>and data analysis of key performance indicators, costs, income and sickness absence from pilot projects.</p> <ul style="list-style-type: none"> • The Comhairle reports that it developed its business case template in 2018 as part of lessons learned from a previous project. It intends to use this business case for the three current projects. • We also reviewed the 2017 outline business case for the Comhairle's ongoing Barra and Vatersay Community Campus project. This outlined the project's benefits, risks, constraints, dependencies and expected outcomes.
<p>The Comhairle faces difficult decisions to address its estimated £26.5 million cumulative budget gap between 2025/26 to 2029/30. In recent years, it has delivered service savings and used reserves to help balance its budgets. As its current transformation projects are at an early stage, savings have not yet been quantified and incorporated into financial planning.</p>	<ul style="list-style-type: none"> • The Comhairle's Medium-Term Financial Plan 2025/26 to 2029/30 estimates a cumulative budget gap of £26.5 million in its mid-case scenario. The 2023/24 Annual Audit Report included a recommendation that the Comhairle should develop medium savings plans to address the budget gap that has been identified. • The Comhairle's budget strategy includes the use of reserves alongside service savings to balance the budget. It reports that its use of reserves has helped to manage the impact of service reductions in recent years. The 2025/26 budget included the draw down of £2 million of reserves to help balance the budget alongside £1.4 million of savings proposals. The Comhairle recognises that its continued reliance on reserves is unsustainable. • The Comhairle reports that its geography means it has less options for balancing its budgets compared to some other councils. It reports that it will undertake service reviews to identify discretionary areas of service provision with a view to reducing or ending some of its services. • The Comhairle reports that its three transformation projects aim to improve efficiency and lead to the possibility of future longer-term savings. As projects are at an early stage, savings cannot yet be identified and incorporated into the Comhairle's financial plans. • The Comhairle realised budgeted service savings of £2.0 million in 2024/25 (based on unaudited data). We have not identified significant savings from transformational activity or service redesign based on unaudited financial information for 2024/25. • Income generation for wind energy is also part of the Medium-Term Financial Plan. The project is at an early stage with benefits not available until 2030, but it has the potential for significant transformational income in the future.

Recommendation 1

The Comhairle must continue to identify transformational opportunities that will support it to close its funding gap and reduce its reliance on reserves.

Programme management

9. It is essential that the council has good programme management arrangements in place to ensure it is making sufficient progress against its transformation plans. It is important that the council has the structures and the staffing resource in place to deliver its transformation ambitions. In addition, the council must ensure that both senior officers and elected members have appropriate oversight of progress.

Findings and evidence relating to the council's programme management arrangements

Findings	Evidence
<p>The Comhairle has taken steps to allocate staffing resources to its current transformation projects. Staffing capacity remains a risk.</p>	<ul style="list-style-type: none"> • During the audit, the Comhairle reported that it feels its transformation work is resourced effectively, but staffing capacity is stretched. The Comhairle does not have a programme management office, however, it reports that staff are multi-skilled therefore are flexible and adaptable to changing demands. Transformation projects are also being led by Chief Officers within the Comhairle. Officers reported that staffing at the Comhairle has reduced by around 300 FTE over the last 15 years. • The Comhairle reports that it is working with the Digital Office and other local authorities on its digital services. It has also subscribed to the Digital Office's Data Maturity Programme to support its digital innovation transformation project. This will deliver training on data security, AI and the functionality of the Comhairle's digital systems. • The Comhairle has also established a Digital Strategy Focus Group to progress digital transformation. At June 2025, it reported that lead Chief Officers were identifying staffing within existing team complements from IT and other services which may require reprioritisation of their workload. • The Comhairle has established a cross-functional project team to support its driving performance transformation project. This is being led by a Chief Officer and includes officers from core services. • As reported in the 2023/24 Best Value thematic report on workforce innovation, the Comhairle has some formal

Findings	Evidence
<p>The Comhairle has established governance arrangements for its current transformation projects. As projects are at an early stage, we have not yet seen reporting of progress in relation to time, costs and estimated benefits but would expect these to be incorporated into reporting when they are quantified.</p>	<p>arrangements in place for sharing services with partners to create workforce benefits.</p> <ul style="list-style-type: none"> • The Accounts Commission reported in its 2022 Best Value Assurance Report that both elected members and officers could strengthen their focus on strategic change. • In February 2025, the Comhairle set out proposed governance arrangements for its latest transformation projects. As part of this: <ul style="list-style-type: none"> – CMT receives monthly reports on progress with projects. – Elected members are to be updated on progress with transformation projects via quarterly updates to the Budget and Strategy Board, Policy and Resources Committee and Audit and Scrutiny Committee. • We have seen evidence of reporting on the transformation projects to CMT, the Budget and Strategy Board, Policy and Resources Committee and the Audit and Scrutiny Committee. However, as projects are still at an early stage, we have not yet seen progress reporting to senior leadership or elected members against time, costs and estimated benefits. We would expect that these elements are incorporated into reporting when these are quantified.

Recommendation 2

The Comhairle should ensure that it reports on progress against its transformation projects in relation to time, cost and estimated benefits once these are known.

Partnership working and community engagement

10. The [Best Value in Scotland](#) report noted that councils must now rethink how they work together, and with local partners and communities, to provide financially sustainable services. Few councils provide services jointly or share support services across different councils to a great extent. The scale and nature of the challenge, as set out in the [Transformation in councils](#) report, means that it is only by working more collaboratively that councils and their local partners, communities and the third sector will be able to provide sustainable local services.

Findings and evidence relating to the council's partnership working and community engagement arrangements

Findings	Evidence
<p>The Comhairle has demonstrated it has worked well with partners on transformation projects.</p>	<ul style="list-style-type: none"> • The Comhairle has provided several examples to demonstrate that it has worked with partners to deliver previous transformation projects, and continues to work in partnership on some of its latest transformation projects: <ul style="list-style-type: none"> – The Comhairle is actively working with partners to create a Single Authority Model for local governance. This means combining different public services under one local authority to improve efficiency and outcomes for communities (Case study 1, page 17). – The Barra and Vatersay Community Campus project is an initiative that was led by the Comhairle aimed at radically improving public service delivery on the islands of Barra and Vatersay (Case study 2, page 18). It involves the creation of a multi-agency community campus with co-located services such as education, health, social care, housing and community facilities and third sector services such as childcare provision. Partners involved in the project include NHS Western Isles, Wester Isles Integration Joint Board, UHI North, West & Hebrides and Barra Children's Centre. – The Comhairle is having ongoing discussions with SSEN and partners in relation to infrastructure requirements for its Lewis Hub project for a new high voltage direct current converter starter and AC

Findings	Evidence
	<p>substations near Stornoway. SSEN plan to charter ships for major infrastructure and pool cars will be available on islands to minimise vehicle traffic on passenger vessels to and from the islands.</p> <ul style="list-style-type: none"> – Eilean Siar Energy has been established and officially launched in July 2025 by the Stornoway Trust, Comhairle nan Eilean Siar and Muaitheabhal Community Wind Farm. There is 20 per cent community ownership that has been secured in Stornoway Wind Farm and Uisenis Wind Farm. The Outer Hebrides is preparing for significant renewable energy development with wind farms are expected to be operational by October 2030. A Joint Steering Group has been established with three members from each partners nominated to sit as Directors of Eilean Siar Energy Ltd, who meet on a six-weekly basis. The Comhairle reports that there has been also positive engagement with both Scottish and UK Government. – The Comhairle shares its office spaces in Stornoway, Tarbert, Balivanich and Barra with ten organisations, including Police Scotland and other tenants such as Social Security Scotland, Department of Work and Pensions, CIPS, SEPA and Highlands and Islands Enterprise. – The Comhairle collaborated with the Hebridean Housing Partnership, Integration Joint Board and third sector partners to develop the Goathill Complex on the Isle of Lewis. As reported in the 2022 Best Value Assurance Report, there were challenges around recruitment of posts and delays to the full opening of the complex. Despite the issues, the project has transformational benefits, enhancing social care capacity by bringing together a 52-bed residential care home with 50 extra care flats for intermediate care, respite or permanent accommodation.
<p>There are several examples of joint funding arrangements in place for transformation projects.</p>	<ul style="list-style-type: none"> • The Comhairle has secured £33 million funding from the UK and Scottish governments through the Islands Growth Deal. The funding is supporting various projects, including the Outer Hebrides Energy Hub which has been allocated £11 million as part of the Deal. This aims to deliver a green hydrogen production facility which will supply local, steam-dependent industries and the Comhairle fleet/estate with hydrogen. • The Comhairle has received £0.3 million from the Scottish Government’s Invest to Save Fund to advance its work on

Findings	Evidence
	<p>public sector reform, specifically the development of the Single Authority Model.</p> <ul style="list-style-type: none"> • The Goathill Complex was funded by the Comhairle, who provided £15m for the project, and Hebridean Housing Partnership, with the Scottish Government also contributing. • The Barra and Vatersay Community Campus is a large-scale, multi-agency development expected to cost over £100 million. A joint funding plan is being developed with input from NHS Western Isles, the Comhairle and Scottish Futures Trust. The funding structure is expected to be bespoke, reflecting the complexity and integrated nature of the campus.
<p>Recent budget consultations were impacted by the cyber-attack. The Comhairle held an online consultation to support its 2025/26 budget setting process, with further consultations planned to support the 2026/27 budget.</p> <p>There are examples of services engaging with communities on service redesign plans, including engagement with vulnerable groups and the third sector.</p>	<ul style="list-style-type: none"> • In October 2023, ward visits were undertaken to encourage discussion of budget priorities with communities with a schedule of visits agreed in conjunction with local elected members. The Comhairle reported that communities valued this and it was agreed that the process should be repeated on an ongoing basis. • Budget consultations have been impacted by the cyber-attack in recent years, with services still rebuilding systems until early 2025. In February 2025, the Comhairle invited feedback from communities on its 2025/26 budget proposals. This asked respondents which services were most important to them and asked for additional feedback on the budget proposals and which capital projects should be prioritised. The Comhairle received responses from 136 members of the public and feedback was shared with elected members in advance of the final budget meeting. • The Comhairle reports that it plans to undertake earlier online consultations in October/November 2025 to support its 2026/27 budget setting process. It plans to follow this up with community consultations commencing in late 2025 or early 2026. • The libraries service plans to consult the community to help shape the new Libraires Strategic Action Plan for 2026-2029. In June 2025, the Education, Sport and Children's Service Committee approved a community consultation plan. This includes pre-consultation engagement with citizens and stakeholders in all branches and mobile libraires. Formal consultation will follow this which will be open to all, including additional measures, such as easy read and hard copy questionnaires, to assist participation. • The Barra and Vatersay Community Campus project has included engagement with a wide range of community

Findings	Evidence
	<p>groups, including parent councils, community councils, Barra & Vatersay Sports Forum and various health and social care forums at the development stage. Engagement sessions were a mixture of in-person workshops, public meetings and specific workshops facilitated on Teams. There was also consultation with the third sector partner Barra Children's Centre. The Comhairle reports that service users of the campus would be considered in the vulnerable persons group and consultation with affected service users and their families will continue throughout the design development phase and into occupation of the new facilities. Reference groups have been established for the delivery phase of the project that will focus on an area of interest. An engagement plan for the community campus has also been established.</p> <ul style="list-style-type: none"> • The Goathill complex also had involvement with third sector partner Alzheimer Scotland, locality planning groups and carers organisations and advocates were included in the project development processes.

Case study 1

Single Authority Model for the Western Isles

The Comhairle is working with NHS Western Isles and the Hebridean Housing Partnership to explore the opportunity to create a Single Island Authority for the Western Isles.

Services to and from the Western Isles are currently planned, resourced and delivered by various partners, each of which has its own Chief Executive and associated management structures and functions such as finance, HR and IT. The Single Authority Model seeks to explore efficiencies to improve value for money while creating new jobs and opportunities through a new integrated authority. It also aims to improve decision making through joined-up local 'whole system' decision making.

The Comhairle is working with Orkney Islands Council, Argyll and Bute Council and COSLA on the Single Authority Model. The work is also being supported by the Scottish Government and is a commitment within its Programme for Government.

Source: Audit Scotland, Comhairle nan Eilean Siar

Case study 2

Barra and Vatersay Community Campus Project (BVCC)

The Barra and Vatersay Community Campus Project is an ongoing multi-agency project aimed at delivering a state-of-the-art, multi-agency community campus on Barra. This will co-locate essential public services (including education, healthcare, social care, emergency services, and third sector support) into a single, energy-efficient facility.

The project aims to support community resilience and wellbeing. It also aims to address the urgent need to replace ageing infrastructure while promoting integrated service delivery, sustainability, and enhanced outcomes for residents. The campus will feature modern learning environments, healthcare and extra care housing, community and office spaces, and sports facilities.

Key partners include NHS Western Isles, Hebridean Housing Partnership, and Barra Children's Centre, with funding contributions from multiple public sector sources. Extensive community engagement and collaboration with vulnerable groups have shaped the project's development, ensuring inclusivity and responsiveness to local needs.

Expected benefits include recurring cost savings, improved service quality, and a more cohesive, empowered community.

Source: Audit Scotland

Impact of transformation

11. It is important that the council has success measures in place to demonstrate the impact of its transformational activity on service quality; outcomes for people who use services, inequalities and/or savings.

Findings and evidence relating to the impact of the council's transformation activity

Findings	Evidence
<p>The Comhairle has delivered demonstrable financial and non-financial benefits through transformation projects, supported by established success measures.</p>	<ul style="list-style-type: none"> • As part of the audit, we requested case study examples of successful transformation achieved by the Comhairle to date, or examples where plans indicate significant benefits will be achieved. <ul style="list-style-type: none"> – The tendering exercise for bus service contracts for 2019-2026 allowed bus operators to design the service contract as an option for evaluation, as well as allowing bus operators to bid for contracts prescribed by the Comhairle. Tender analysis indicated a cost reduction of around £1.2 million per annum over a 7-year period. The Comhairle reports that sampling has shown that the main routes indicate increasing usage and live GPS tracking has delivered service quality benefits. The Comhairle reports that the new contracts have had a positive impact on local communities by reducing rural inequalities and isolation, and the introduction of Young Scot concessionary bus travel has had positive impacts for young people. – The Goathill Complex has enhanced social care capacity and has delivered cost efficiencies and improved outcomes. The Comhairle reports that this has enabled all residents to remain on the island, avoiding the need for off-island placements, and ensured continuity of employment for staff. Taigh Shiphoint (the 52-bed care home element of the complex) has been subject to ongoing scrutiny through the Care Inspectorate, which identified requirements and areas for improvement. The most recent inspection report in June 2025 highlighted that progress had been made with areas for improvement but there was still further work to be done in some areas. It also highlighted that

Findings	Evidence
	<p>people were well cared for, and were treated with kindness, compassion and respect, and people's wellbeing was promoted, as staff worked well together and knew how people wished to be supported.</p> <ul style="list-style-type: none"> - Formal success measures have not yet been agreed for the Barra and Vatersay Community Campus. However, the project is expected to deliver recurring savings through a reduced building footprint and improved energy efficiency. It is also expected to deliver service quality improvements in education and health. The facility supports modern learning approaches, mental health initiatives, and interdisciplinary education. In health, purpose-built spaces enable integrated care, improved emergency response, and housing with extra care. • We also reviewed the e-Sgoil impact report from September 2025 which demonstrated impacts from the e-learning service, including: <ul style="list-style-type: none"> - £4.58 million contributed to the local economy over five years. - The delivery of supply teaching to three Comhairle secondary schools which supported local staffing challenges. - Increased demand for evening and Easter study support. Ninety-eight per cent of learners attending Easter study support reported increased confidence and reduced anxiety ahead of their exams. - A social return on investment of £107 for every £1 invested in i-Sgoil (the e-Sgoil platform which aims to re-engage interrupted learners who do not attend school for long periods), equating to £128 million in benefits over three years.
<p>While success measures are not yet in place for the latest transformation projects, the Comhairle is seeking to improve its performance reporting under one of its latest transformation projects .</p>	<ul style="list-style-type: none"> • Success measures are not yet in place for the Comhairle's latest transformation projects. However, the Comhairle intends to strengthen its performance reporting through its driving performance transformation project. As part of the project, it plans to review performance measures (with a focus on customers and engagement) to support capturing service costs, performance and customer measures. It has developed a template for an annual performance report for services, which it plans to trial with a frontline service area.
<p>The Comhairle carried out initial integrated impact assessments for its 2025/2026 budget</p>	<ul style="list-style-type: none"> • The Comhairle carried out initial integrated impact assessments (IIAs) for the 2025/2026 budget proposals, which are publicly available on its website. We reviewed a sample of three IIAs, two of which were for service

Findings	Evidence
proposals, some of which include service reviews. Its latest transformation projects are not yet at the stage where potential impacts can be identified.	<p>reviews, and found that all identified potential impacts on particular groups. Two recommended that a full IIA be completed to explore impacts further. In one case it was not confirmed whether a full IIA would be undertaken despite potential impacts being identified, however this council reports that this would be followed up with the service.</p> <ul style="list-style-type: none">• The Comhairle reports that IIAs have not yet been completed for its latest three latest transformation projects as projects are not yet at the stage of identifying potential impacts.

Appendix

Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Financial sustainability</p> <p>The Comhairle faces difficult decisions to address its estimated £26.5 million cumulative budget gap between 2025/26 to 2029/30. In recent years, it has delivered service savings and used reserves to help balance the budget. As its current transformation projects are at an early stage, savings have not yet been quantified and incorporated into financial planning.</p> <p>Risk – Failure to identify opportunities to deliver savings via transformation creates risks around the sustainability of services and ongoing reliance on reserves.</p>	<p>The Comhairle must continue to identify transformational opportunities that will support it to close its funding gap and reduce its reliance on reserves.</p>	<p>Agreed</p> <p>Chief Executive</p> <p>April 2026</p>
<p>2. Progress reporting to the CMT and elected members</p> <p>As transformation projects are at an early stage, we have not yet seen reporting of progress in relation to time, costs and estimated benefits but would expect these to be incorporated into reporting when they are quantified.</p> <p>Risk – The CMT and elected members do not have sufficient oversight of progress with transformation projects.</p>	<p>The Comhairle should ensure that it reports on progress against its transformation projects in relation to time, cost and estimated benefits once these are known.</p>	<p>Progress in relation to time, costs and estimated benefits will be incorporated into reporting when they are quantified.</p> <p>Chief Executive</p> <p>April 2026</p>

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