

The Audit of Best Value and
Community Planning

Comhairle nan Eilean Siar



Prepared for the Accounts Commission
November 2011

The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, requests local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 45 joint boards and committees (including police and fire and rescue services).

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

Contents

Commission findings

Page 2

Part 1. The Audit of Best Value

Page 4

Best Value

Comhairle nan Eilean Siar audit scope

Page 5

About this audit report

Page 6

Part 2. Overall conclusions

Page 7

Summary conclusions

Performance assessment

Page 8

Areas for improvement

Page 9

Part 3. Local context

Page 10

The Western Isles

Page 11

The comhairle

Page 12

Part 4. Is the comhairle working effectively with its partners to improve the Outer Hebrides?

Page 13

Are they focused on the challenges for the Outer Hebrides?

Page 14

Does the comhairle have the support of its partners to deliver improvements?

Page 17

Part 5. What has the comhairle and its partners achieved?

Page 18

What progress has been made in addressing the challenges for the Islands?

Page 19

How are comhairle services performing?

Page 23

Part 6. Is the comhairle managing and using its resources effectively?

Page 25

Financial planning

Workforce planning and management

Page 26

Asset management

Page 27

Risk management

Procurement

Customer service

Page 28

What progress has the comhairle made in promoting sustainability?

What progress has the comhairle made in promoting equalities?

Page 29

Part 7. What are the comhairle's prospects for future improvement?

Page 30

Is the comhairle aware of where it needs to make improvements and is it committed to change?

Page 31

Does the comhairle have the leadership capacity and capability to deliver the improvements that are needed locally?

Page 32

How effective are the comhairle's management arrangements?

Page 34

Appendix 1. Judgement descriptions

Page 35

Commission findings



- 1.** The Accounts Commission accepts this report from the Controller of Audit on the performance of Comhairle nan Eilean Siar in relation to its statutory duties on Best Value and Community Planning. The Commission notes that, in respect of these duties, the overall performance of the comhairle is satisfactory and that it has fair prospects for future improvement.
- 2.** The Commission finds that most services perform well and the comhairle recognises where improvements are needed and has recently increased its pace of change. It is encouraged that this is supported by strong political and community leadership, prudent financial management and sound governance arrangements.
- 3.** The Commission has, however, serious concerns about the overall slow progress of the comhairle since the first Best Value audit in 2006. While some of the basic building blocks of Best Value are in place, there are significant aspects where better progress is needed. In particular, the culture of challenge and improvement remains underdeveloped. The comhairle, while responding well to external appraisal through audit and inspection, remains reactive rather than proactive in identifying and implementing improvements. It needs to put in place a corporate systematic approach to continuous improvement activity supported by an effective self-evaluation and performance management framework.
- 4.** The Commission urges the chief executive and corporate management team to provide clearer and more visible leadership, in order to demonstrate that the comhairle is fully ready for the future challenges that it faces. It needs to develop a longer-term strategic financial plan and councillors need to play a more active role in the improvement agenda.
- 5.** The Commission believes that the comhairle needs to make early progress with these improvements. The Commission requires a further report by the Controller of Audit in around 12 months' time on the progress made by the comhairle.

Part 1. The Audit of Best Value



Best Value

1. The statutory duty of Best Value in local government was introduced in the Local Government in Scotland Act 2003. In response, the Accounts Commission consulted on, and implemented, the audit of Best Value and Community Planning. Best Value audit reports have been published on all 32 councils in Scotland.

2. The next phase of Best Value audit is carried out and reported under the same legislative framework, but the approach has moved on significantly from the 32 baseline audits. In particular these audits are:

- more proportionate and risk-based, reflecting more closely the particular issues faced by individual councils and their partners
- founded on a shared risk assessment (SRA) process, conducted with colleagues from other local government inspectorates particularly Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (SHR)
- more focused on impact and outcomes, and the difference the council and its partners are making for local communities
- designed to provide a more rounded view of partnership working in a local area, and the difference it is making.

3. The Scottish Government's Best Value guidance provides detail of the characteristics that councils are expected to demonstrate in fulfilling their statutory Best Value duties. The characteristics apply to elected members and officers reflecting the joint responsibility for Best Value.

Comhairle nan Eilean Siar audit scope

4. Best Value is an important part of the wider scrutiny arrangements in councils in Scotland. Audit Scotland works closely with other local government inspectorates, undertaking an SRA process for all 32 local authorities, to support the delivery of well-targeted, risk-based scrutiny. This process results in each council receiving an Assurance and Improvement Plan (AIP) each year which sets out the scrutiny activity that the council can expect to take place over a rolling three-year period. AIPs covering the period from April 2011 to March 2014 were published in July 2011.

5. The 2011 AIP for Comhairle nan Eilean Siar (the comhairle) identifies a Best Value audit as part of the required response to local scrutiny risks. This was primarily due to the uncertainty of the comhairle's progress against outcomes and strategic objectives due to the limitations of the performance management system and development of self-evaluation, and concerns about the pace of delivery of some corporate assessment areas. A specific piece of Best Value work undertaken in 2010 focusing on the comhairle's leadership and culture and capacity for change was a precursor to this Best Value audit. The intention was that by undertaking a Best Value audit in 2011, it would help support the comhairle in taking forward its improvement agenda.

6. We have drawn on the SRA and a range of available information from the comhairle and other scrutiny bodies to enable us to target our Best Value audit activity on those areas which reflect the current risks affecting the comhairle and where it would have greatest impact.

7. In particular, we have focused on testing and assessing:

- how well the comhairle, with its community planning partners, has responded to the challenges in delivering the economic, natural and cultural and educational outcomes for the local community. These themes were identified for scrutiny because there was insufficient information available to assess their progress and impact, and where information was available this shows that the comhairle and its partners had some way to go to achieving the targets in these outcome areas
- how well services are performing and the extent to which they are able to demonstrate value for money
- the impact of partnership working on building capacity and effectiveness in delivering more coordinated services
- the effectiveness and impact of the new electronic performance management system and adoption of a performance management culture across the comhairle
- how effectively the comhairle manages its resources including financial planning, asset management, procurement, risk management, workforce planning and the monitoring of costs and value for money
- how well the comhairle measures and demonstrates sustainability, diversity and equality.

8. The SRA gave sufficient assurance in a number of areas where we did not have to conduct detailed Best Value audit work. These include:

- progress in delivering outcomes for communities relating to ‘strong communities, strong roots, strong culture’ and ‘strengthening connections, strengthening communities’
- progress in delivering services subject to inspection by Education Scotland, the Care Inspectorate and SHR
- progress in delivering roads and transport and marine services
- governance and accountability arrangements.

9. While we did not undertake any detailed work in these areas, we have reported the current position in some areas including the comhairle’s governance arrangements.

About this audit report

10. The first Best Value report on Comhairle nan Eilean Siar was published in 2006. The Accounts Commission findings expressed concern that the comhairle was unable to demonstrate a commitment to continuous improvement due to, among other things, the absence of robust performance management arrangements and a lack of corporate management and coordination. The Commission recognised a number of advantages and strengths including strong foundations in engagement with local communities, a good level of self-awareness and active and committed elected members.

11. We carried out this Best Value audit between April and June 2011. The scoping phase took place in April with the detailed audit work taking place in late May/early June.

12. We gratefully acknowledge the cooperation and assistance provided to the audit team by the leader of the council, Councillor Angus Campbell; chief executive, Malcolm Burr; head of executive office, Lesley McDonald; and all other elected members and staff involved. We are grateful to the representatives of community planning partners for their participation.

Part 2. Overall conclusions



Summary conclusions

13. Since 2006, the comhairle has been progressing a number of the key issues raised in the first Best Value report. While there has been an increase in the pace of change over the past 18 months, overall progress has been slow particularly on performance management, asset management, risk management and procurement.

14. The comhairle and its partners understand the context in which they operate and share a clear vision for the Western Isles. There is clear recognition of the expertise that all partners bring resulting in good examples of joint working between partners at an operational level. Partnership arrangements are still developing and the limitations of the partnership's performance management arrangements mean that the partnership is unable to demonstrate its impact. The partnership's executive group needs to provide more direction for the outcome groups to enable them to focus effectively on the partnership priorities.

15. Elected members demonstrate good community leadership and the comhairle has a clear focus on sustaining communities and works well with its partners on issues affecting the Western Isles. There is an opportunity for elected members to have greater involvement within the Community Planning Partnership's outcome groups.

16. The Corporate Management Team (CMT) needs to demonstrate more visible leadership and direction in maintaining the recently established momentum of change and actively driving forward improvement. The comhairle does not have a corporate self-assessment process to support its improvement plan and elected members should be more involved in driving and scrutinising continuous improvement activity.

17. The comhairle has made good progress with its financial management, particularly in relation to its budget setting processes. It would benefit further from developing a clear strategic financial plan to support the difficult decisions it may have to make over the coming years. Workforce planning is improving through the development of an HR strategy and workforce planning policy. Progress in relation to procurement and risk management has been slow.

18. The comhairle has introduced an electronic performance management system but has been slow to embed a performance management framework. Elected members and senior officers need to develop their respective roles in instilling a culture of performance management across the organisation.

19. The comhairle has made significant progress on managing its school estate. However, progress on a corporate asset management approach has been slow to develop.

20. Most services are performing well including education, social care and community learning. Further improvement is required to address issues in fostering and adoption, waste management and building services. User satisfaction information is not up to date and while services gather information for their own needs, this is not shared corporately. The comhairle is unable to demonstrate that it is delivering value for money services due to the limited cost and quality of service information available.

21. The governance and scrutiny arrangements are effective and serve the comhairle well. Elected members have the opportunity to contribute to all committee discussions and this facilitates a consensual approach to decision-making. The comhairle has taken some difficult decisions recently including the plan to close a number of rural schools.

Performance assessment

22. The Best Value audit provides two judgements on council performance. One assesses how well the comhairle is performing and the other covers the comhairle's prospects for improvement. Descriptions of each category can be found at [Appendix 1](#).

23. The comhairle's overall performance is satisfactory:

- Partnership arrangements overall are still developing and the partnership is unable to effectively demonstrate progress on partnership outcomes. Our own analysis highlights mixed progress on the economy and natural and cultural outcomes. At an operational level, there are some good examples of joint working.
 - Most of the comhairle's services are performing well. The comhairle is aware it needs to improve services in waste management and fostering and adoption and is making progress in its building maintenance commercial operation. However, there is limited evidence to enable the comhairle to demonstrate value for money of its services or customer satisfaction.
 - The comhairle has introduced an electronic performance management system but has made slow progress in embedding a performance management framework. It needs to do more to develop the performance culture and demonstrate impact.
- 24.** The comhairle has fair prospects for future improvement:
- The comhairle's governance and scrutiny arrangements work well and there is strong political and community leadership. The chief executive and his management team need to demonstrate stronger leadership in taking forward performance management and continuous improvement.

- The comhairle and its partners share a clear vision for the Western Isles. There is a simple partnership structure and the expertise that all partners bring is recognised through their prominent roles within the partnership.
- The comhairle does not have a systematic approach to continuous improvement activity, although it has an established programme of best value service reviews.
- The comhairle manages its finances prudently but it needs a longer-term financial strategy which takes into account the impact of demographic changes on future service provision.
- The comhairle has made steady progress in workforce planning and management and in promoting equalities and sustainability. Progress has been slower on asset management, risk management and procurement.
- the comhairle needs to develop and coordinate its approach to continuous improvement, using elected members to direct and challenge activity
- the recent increase in the pace of change needs to be sustained and further progress needs to be made in performance management, asset management, risk management and procurement
- the comhairle needs to measure customer satisfaction and use this information to develop its approach to assessing and demonstrating value for money of services.

26. The comhairle has recently improved the pace of change and focusing on the above areas, particularly around embedding its performance management framework and implementing a systematic approach to continuous improvement, will support further progress in delivering Best Value for its communities.

Areas for improvement

25. The main areas for improvement for the comhairle identified through this audit are:

- the comhairle needs to embed performance management arrangements with particular improvement needed around developing a performance management culture and demonstrating the impact of its work on outcomes through the performance management system
- the comhairle and its partners should continue to develop partnership arrangements focusing on measuring and demonstrating progress towards outcomes. Elected members should be more actively involved

Part 3. Local context



The Western Isles

27. The Western Isles (or Outer Hebrides) is a chain of islands to the north-west of mainland Scotland (Exhibit 1). It is made up of 11 inhabited islands and approximately 119 named islands in total. The islands cover an area of 3,071 square km, running 209 km from north to south. The main populated islands in the chain are Lewis, Harris, Benbecula, North Uist, South Uist and Barra. Approximately 30 per cent of the population live in the main town, Stornoway, on the Isle of Lewis.

28. The geography of the islands presents many challenges for the comhairle and its communities, particularly around their sustainability and the impact on service delivery. The most significant challenge is the continuing population decline. The islands' population is around 26,220 and, while it has stabilised over the last few years, is projected to fall by a further 4.1 per cent by 2033 compared to a 7.3 per cent increase nationally.

29. The number of children is projected to fall by around 17.4 per cent. This will have a significant effect on the school rolls. Educational attainment in the island's schools is strong and the comhairle has the second highest rate in Scotland for school leavers going on to positive destinations. Providing sustainable employment opportunities for these skilled young people remains a challenge.

30. The number of people of working age is projected to fall by around 11.7 per cent. Unemployment rates in the Western Isles are slightly below national levels, with more people employed on a part-time basis. However, average earnings are lower.

31. The number of older people living on the islands is projected to increase by 23.6 per cent. As with many other areas across Scotland, the changing age profile of the islands' communities presents challenges for

Exhibit 1

The Western Isles



Source: Comhairle nan Eilean Siar

service provision, particularly in relation to social care and health services. The challenges are made more complex by the rural nature of the islands' communities, particularly in relation to the accessibility of services.

32. While health and social care indicators present a fairly positive picture for the Western Isles there are some specific challenges. The rate of older people staying in hospital as a result of a fall at home is the second highest across Scotland. Hospital stays that are alcohol related are also significantly higher than the Scottish average. The Western Isles has the highest estimated percentage of households in extreme fuel poverty. Fuel poverty has significant health and wellbeing implications, particularly for older people, including increased risks of respiratory and cardiovascular health conditions.

33. The islands geography, through their significant natural resources and strong cultural heritage, presents many opportunities for the comhairle and its partners. The island of St Kilda, to the north-west of North Uist, for which the comhairle is a partner organisation responsible for its management, is Scotland's only dual-status World Heritage Site and one of only 24 sites worldwide to be given this status for both its natural and cultural significance. Many areas across the islands are known for their natural beauty and significance in terms of wildlife and plant life. The cultural heritage of the islands is strongly promoted by communities and the comhairle. More than 60 per cent of the Western Isles population are Gaelic speakers, compared to just over one per cent nationally. In 2009, visitor expenditure in the Western Isles was an estimated £50 million,

with an estimated £30 million of that coming from international visitors. The top tourist attraction, An Lanntair arts centre in Stornoway, attracted more than 200,000 visitors in 2009. A number of local products are also marketed internationally, such as Harris Tweed and Stornoway Black Pudding, helping to support local enterprise and promote the islands' heritage.

The comhairle

34. Comhairle nan Eilean Siar is an independent council, with 25 independent elected members, four SNP and two Labour members. The comhairle has no administration group, instead adopting an issue-by-issue consensus-based approach to decision-making. The comhairle's governance arrangements support this approach. These are discussed in more detail in [Part 7](#).

35. The committee structure includes six strategic committees in addition to the comhairle: Audit and Scrutiny, Policy and Resources, Education and Children's Services, Environment and Protective Services, Sustainable Development, and Transportation.

36. The comhairle is led managerially by a chief executive supported by five directors, covering education and children's services, finance and corporate resources, development, social and community services, and technical services. The chief executive has been in post since 2005. The current CMT has been in place since April 2010.

37. In 2010/11, the comhairle spent approximately £118 million on providing services to its communities. This equates to £4,507 per head of population. The comhairle employed 1,906 full-time equivalent members of staff in 2010 to deliver services.

Part 4. Is the comhairle working effectively with its partners to improve the Outer Hebrides?



The comhairle and its partners share a clear vision for the Outer Hebrides, focusing on the key contextual challenges facing the islands. The partnership structure recognises the expertise that partners bring. At an operational level there are good examples of joint working between partners. Partnership arrangements are benefiting from better coordination, however further improvements could be made with stronger leadership from the comhairle. Elected members should be more actively involved in the partnership outcome groups. The comhairle should continue to support and develop the Outer Hebrides Community Planning Partnership (OHCPP).

Are they focused on the challenges for the Outer Hebrides?

38. The comhairle and its partners are acutely aware of the context within which they operate, the communities they serve and the challenges that face them. The partnership’s vision for the Outer Hebrides is ‘...a prosperous, well-educated and healthy community enjoying a good quality of life and fully realising the benefits of our natural environment and cultural traditions’. This is reflected in the Single Outcome Agreement (SOA).

39. The SOA (2011–14) details seven local outcomes and includes seven priorities to focus activity on achieving the outcomes. These priorities were identified following community engagement events in 2010 and wide consultation with partners. The SOA clearly links the priorities to the local outcomes through short, medium and long-term actions. The comhairle has a key role in taking forward partnership outcomes and it aligns its strategic objectives with the partnership local outcomes (Exhibit 2). It will be revising its corporate strategy within the next twelve months and this will provide an opportunity to further reinforce the linkages between its objectives and the local outcomes.

Exhibit 2

Comhairle strategic objectives and partnership outcomes

CNES strategic objectives

- Growing prosperity in a growing economy
- Quality education in quality buildings
- Strengthening connections, strengthening communities
- Strong communities, strong roots, strong culture
- Green council, green islands

OHCPP local outcomes

- The populations of the Outer Hebrides are stable with a better balance of age, gender and socio-economic groups
- The economy of the Outer Hebrides and the economies within the Outer Hebrides are thriving
- The people of the Outer Hebrides are well educated, well trained and well skilled
- The physical and mental health and wellbeing of the people throughout the Outer Hebrides is improved
- The communities of the Outer Hebrides are stronger and more able to identify, articulate and take action and responsibility regarding their needs and aspirations
- The people of the Outer Hebrides derive maximum benefit from the natural and cultural resources of the area, while at the same time safeguarding these resources to benefit future generations
- The services of the Outer Hebrides are of high quality, continuously improving and reflective of local needs

Source: Audit Scotland

40. The OHCPP has a clear structure which includes representatives from 13 agencies (Exhibit 3). The partnership is supported by an executive group and five thematic outcome groups (Economy; Well educated, well trained and well skilled; Health and wellbeing; Communities; and Natural and cultural resources). The executive group is

made up of the chairs of each of the outcome groups as well as the chair of the OHCPP. It meets on a monthly basis to exchange information and to take forward strategic issues which it is tasked by the partnership. A Community Planning Information Group (CPIG) and Diversity and Equality Steering Group (DESG)

provide support to all outcome groups (Exhibit 4, overleaf). Partnership groups support the outcome groups by focusing on specific priorities. Some partnership groups work specifically to take forward the work of the OHCPP, eg employability partnership, others have been set up by the comhairle to take forward its own strategic objectives but link directly to the work of the outcome groups, eg older people's partnership. These groups comprise officers from across all relevant partner agencies.

41. The comhairle has overall responsibility for initiating, maintaining and facilitating community planning with statutory partners having a responsibility for participating and engaging in the process. The OHCPP demonstrates a clear understanding of these responsibilities and recognises the expertise individual partners can bring by appointing outcome group chairs from the most appropriate partner body. The majority of the outcome groups are chaired by senior representatives from outwith the comhairle. Relationships within the partnership and outcome groups have improved since the first audit report on Best Value and Community Planning published in 2006.

42. The partnership has been developing its arrangements over the last year. In July 2010, the comhairle appointed a partnerships coordinator to revitalise the outcome groups and clarify partnership working arrangements. In June 2011, the roles and reporting arrangements of the outcome groups were approved by the partnership. However, the groups continue to have no terms of reference. While it is too early to assess the impact of the new arrangements, the partnership needs to monitor its effectiveness.

43. To be successful, an effective partnership requires direction and leadership from partnership senior officers and elected members. The OHCPP is effective in setting the strategic direction of the partnership.

Exhibit 3

Community planning partnership agencies

- Co-cheangal Innse Gall (third sector representatives)
- Comhairle nan Eilean Siar
- Community council representatives
- Community landowners' representatives
- Hebridean Housing Partnership
- Highlands & Islands Enterprise
- Lews Castle College
- NHS Western Isles
- Northern Constabulary
- Scottish Natural Heritage
- Skills Development Scotland
- Youth representative
- Highlands & Islands Fire & Rescue Service

Source: Comhairle nan Eilean Siar

While the executive group considers overarching issues such as community engagement and receives updates on the work of the outcome groups, it could provide more effective direction for the outcome groups. The roles and reporting arrangements approved by the partnership in June 2011 only cover the remit of the outcome groups but could be extended to cover the role of the executive group in overseeing the work of the outcome groups.

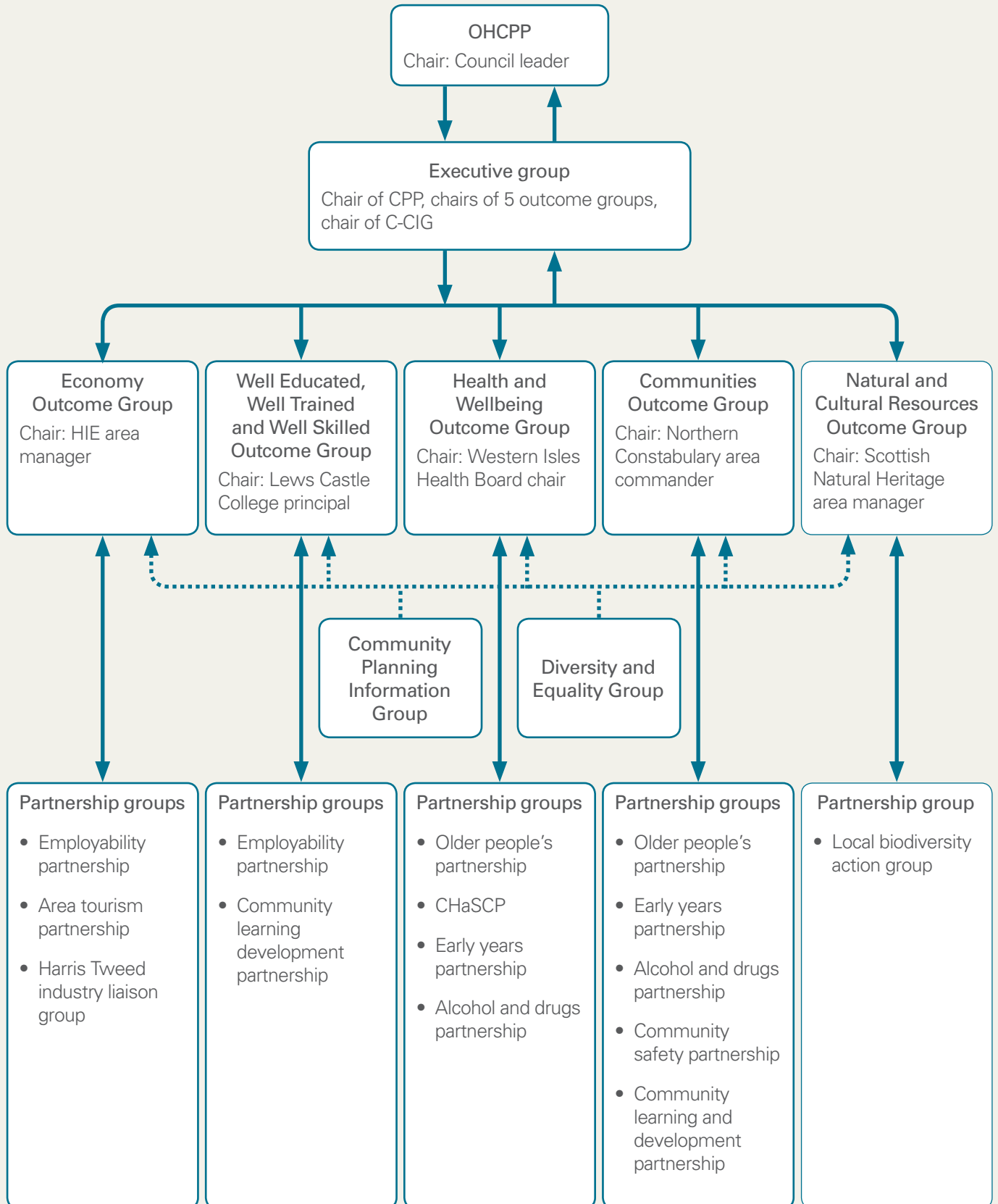
44. The comhairle is represented on the OHCPP by six elected members including the leader who is the chair. He also sits on the executive group along with one other member. They contribute effectively to setting the strategic direction of the partnership. The economic outcome group is the only outcome group with elected member representation. Elected members are not represented on all partnership groups. Elected members know their communities and have

a good understanding of the issues affecting them. Elected members could therefore contribute to discussions as well as monitoring the progress towards achieving outcomes by participating in the outcome and partnership groups.

45. The partnership engages well with communities. The partnership held workshops in 2009 and 2011 to help it refine its SOA priorities. It undertook 13 community engagement events along with an online survey to find out how communities want the priority areas delivered. Through this work the partnership has recognised that it needs to raise awareness of what community planning is and what it means for the public. It has drafted a short leaflet to inform communities what action it will take in response to the community engagement events and how it will engage with them in future. However, it only recently (May 2011) adopted the 2005 national community engagement standards.

Exhibit 4

Community planning partnership structure



Does the comhairle have the support of its partners to deliver improvements?

46. Overall, relationships within the partnership are good. Partners openly discuss issues that may have been difficult before the partnership was established, such as planning for wind farms and subsidies for local businesses. The third sector has become increasingly involved with partner agencies and works with the comhairle to assess and plan services.

47. There have been long-standing tensions in the relationships between the comhairle and NHS Western Isles which have partly been due to differing corporate priorities and governance and accountability arrangements. Officers are now developing a better understanding of their respective roles and responsibilities and are working jointly to ensure that this has a positive impact on services for their communities. The Western Isles face significant challenges in the future, with an increasing elderly population along with fuel poverty and alcohol-related issues. Its relationship with NHS Western Isles is vitally important in its ability to develop and build on partnership working.

48. The comhairle and NHS Western Isles work jointly through the Community Health and Social Care Partnership (CHaSCP), a joint services committee and a joint liaison and planning group. The Audit Scotland report *Review of Community Health Partnerships* published on 2 June 2011 found that NHS Western Isles, the CHaSCP and the comhairle were unable to identify a clear role for the CHaSCP to facilitate better joined-up health and social care services. The role of the CHaSCP committee and other partnership groups has become increasingly blurred. Although the CHaSCP is intended to be an integrated structure, NHS Western Isles and the comhairle have their own separate managers and health and social care services are managed

separately. The CHaSCP intends to review its partnership arrangements.

49. There is good partnership working at operational level. Officers and partners speak positively about the working relationships that have been developed. They can provide several examples of joint working including:

- Health promotion programmes involving young mums and active schools.
- High Fires project focused on youths at risk of becoming disengaged involving the comhairle's community education department, Highlands & Islands Fire & Rescue Service and Northern Constabulary.
- The comhairle and Highlands & Islands Enterprise working together on the creative industries and media centre. This avoided duplication of effort and resources and has led to development of a joint strategy.
- The GP exercise referral scheme had 324 referrals between 2005 and March 2010. The majority (90 per cent) of those referred completed the programme. The scheme has an annual target of 120 but this figure is dependent on GP referrals.
- The older people's partnership was first established in 2002 and now reports to the health and wellbeing and communities outcome groups. The partnership is moving towards an integrated planning process for older people's services. This is a recent development and it is too early to assess the impact of this work.
- The comhairle and Northern Constabulary work together through the Alcohol and Drugs Partnership reporting to the health and wellbeing and communities outcome groups. The constabulary's local authority

liaison officer is co-located within the comhairle's offices within the antisocial behaviour office. This has made working together easier.

50. The comhairle has developed a proposal, along with Orkney and Shetland Islands Councils, to create a single public authority for the Western Isles. This was shared with partners through the OHCPP. However, NHS Western Isles is unable to commit to any particular authority model at the present time. Nevertheless, the comhairle and NHS Western Isles are committed to integrating service delivery and funding has been secured to facilitate this. Opportunities for shared service include estates management services and printing facilities. However, progress has been slow and it is uncertain if this and the other projects will proceed to implementation.

51. The comhairle raised the issue of a single public authority with the Christie Commission. The Christie Commission report stated that this was an interesting and positive idea, which could provide a valuable opportunity to explore and possibly pilot alternative models for the governance and organisation of public services.

52. The comhairle and its partners in the OHCPP are developing the foundations which will help them work towards the aspiration of initiating a single public authority. There is still some work to be done to demonstrate an effective Community Planning Partnership and this should be the focus for the partnership over the short to medium term.

Part 5. What has the comhairle and its partners achieved?



Most comhairle services are performing well including education, social care and community learning. However, performance in the partnership outcomes of 'growing and sustaining the economy' and on 'preserving and maximising the natural environment' is mixed.

The partnership does not have a performance management framework, and is therefore unable to demonstrate progress against outcomes. The comhairle has limited evidence to enable it to demonstrate value for money of its services or customer satisfaction.

What progress has been made in addressing the challenges for the Islands?

53. The partnership is unable to effectively demonstrate progress against outcomes due to underdeveloped performance management arrangements. Progress update reports from the outcome groups were reported to the partnership executive group in August 2010. These were brief, identifying that the groups were focusing on discussing and agreeing arrangements and the gathering of data rather than monitoring and reporting progress against outcomes.

54. The focus of the partnership over the last six to nine months has been in bringing together an SOA which identifies measures and targets to track progress and demonstrate the impact of partnership working. The last report on partnership outcomes was the 2009/10 SOA annual report submitted to the Scottish Government in October 2010. Compilation of the report was undertaken as a one-off exercise as there are no underlying systems in place for producing and collating the data for ongoing monitoring and reporting. A few indicators in the report have no baseline targets, end targets are not specific in several cases, eg 'increase' or 'decrease'

and the lack of data over a number of years makes it difficult to assess the direction of travel.

55. The partnership has recognised the need for regular reporting and is putting some changes in place. In June 2011, the partnership approved arrangements for outcome groups to report to the OHCPP executive group on progress every six months. Reports will include achievements, challenges and recommendations for any review required of outcomes and indicators. This will also inform reporting to the Scottish Government on the outcomes of the SOA.

56. Partnership outcome groups should be regularly assessing their progress and direction of travel towards achieving their outcomes. There should be a systematic process in place for collating data to enable them to do this. Indicators should have baselines and targets and trend data over a number of years as this will enable them to measure the impact and assess the direction of travel. The partnership needs to develop a performance management framework to enable it to demonstrate that the partnership is adding value, to provide a clear and comprehensive account of progress against outcomes and to assure themselves that performance is moving in the right direction.

57. Given the absence of robust, quality information and in order to assess the progress made by the comhairle and its partners against outcomes, we collated data available from the SOA report and updated it by using data from the comhairle's electronic performance management system and independently sourced data. We have used data that is available over a number of years to help assess the direction of travel. The focus of our activity was on the outcomes for the economy, natural and cultural resources and aspects of education as these were identified through earlier work as areas which had little or no information on progress.

The economy

58. The comhairle and its partners share a vision for a thriving economy for the Outer Hebrides – 'The economy of the Outer Hebrides and the economies within the Outer Hebrides are thriving'. The OHCPP economic local outcome group has a key role in delivering this vision. The group is chaired by a representative from Highlands & Islands Enterprise and includes representation from Skills Development Scotland, NHS Western Isles, Lews Castle College, Third Sector Interface and Jobcentre Plus.

59. The partnership's only report on progress against its economic outcomes to date was through the SOA 2009/10 annual report. The partnership assessed its progress as mixed. It identified that progress had been made in social enterprise and that there had been an increase in the number of visitors to the islands but that there was slow progress in developing the renewable energy sector and improving Gross Value Added or GVA (a measure in economics of the value of goods and services produced in the area). The report highlighted:

- there were 25 social enterprise start-ups compared to a target of five
- the production of Harris Tweed has increased beyond the target
- GVA per head has increased and is moving towards target
- there has been good progress on providing courses that are relevant to gaps in the workforce in the local area and developing new areas of research and providing training for young people in 2009/10:
 - Lews Castle College introduced four new courses
 - those having successfully qualified or gone on to employment following skill seekers/modern

apprenticeships and training for work have increased over a four-year period (80 per cent to 82.7 per cent for skill seekers/modern apprenticeships and 37 per cent to 69.2 per cent for training for work)

- the measure of the annual value of the tourism sector through ferry and aircraft passengers indicates an increase in the value of tourism for ferry passengers but a fall for aircraft passengers
- the number of renewable energy business start-ups has been slow and is well below target. However, there has been progress towards the target for the operation and production of renewable energy.

60. Our assessment of progress against the partnership's economic outcome reflects the partnership's assessment of mixed performance. Unemployment in the Western Isles at July 2011 was 6.7 per cent and has been rising since 2009 (5.9 per cent in 2010). This follows the current Scottish trend of rising unemployment, but remains below the Scottish average of 7.6 per cent. However, the average gross weekly earnings of full-time employees fell to £460.10 in 2010 from £493.20 in 2009, and is below the Scottish average of £486.90. This decline is in contrast to the year-on-year increases between 2006 and 2009.

61. A dwindling labour market presents a significant challenge for the comhairle and its partners when they are promoting the islands to investors and employers. Without economic investment, they face further challenges in encouraging young people and families to move to and stay on the islands. The public sector is by far the biggest employer across the islands and without a richer mix within the employment market,

given the current financial climate, this presents further risks for the comhairle and its partners.

62. The comhairle has the second highest rate in Scotland for school leavers going on to positive destinations, including continued education, training and employment. The development of the University of the Highlands and Islands, with a campus based in Stornoway, has helped to provide some opportunities for continuing education without young people having to leave the islands.

63. The comhairle's corporate strategy recognises the role its services have in supporting and sustaining economic development across the Western Isles. Achievements include:

- introduction of the Outer Hebrides business support programme
- development of a creative industries and media centre
- introduction of the Harris Tweed investment fund
- support towards activities of the Hebrides Range Taskforce.

64. Non-householder planning applications give an indication of the growth of industry in the area and processing applications efficiently and effectively helps to sustain economic growth. Almost 80 per cent of the planning applications dealt with by the comhairle relate to businesses. This is a much higher proportion than for most councils in Scotland. The number of applications has decreased by 14.3 per cent over the three years from 2007/08 to 2009/10 but the rate of decline has been slower than nationally and for most of the comhairle's comparator authorities.¹ Most recent data indicates that the comhairle's performance is now showing an improving trend. This compares to a more modest increase nationally.

65. Processing times for responding to building warrant applications, issuing building warrants and submitting certificates of completion have all been below target. This has partly been due to the additional work this service has been undertaking as a result of the Western Isles Schools Project (WISP). Despite the dip in performance, customer satisfaction with the building standards service has remained positive, with 82 per cent of customers being very satisfied.

66. In April 2009, the comhairle and Highlands & Islands Enterprise established a business gateway. In 2010, the business gateway secured £840,000 of funding to support business start-ups and growth in the Western Isles over three years. This has contributed to the increase in the number of business start-ups. In 2010/11, there were 38 business start-ups, against a target of 20.

67. The comhairle's economic and community development service reported positive results to the end of 2010/11 for support for social enterprise and community projects. There were 36 community projects supported (target 24) and 18 social enterprises (target eight). The comhairle is also creating and administering a Community Renewables support fund to enable the installation of renewable energies in communities.

68. Maintaining a good transport infrastructure system is key to developing the economy across the islands. The comhairle has the second highest percentage of road network which should be considered for maintenance when compared to other councils. Many of the islands' roads are single track and plans to double track the spinal route were delayed in 2009/10 due to a delay in securing funding from the European Regional Development Fund (ERDF).

1 Comparator authorities are selected based on their demographic and social features. For the comhairle the comparator authorities are Angus, Highland, Moray, Orkney Islands and Scottish Borders.

The comhairle has now obtained ERDF funding and is progressing a number of road network schemes. The comhairle submitted a response to the Scottish Government's review of Scottish ferry services and has taken part in a number of consultation meetings. This review will result in a long-term national plan for ferry services. Development of the comhairle's local transport strategy has been delayed to take into account the outcome of this review and its own budget considerations.

69. The Western Isles has a high level of homelessness and a limited housing supply. This has a significant impact on the economy of the islands as people seek to relocate to the islands for work and young people look to secure homes. A target of building 40 new affordable houses per annum in 2010 and 2011 was agreed with the Hebridean Housing Partnership. This target is being met but further progress is required to meet demand for affordable housing. The comhairle is making good progress towards achieving the government's target for the abolition of priority need by 2012. Recent data shows that only 12 per cent of applicants were non-priority, a drop of ten per cent from 2008. The comhairle can also demonstrate that it performs well in assessing homelessness cases compared with comparator authorities. In 2009/10, the comhairle outperformed most of its comparator authorities for the percentage of decision notifications issued within 28 days, the percentage of people housed into permanent accommodation and the percentage of reassessments required. The most recent SPI data indicates that these trends have continued for most of these indicators, with the exception of reassessments for temporary accommodation cases and the percentage of permanent housing cases where people are housed into permanent accommodation.

Natural and cultural resources

70. The comhairle and its partners share a vision to preserve and maximise the natural environment of the Outer Hebrides 'for the people of the Outer Hebrides to derive the maximum benefit from the natural and cultural resources of the area, while at the same time safeguarding those resources to benefit future generations'. The OHCPP cultural and natural resources local outcome group leads on this priority. The group is chaired by a representative from Scottish Natural Heritage (SNH) and includes members from the Scottish Environment Protection Agency and the third sector.

71. The 2009/10 SOA annual report highlights mixed progress in relation to this outcome area. There has been some progress against priority targets on recycling and waste reduction but other priority targets such as improving access to art and music courses and reducing the public sector carbon footprint has been slower. Indicators for 2009/10 show:

- there had been some progress in increasing recycling and reducing waste to landfill
- there had been some progress in increasing the number of post-school courses for art but a full range of courses is yet to be provided
- there had been no reduction of public sector carbon footprints.

72. The comhairle has made some progress in increasing recycling and reducing waste to landfill despite all waste being classed as municipal. However, it has one of the lowest recycling rates in Scotland and the highest cost of disposal of waste per household.

73. There are logistical challenges due to the comhairle's remote location and other specific local circumstances such as the absence of any meaningful private sector partner, a limited local market for recycled materials and a prohibitively high cost of transporting recyclates to the mainland. However, this will not absolve the comhairle of their requirements and targets under Scotland's Zero Waste Plan.

74. The comhairle does not have a long-term strategy for waste management. Waste is currently recycled using an anaerobic digester. This was constructed a few years ago and was largely funded by investment from the Scottish Government. The comhairle has expressed a desire to create energy from waste; however, this would involve thermal treatment of a greater volume of waste than that currently allowed by the Scottish Government.

75. The comhairle and its partners have made limited progress to date overall in reducing the carbon footprint of their organisations. The comhairle developed a joint carbon management plan with NHS Western Isles during 2007/08 and published it in April 2009. The current aim is to reduce carbon emissions by 25 per cent by 2015; however the organisations have been unable to demonstrate any reduction to date.

76. Community education services has received positive feedback from external inspections and has exceeded its target for those who have taken part in courses having achieved at least one of their learning outcomes. The comhairle has also exceeded its target for participants in the 'get ready for work scheme' achieving positive outcomes. Additionally, external inspections have commented positively on the comhairle's work with a range of partners to promote Gaelic-related

learning opportunities. The comhairle has not, however, achieved its targets for 2010/11 for the provision of community-based adult learning opportunities or for the number of adults accessing literacy and numeracy courses.

77. Other comhairle services support the work towards developing the cultural resources of the Western Isles including libraries, museums and leisure. Library usage figures are good, significantly above the Scotland-wide figure and in line with or above the performance of the comhairle's comparator authorities. However, usage figures have been declining over the last few years. As part of its budget considerations, the comhairle is reviewing a range of options for the continuing provision of library services. These options have been informed by customer feedback as well as usage figures and include looking at opening hours and staffing structures.

78. The comhairle has had difficulties in past years in collecting reliable information about its museum usage figures, which has resulted in it not being able to meet the reporting requirements for the relevant SPI. It has now reviewed its approach to collecting this information and its return for 2010/11 has been accepted as reliable. Based on this return, museum usage levels in the Western Isles compare favourably to the comhairle's comparator authorities. The comhairle has been working with Museums Galleries Scotland and the Museums Association to improve its collection management systems and its approach to accessing current collections information. Museum nan Eilean, in Stornoway, hosted the Lewis Chessmen exhibition in April to September 2011. This was the flagship event for the 'Year of Islands Culture' festival.

79. Attendance at leisure facilities and swimming pools has been increasing and are in line with or above most of the comhairle's comparator authorities. The comhairle has been upgrading sport facilities and is working with SportsScotland to progress further projects. The comhairle introduced an affordable access to leisure scheme, Slàinte Mhath, in January 2010. There has been a very positive uptake of this scheme, with membership levels exceeding the comhairle's targets ([Exhibit 5](#)). The comhairle is looking at options for the ongoing delivery of leisure services as part of its budget considerations.

Education

80. The comhairle and its partners share a clear vision for a well-educated, trained and skilled workforce where young people are successful learners and children have the best start in life. The OHCPP education, training and skills outcome group leads on this outcome. The group is chaired by the principal of Lews Castle College and membership also includes Skills Development Scotland, the third sector and the comhairle.

Exhibit 5 Slàinte Mhath scheme

Slàinte Mhath, which means good health in Gaelic, is a reduced price access scheme for the comhairle's sport facilities. Launched in January 2010, the scheme gives members access to all sports facilities, including pools and classes, across the islands. The comhairle had identified that sports participation levels were decreasing and that some health indicators, notably heart disease and obesity levels, were highlighting challenges for achieving positive health outcomes. The scheme was launched with the aim of increasing participation in physical activities and supporting long-term health improvements.

Memberships are available in two main categories: families at £20 per month and individuals at £15 per month. There are also a number of concession rates available, including for those in full-time education and those receiving benefits.

By the end of March 2011 the scheme membership was 2,387, which equates to around 5,000 individuals. This is almost 20 per cent of the islands' population and exceeds the comhairle's expectation on membership take-up.

The comhairle is currently progressing a number of facility upgrades with the aim of refreshing some of the older sports facilities and strengthening the appeal of the Slàinte Mhath scheme.

The financial viability of the scheme and current membership pricing structure is based on generating a target level of income from each sports facility. Target income levels were exceeded in the infancy of the scheme and the membership pricing structure for 2011/12 has been maintained. The comhairle recognises that a number of issues may impact on membership over the next year including the reduction in public sector spending, opening hours of facilities and VAT increases. Target income levels may need to increase in future either through increasing membership numbers or membership prices.

81. The 2009/10 SOA reports a positive direction of travel and good progress towards this outcome. There has been good progress on providing courses that are relevant to gaps in the workforce in the local area and developing new areas of research, as well as providing training for young people, though more progress is required on reaching targets in numeracy and literacy programmes.

82. Educational attainment is strong and the comhairle's education service performs well. The comhairle has a higher rate of pupils staying on to fifth and sixth years of school education and high levels of pupils entering positive destinations, including further education, training and employment, compared to both the Scottish average and comparator authorities.

83. There also continues to be a strong commitment to early years provision, with positive inspection results received for early years establishments. Senior staff and the Early Years Link Officer Team work well with the Childcare Partnership to deliver pre-school learning experiences across the islands.

84. In May 2010, the comhairle published proposal papers in relation to the closure or change to education provision in 11 schools. The comhairle carried out a period of consultation and made a decision in November 2010 to close eight primary schools and discontinue S1/S2 education in a further three schools. The Scottish Government called in the decisions relating to the closure of two primary schools and the discontinuation of S1/S2 education in two schools. The Scottish Government refused consent for these decisions to go ahead in January 2011. The comhairle is in the process of taking forward a judicial review into this decision. The Scottish Government has since called for a year-long moratorium on the closure of rural schools.

How are comhairle services performing?

85. Most of the comhairle's services are performing well and external scrutiny inspections in education and social work have reported positively about services. The comhairle is aware that it needs to improve services in waste management and fostering and adoption and is now making progress in its building maintenance commercial operation.

86. The community care and criminal justice service has undergone a number of service changes. It has completed a move to purchaser-provider arrangements within the assessment and care management and homecare functions and has introduced care coordinator roles within the homecare function from within existing staff resources. This is aimed at providing a more coordinated approach to homecare delivery, including the management and supervision of contracted homecare worker arrangements. The comhairle provides a significantly higher number of hours of homecare per 1,000 population over 65 years of age than its comparator authorities. Of all council areas in Scotland, the Western Isles has the highest percentage of older people receiving free personal care at home.

87. The Care Inspectorate carried out a follow-up social work visit in February 2011. The visit found that progress was being maintained in many areas identified in the previous inspection in 2010, notably around the production and implementation of adult protection procedures; the development of a specific performance monitoring and management framework; and a programme of training for staff.

88. Key performance indicators highlight that the comhairle is achieving its targets for implementing community behaviour orders and offender support plans and is also meeting its target for the submission of social enquiry reports.

89. Inspection work by the Care Commission found significant improvements in the fostering and adoption service, following areas of concern being raised through previous inspection activity. There have also been positive inspection findings in relation to child protection services and the comhairle approved an integrated children's service plan in June 2010.

Customer satisfaction

90. The comhairle captures its community's views on priorities and outcomes through public meetings but it has not carried out any recent work to assess user satisfaction. The comhairle is now piloting the customer satisfaction measurement tool developed by the Improvement Service. Some services can demonstrate good approaches to surveying their customers to build up a picture of satisfaction and areas for improvement, for example in the community care and criminal justice team. The comhairle could do more to share this good practice and learn from the activity within services to inform a more corporate approach.

91. While user satisfaction has historically been good this information is now significantly out of date and needs to be revised. A community appraisal survey was undertaken in 2007 covering satisfaction and accessibility to not only comhairle services but police, health and other community services. The 2007 community survey found least satisfaction with road repairs (34 per cent) but most satisfaction with primary (91 per cent) and secondary (88 per cent) education. The community were generally satisfied with social and leisure facilities (74 per cent) and comhairle services (66 per cent). The 2010 Scottish Household Survey (SHS) reflects this satisfaction with positive responses for the comhairle compared to the Scottish average and comparator authorities. While the comhairle has close links to its community and is made aware of issues through its elected members, there is a need for regular feedback

on services to enable the comhairle to gain assurance on the quality of its services and assist them in evaluating value for money.

Value for money

92. The comhairle is broadly aware of how its services are performing but it has limited evidence to enable it to demonstrate that they are delivering value for money. The comhairle considers value for money when carrying out its best value service reviews (see paragraph 137) and when renewing contracts and initiating projects. However, the comhairle does not have systematic processes and procedures in place to enable it to assess value for money on an ongoing basis by considering the cost versus quality and efficiency of its services. Although it seems reasonable to assume that the 'islands factor' will have an influence on the cost of service delivery the comhairle is not able to assess how much of an impact this has, or whether this masks other cost factors. The absence of local competition and markets may also lead to the comhairle paying more for some services and this will be a consideration in its assessment of value for money.

93. The technical services department is responsible for the comhairle's commercial operations (trading operations). These are operated under the Local Government Scotland Act 2003 and are required to break even over a three-year rolling period. Most commercial operations have achieved break-even over recent years apart from the bus operation and building maintenance. The bus operation incurred losses for a few years but retendering has addressed this and the service has returned a small surplus in each of the last two financial years.

94. Building maintenance has incurred losses over the last four years. The loss for 2010/11 was £446,000; however, this included exceptional costs of £279,000 in respect of redundancy costs and the write-off of obsolete stock. Other steps taken to contain costs included integrating the service within trading services to better manage peaks and troughs in workload and to centralise the management of repairs. Overall, restructuring and resizing the operation has reduced management costs by 86 per cent and staff costs by 39 per cent. The full effect of these actions is expected to materialise in 2011/12. The comhairle recognises that further reductions in overheads are necessary to ensure the service remains viable.

95. The comhairle has had significant overspends in its winter maintenance budget in the last two financial years due to harsh winters. The overspend in 2010/11 was £618,000, resulting in winter maintenance expenditure of £2.327 million. These overspends have highlighted the high cost contracts that the comhairle is currently locked into and contracts are currently being renegotiated.

Part 6. Is the comhairle managing and using its resources effectively?



The comhairle manages its finances prudently but faces significant financial pressures over the next few years due to changing demographics and funding uncertainty. It needs a longer-term strategic financial plan to support the difficult decisions it faces due to these pressures.

There has been steady progress in workforce management and planning. However, progress has been slower on procurement and risk management. While overall progress on asset management has also been slow, the comhairle has made significant progress on its school estates.

The comhairle has made steady progress in promoting equalities and sustainability.

Financial planning

96. All councils face a difficult financial outlook, with the need to provide and maintain quality services while achieving an unprecedented level of savings and efficiencies.

97. The comhairle has managed its finances prudently over the short term and has retained uncommitted reserves over recent years at, or around, the planned £3 million mark. The comhairle recognised the financial challenges when agreeing its budget strategy for 2011–14. The strategy comprised five strands of work to identify savings, including the HR strategy. The comhairle considered various budget options and identified the budget reduction of £5.3 million required to break even in 2011/12. The process to identify savings demonstrated good working relationships between officers and members, including seminars to keep members informed of the process, costed options, and the importance of the decisions they were required to make. The public have and continue to be consulted on

the various proposals to achieve the service reductions. This process was thorough and effective.

98. The comhairle has brought forward the budget-setting timetable to allow more time for discussion of priorities and service choices. Good progress has been made in recent years to ensure that budgets link to service plan objectives. Business plans and budgets are prepared in parallel with each other, with each director committing to fulfilling all of their statutory duties plus the outcomes and objectives in their service plan within the budget allocated to them.

99. The comhairle estimates that savings of over £24 million will be required over the four-year period from 2011/12 to 2014/15 to meet funding reductions. The process for determining options for savings has been carried into the budget strategy for 2012–15. The comhairle's agreed strategy is to plan for a five per cent year-on-year funding gap. Based on the initial £118.4 million budget this would amount to £5.9 million for 2012/13. The comhairle's policy choices in setting the 2012/13 budget will be more difficult than those addressed in setting the 2011/12 budget. These choices are likely to include changes to service delivery and service provision over and above an ongoing programme of two per cent efficiencies, with possible effects on comhairle structures and employee costs.

100. The comhairle recognises the demographic impact that an increasing proportion of older people, combined with a reduction in the population at schooling age will have on the islands and makes annual increments to the budget to reflect this. However, it does not have an over-arching financial strategy covering the longer term. This will make it difficult to assess the overall impact of reduced funding across the organisation in the future.

101. The comhairle continually meets its target to incorporate two per cent efficiency targets into its annual budgets. The comhairle recognises the current financial climate makes it imperative to continue to achieve efficiency savings of at least this scale and it is addressing this through the budget strategy 2012–15.

Workforce planning and management

102. There have been recent improvements to workforce management and planning and there has been steady progress. The comhairle approved an HR strategy in 2010 and proposes to reduce recruitment to a minimum, seek volunteers for redundancy in the first instance in all areas of service reduction and to develop efficiency savings in methods of working.

103. The comhairle sought voluntary severance in accordance with the HR strategy as part of the 2011/12 budget setting process. This resulted in savings in excess of £3.5 million over the next five years, following an initial cost of £1.564 million in 2010/11. The comhairle recognises that these savings will not be sufficient to meet the severe financial constraints for 2012–14.

104. Further volunteers for redundancy are currently being sought under the same terms as offered in 2010/11. However, the comhairle realised in its approved HR strategy that it may not be possible to reduce service areas selected through the service choice options for cuts without compulsory redundancy.

105. In 2011, the comhairle approved a policy on workforce planning which incorporates succession planning for business continuity purposes over a three to five year period. All departments will prepare a current workforce profile and identify future workforce and skill requirements.

The comhairle intends to use the information to help them identify and manage risks in relation to their capacity, ensure that critical skills are retained and that volunteers for redundancy and early retirement are assessed against set criteria. The comhairle successfully used a similar process in 2010 when downsizing the building maintenance service to meet a reduction in the work it carried out. However, during Audit Scotland's recent Housing Benefits risk assessment exercise, concerns were raised about the capacity and succession planning within the benefits service.

106. The comhairle last carried out a corporate staff survey in 2008. There are a number of examples of surveying sections of staff (for example in community care, criminal justice and homecare workers) but the comhairle could do more to collate and share the results from surveys and adopt a more corporate approach to obtaining regular staff feedback. Obtaining regular feedback from staff will help develop communication with staff generally and will assist the comhairle to respond to staff and use the information in planning improvement activity.

107. Sickness absence levels are high for teachers, 8.6 days lost per teacher in 2009/10 (compared to 7.5 for Scotland). For other staff 9.5 days were lost in 2009/10 (11.6 for Scotland). The most recent figures for 2010/11 show levels for teachers have remained the same but levels are deteriorating for other staff. The human resources subcommittee is responsible for monitoring sickness absence and receives regular reports.

108. The comhairle introduced a performance appraisal process in September 2009. In 2009/10, only 43 per cent of the performance appraisals were completed. The comhairle set a target for 2010/11 of 95 per cent but the actual rate

was 72 per cent. Although this represents a significant improvement, the completion of appraisals is still below target and the completion rates in homecare and housing support and roads and transport require particular attention.

Asset management

109. In the 2006 Best Value report the comhairle was at the early stages of developing a corporate approach to asset management. While progress on developing a corporate approach to asset management has been slow, the comhairle has been successfully managing its school buildings and is seeking to address recurring slippage in its capital programme.

110. The comhairle has taken some actions to improve asset management, in particular: centralising the responsibility for repairs; creating a properties database in respect of Disability Discrimination Act 1995 responsibilities; introducing a surplus asset disposal policy; agreeing an improvement plan which addresses the recommendations set out in Audit Scotland's national report on *Asset Management in Local Government*; and establishing an Asset Management Working Group.

111. The recent actions taken by the comhairle will improve its knowledge base of the assets it owns, uses, and maintains. The comhairle needs to develop a framework where property asset management is clearly linked to the corporate objectives and service needs and drives the capital programme. Currently, there is little evidence to demonstrate whether its action to date has reached this stage. It is also essential that, for all assets, there are detailed records regarding the condition, usage, purpose, annual running costs, required maintenance costs etc. to enable effective asset management. There is also limited evidence of working with partners to jointly rationalise assets.

112. The percentage of the comhairle's buildings that are accessible to disabled persons is one of the lowest in Scotland (34 per cent for 2009/10 compared to 60.5 per cent for Scotland) and this is the same for the percentage of its buildings that are in satisfactory condition (53.7 per cent for 2009/10 compared to 79.4 per cent for Scotland). While there have been improvements in both these indicators, the comhairle still has a significant way to go to be in line with their comparator authorities. Their performance on the percentage of their operational buildings which are suitable for their current use is slightly above the Scottish average (72.1 per cent for 2009/10 compared to 69.3 per cent for Scotland). The most recent information indicates no change in the position.

113. Schools and educational buildings comprise most of the comhairle's assets. The comhairle is managing these through its Western Isles Schools Project ([Exhibit 6, overleaf](#)) and through a rationalisation programme.

114. The comhairle has experienced recurring slippage in its capital programme although the scale has reduced in recent years. Reasons for this are varied and include lack of staffing resources, delays in obtaining financing where a project is to be jointly financed and the absence of available skilled craftsmen. This suggests that the programme may be overambitious or require stricter management. Members and senior managers are provided with regular progress reports regarding all projects in the five-year capital plan. The comhairle plans to carry out a best value review of capital projects in 2011/12 but the scope of this review has still to be agreed.

Exhibit 6

New schools building project

Construction work on the comhairle's Western Isles Schools Project (WISP) got under way in 2010. The comhairle secured funding to build six new primary and secondary schools covering 40 per cent of the school population on the Western Isles. The overall construction cost is forecast at £74 million with schools being completed by August 2012. The comhairle is also committed to lifecycle maintenance costs of these schools for the subsequent 30 years. Expenditure to 31 March 2011 was £22.2 million and the project is currently running on time and within budget.

The comhairle proposed in 2010 to close or amend education provision in 11 schools. It is currently seeking a judicial review following the Scottish Government's decision to refuse consent to closing two schools and stopping S1/S2 provision in a further two. The comhairle will need to make annual savings of around £900,000 from 2012/13 if education provision continues in the four schools. The comhairle has started to consider how this will be achieved should the situation arise.

Source: Audit Scotland

Risk management

115. The comhairle has been slow at bringing risk registers up to date and developing their approach to risk management. However, risk management is beginning to improve. The strategic risk register and department operational risk registers have recently been updated and presented in a more consistent format. These have been incorporated into service business plan objectives and the performance management system – Interplan – as a means of more actively managing risks. Quarterly progress reports will be made to future meetings of the CMT and to the Audit and Scrutiny Committee.

116. The Strategic Risk Management Group (SRMG), which oversees risk management activity, was established in July 2008 and is chaired by the director of finance and corporate resources and includes representatives from all departments. This group met three or four times a year but now meets every two months and is influencing improvements in risk management. The SRMG has helped to establish an

action plan of risk management goals for the short, medium and long term. It is important that the action plan is monitored and that services are held to account for any slippage, inactivity, or failure to demonstrate how they are managing risks.

Procurement

117. The comhairle has failed to achieve conformance status against the Scottish Government's annual procurement capability assessment (PCA). In 2009, the Scottish Government promoted the use of an annual PCA to review performance in all public sector bodies and as a basis for the sharing of best practice and continuous improvement. Councils need to achieve 25 per cent or more to achieve conformance status. The comhairle was assessed in 2009 and 2010 and over that period it improved its PCA score from 15 per cent to 21 per cent (the average score for local government in 2010 was 34 per cent). This still represents non-conformance and an area where improvements are required. The comhairle failed to achieve conformance status primarily because of the small size of the

procurement team, the procurement activity being undertaken by departments rather than centrally, and the limited development of the strategic procurement role.

118. In March 2011, the comhairle approved a PCA action plan with 32 actions to achieve conformance status. This was developed with the help of the Scotland Excel procurement improvement team. The comhairle recognises that a lot of work and support from departments will be required to deliver the improvements identified in the plan. Work is ongoing to implement the action plan. The comhairle intends to carry out a best value review of procurement/tender contracts in 2011/12.

119. In accordance with the PCA action plan, the procurement strategy has recently been updated. The revised procurement strategy includes key performance indicators which will be monitored through monitoring reports produced at least annually. It is important that this is implemented and that the timeframe is not extended.

Customer service

120. The comhairle customer service strategy and customer care standards were approved by the comhairle's Policy and Resources Committee in September 2008. The customer care strategy aims to improve customer service through easily accessible services and well-informed staff. The customer care standards are a set of measures to assess performance for contact with customers by letter, telephone or face to face.

121. The comhairle set up a customer services steering group following approval of the strategy and standards to prioritise and monitor the strategy. The steering group was revitalised in 2010 but there has been no reporting to date against customer service standards. This reporting is necessary to enable the comhairle to assess and publicise its performance to customers.

What progress has the comhairle made in promoting sustainability?

122. Sustainability is clearly reflected in the vision for the comhairle and its partners and social sustainability and economic vulnerability feature prominently in strategies and plans. The comhairle's corporate strategy reflects its priority for action as 'to demonstrate improved population retention and immigration' and partnership objectives refer to stabilising the population of the islands, a thriving economy, stronger communities and deriving maximum benefit from natural and cultural resources.

123. The comhairle's Sustainable Development Committee has a wide remit which includes community, economic and environmental issues. Members show a clear focus on social sustainability issues, reflecting the area's context. This encompasses aspects of economic sustainability, development, tourism, service sustainability and access demonstrating an overall approach to sustainability.

124. Sustainability is covered in more detail elsewhere in this report; environmental sustainability can be found in [Part 5](#) covering outcomes, and sustainability of communities can be found in [Part 7](#). The comhairle and its partners have made mixed progress towards outcomes relating to the environment and their natural and cultural resources. However, the comhairle displays strong community leadership and effective partnership working where the sustainability of local jobs and the economy are at risk.

What progress has the comhairle made in promoting equalities?

125. The comhairle is committed to addressing equalities matters and has considered the implications of the Equalities Act 2010. The single equality scheme for the comhairle sets out the core role of equality and

diversity within the work which the authority is both responsible for and is involved in. Everyone working for or with the comhairle has a responsibility with regard to promoting equality of opportunity and building positive relationships between different groups. Successful advancement of the equality agenda will depend on partnership working between the comhairle and the community.

126. The comhairle works jointly with its partners through the OHCPP to address equalities issues through the multi-agency Diversity and Equality Steering Group, but the group is not operating effectively. Although the group agreed to report to the OHCPP twice a year on equalities matters, it has not met since December 2010 and its action plan is out of date. Given the role the group is supposed to have, there is a risk that work becomes fragmented and that the group can not demonstrate better outcomes for their community.

127. The comhairle has been well prepared for changes arising from the 2010 Act. Its single equality scheme has been updated to reflect the Act and while existing guidance and templates on undertaking equality impact assessments already cover most of the additional equalities characteristics covered by the Act they will be updated. The comhairle has made good progress in embedding equalities matters in the creation of policies or changes to services and a review of all existing comhairle policies is ongoing to establish whether they require an equalities impact assessment.

128. Committee reports contain a section for outlining any assessed impact on equalities of the proposed policy or action. In addition, all best value reviews and annual budgets now include an equality impact assessment on the proposals or changes.

129. In February 2010, the comhairle carried out a review looking at the continuing need for local area coordinator services helping people with disabilities take part in the wider community. The comhairle carried out full consultation of users looking at the benefits of services, the national standards for local area coordination and this required a full equality impact assessment. The service has continued but there have been changes made to working arrangements. In its June 2010 newsletter the Learning Disability Alliance Scotland (LDAS) contained an article on the review. The LDAS highlighted the equality impact assessment as one that other councils could learn from.

Part 7. What are the comhairle's prospects for future improvement?



Political and community leadership in the comhairle is strong and governance and scrutiny arrangements are effective.

The comhairle does not have a systematic approach to continuous improvement and has made slow progress with embedding an effective performance management framework. The chief executive and the CMT need to direct activity more effectively in these areas. Elected members should be more involved in directing and challenging activity in these areas.

Is the comhairle aware of where it needs to make improvements and is it committed to change?

130. In its findings on the 2006 Best Value audit, the Accounts Commission commented that the comhairle was unable to demonstrate a commitment to continuous improvement which was built into its processes. Areas of concern included the absence of robust performance management arrangements and mixed service performance where information was available.

131. The comhairle has made progress on areas for improvement identified in the 2006 Best Value audit report with an increased pace of change over the last 18 months as individual members of staff have been given specific responsibility for projects. Progress on performance management, risk management and asset management has been slower than other areas. However, the comhairle has been focusing on key areas such as workforce planning, review of political and managerial structures and financial planning. The impact of this work has been:

- implementation of the first phase of an electronic performance management system linking business plans to activity and outcomes. Quarterly performance reports are produced for officers and members

- up-to-date corporate and departmental risk registers
- the centralisation of repairs and maintenance and a database of building suitability under the Disability Discrimination Act 1995
- approval of an HR strategy that takes into account financial constraints over the next few years; development of a performance appraisal system; and development of workforce planning
- stronger political leadership and more streamlined management structures
- more effective financial management and budget setting.

132. The need to increase the pace of change has been a recurring comment in previous annual audit reports. The pace of change has increased recently and the comhairle needs to support the progress made to date by embedding improvements and also sustaining the recent pace of improvement.

133. The comhairle has limited capacity and this makes it necessary in some cases for individuals to be given responsibility for driving forward improvements. This means that there are clear lines of accountability but there is also a risk that other priorities and day-to-day commitments restrict or slow the pace of development work. The comhairle should ensure that it strikes the right balance between individual responsibility and corporate ownership so that the pace of improvement work can be sustained.

134. An effective approach to continuous improvement activity comprises a culture of continuous improvement, ongoing self-assessment and performance monitoring and a coordinated improvement programme. A culture of continuous improvement will develop where there is openness

and transparency at all levels about what needs to improve and where continuous improvement activity is embedded throughout an organisation. An ongoing improvement programme or self-assessment process will continually challenge and improve performance. Elected members have a key role to play in scrutinising and challenging this activity.

135. The comhairle does not have a corporate self-assessment process to help it identify where improvement is most needed. Some departments carry out self-evaluation work, for example in areas of the education and children's services department. The chief executive and his management team rely heavily on scrutiny and challenge from external auditors and inspectors to focus their improvement agenda alongside their programme of best value reviews.

136. The comhairle's corporate improvement plan was initially developed in response to Audit Scotland's first Best Value audit. There are a number of outstanding items from the first audit included in the plan. These relate to performance management, public performance reporting, risk management and corporate asset management. Items relating to Investors in People (IiP) and workforce/succession planning have been added to the improvement plan and the comhairle adds issues raised by external scrutiny agencies as well as issues identified in the AIP arising from the SRA process. All of this means that the current improvement plan is reactive in nature and there is no clear process for the comhairle to identify items for the improvement plan, to prioritise them and gain assurance that it is focusing on the right things.

Best value reviews

137. The comhairle is embarking on its third year of a programme of best value service reviews ([Exhibit 7, overleaf](#)). The areas for review were selected by service directors, agreed with the CMT and approved by the Policy and

Exhibit 7

Best value service reviews

2009/10

- Integrated transport
- Civic catering
- School catering
- Building and cleaning service
- Street lighting
- Building maintenance

2010/11

- Mobile phones provision and procurement
- Waste management service
- Care at home and care homes (currently under way)

2011/12 proposed topics

- Corporate travel
- Capital projects
- Procurement contracts

Source: Comhairle nan Eilean Siar

Does the comhairle have the leadership capacity and capability to deliver the improvements that are needed locally?

140. The comhairle's political leadership is strong and elected members work effectively together. The decision in 2008 to create the post of leader distinct from the convenor post has provided clarity to the public and staff on these roles. The leader was personally involved in all community consultation events on difficult budget decisions and changes to school provision. He has been at the forefront in bringing together partners and the community to create the Hebrides Range Taskforce and the Outer Hebrides Coastguard Task Group.

141. The chairs of committees are experienced councillors and demonstrate effective leadership of meetings and of issues specific to their committees. Working relationships between members are good; members have a positive approach, are committed and work together in the interest of the whole Outer Hebrides. Relationships with comhairle staff and the CMT are good.

142. Elected members have only minimal engagement with improvement activity. The Policy and Resources Committee approves and monitors the programme of best value reviews and the Audit and Scrutiny Committee monitors the corporate improvement plan. The comhairle has effective scrutiny arrangements ([paragraph 149](#)) and the comhairle should make more use of these arrangements, involving elected members more directly in directing and challenging corporate improvement activity.

143. The current CMT has been in place since April 2010. The chief executive and his CMT have good relationships and recognise where improvement is needed. The chief executive's approach to taking decisions and directing action is a

Resources Committee. The reviews are carried out in accordance with clear guidance. On completion of each review an improvement plan is agreed within the appropriate service. The comhairle has recently completed an internal best value review of the waste management service. This was a wide-ranging review which highlighted the key issues that the comhairle faces in order to improve the waste management service and to help meet future targets. The comhairle is currently preparing an improvement plan in response to the review.

138. The comhairle recognises that its approach to best value service reviews has limitations. Not having a corporate self-assessment process means that improvement work is identified by individual service directors. This process is not sufficiently robust as it lacks a firm

evidence base for determining where improvement work is needed. There are also risks that improvement work is focused within individual departments and that corporate and cross-cutting areas are not covered and that improvement work is not sufficiently well prioritised and coordinated. Elected members are not involved in the process for evaluating and selecting areas for review; this is a missed opportunity as they can provide an independent perspective and scrutiny to the process.

139. The comhairle also acknowledges that there have been delays in producing action plans under the current arrangements. This has, in turn, contributed to the slow pace of change across services.

considered one. This approach brings benefits including the evaluation of all available options, ensuring the approach is right for the comhairle's communities and that the resources are available to take things forward. There is a risk however that decisions take longer to make and that the pace of change is slow. The current pace of change needs to increase and the chief executive and his management team need to assure themselves that the balance between the two is right.

144. The CMT should demonstrate strong leadership in managing performance and driving continuous improvement. However, CMT meetings, the forum for discussion of strategic issues, rarely focus on improvement activity and related performance issues. Regular discussion of these issues at these forums would help to develop the culture throughout the comhairle of performance management and continuous improvement. Minutes of meetings could be shared with staff who are then encouraged to discuss these issues in their own departments and across the comhairle with colleagues.

Community leadership

145. The comhairle displays strong community leadership. For example, the comhairle demonstrates strong leadership and effective partnership working where local jobs and the economy are perceived to be under threat.

146. The comhairle leader chairs the Hebrides Range Taskforce (the taskforce) which was successful in campaigning to reverse the June 2009 proposal to reduce activity at the Ministry of Defence (MoD) Hebrides range run by QinetiQ and to secure further apprenticeships (Exhibit 8). The taskforce went on to consult with the local community and produce an economic diversification strategy for Uist and Benbecula, recognising the reliance of the community and local economy on the Hebrides range and its activities. The strategy for 2010 to 2015 identifies

Exhibit 8

Hebrides Range Taskforce

The Hebrides range was established by the Ministry of Defence (MoD) in 1957, with facilities based on Benbecula, North Uist, South Uist and St Kilda. At this time it was home to a significant community of military personnel. In 1994, the military presence was reduced, the range was civilianised and its operational management was thereafter passed to the MoD's private sector partner QinetiQ. The range has remained one of the most significant employers in the Western Isles.

The Hebrides Range Taskforce (the taskforce) was established in June 2009 to campaign against government proposals at that time to reduce the MoD operations at the range. Along with the comhairle, the taskforce includes membership from community representatives, the MoD, the Chamber of Commerce, Trade Unions, the Western Isles MP and MSPs, Highlands & Islands Enterprise and Skills Development Scotland. It is chaired by the comhairle leader, Councillor Angus Campbell.

The taskforce created a defence case and a socio-economic case for the continuation of the range. They also worked together to look at opportunities for the enhancement of the range and for diversification of the local economy. They have developed an Uist and Benbecula Economic Diversification Strategy, focusing on population stability and promoting growth in key sectors including tourism, creative media, energy, life sciences, food and drink, and finance and business.

The original proposals for reducing the range were dismissed in September 2009 by the then UK Government. However, the taskforce continued to campaign for the future of the range, with renewed concerns arising from the change in UK Government and the resulting spending reviews.

Recent announcements made by the MoD have confirmed that the future of the range is safe for at least the next five years. The MoD have said they will be working with QinetiQ to look at investment in the range facilities and have said they are willing to work with the taskforce to look at additional uses for the range.

Source: Audit Scotland

a number of projects to diversify and sustain the local economy. The taskforce continues to monitor the strategy.

147. The comhairle also led on the Outer Hebrides Coastguard Task Group established to respond to the UK Government's proposals to modernise the coastguard service. Members of the taskforce include the comhairle, Stornoway Port Authority, Western Isles Fisherman's Association, coastguard representatives, local MP and MSPs.

148. The proposals included closing coastguard offices in Shetland and Stornoway and had implications for marine safety in and around the Outer Hebrides. The task group made a written response to the consultation and petition to the government. This included a full risk-assessment of the implications. The UK Government's Transport Committee considered the proposals and both the Stornoway and Shetland coastguard offices will remain open.

How effective are the comhairle's management arrangements?

Governance and scrutiny

149. The comhairle's governance and scrutiny arrangements are sound. The comhairle is an independent council with no administration group instead adopting an issue-by-issue consensus-based approach to decision-making. Governance arrangements are very inclusive and allow all elected members an opportunity to comment and scrutinise.

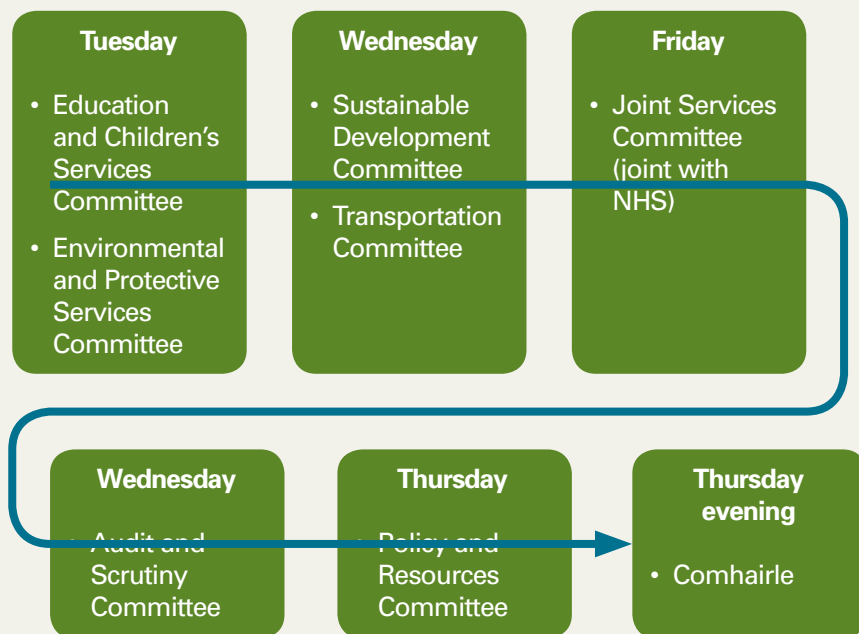
150. Committee cycles are organised over a fortnight (Exhibit 9) within a three-month period. This keeps issues fresh in members' minds in addition to easing travel arrangements for some comhairle members. Members may attend all committees and have the opportunity to comment or ask questions, but only appointed members to committees may vote on matters. Service committees are held in the first week with the Audit and Scrutiny and Policy and Resources Committees in the second week. The fortnightly committee cycle ends with the full comhairle. The comhairle considers decision papers from all committees in the cycle. This provides members with an additional opportunity for question or comment on matters. These arrangements are providing thorough and effective scrutiny of all proposals and decisions.

Performance management

151. The 2006 Best Value audit highlighted the lack of robust performance management arrangements. Since then the comhairle has made only slow progress in developing an effective performance management framework which includes developing a performance culture, having integrated and effective processes to measure performance and demonstrating action and improvements. While the comhairle has introduced an electronic performance management system it has some way to go in embedding a performance management framework. It needs to sustain the progress it has recently made in this area.

Exhibit 9

Council committee cycle



Source: Audit Scotland

152. An effective performance management culture exists in organisations where the use of performance management is one of the main means of identifying and achieving improvement, officers and members talk openly about improving performance and performance management is seen as part of the job. The comhairle's corporate improvement activity is not linked to its performance management system and agendas for CMTs do not routinely include items on corporate or departmental performance. The comhairle needs to develop an effective performance management culture as a matter of urgency.

153. The comhairle has recently introduced an electronic performance management system – Interplan. The targets and indicators used in the system are linked to service business plans and national outcomes. Links to SOA local outcomes and corporate priorities could be clearer and more explicit.

154. Elected members have an important role in ensuring a culture of performance management is instilled across the organisation by focusing on setting and monitoring performance effectively. Quarterly performance reports have been produced since late 2009 and are made available to elected members. Elected members find the reports, particularly the narrative, useful. Reports could, however, be more balanced in terms of highlighting areas for improvement as well as the positive messages. Performance reports are currently considered by the Policy and Resources and Audit and Scrutiny Committees but not subject to scrutiny by service committees. To date there is limited evidence to indicate that the comhairle is using the system to inform decision-making or identify areas where action is required.

Appendix 1.

Judgement descriptions

The Best Value audit provides two overall judgements on council performance. One assesses how well the council is performing and the other covers the council's prospects for improvement. The judgements are based on standard descriptors and the emboldened text indicates the audit assessment for Comhairle nan Eilean Siar.

Judgement descriptions – how good is my council’s overall performance?

How good is my council’s overall performance?	Unsatisfactory	Satisfactory	Good	Outstanding
Improving outcomes and addressing complex cross-cutting issues with partners	The council has a poor track record in delivering improved outcomes for the area with its partners, and addressing key cross-cutting issues such as community safety, health improvement, equalities, and sustainability.	Progress towards key strategic outcomes is mixed, with improved progress required in a number of important outcome areas. Systematic evidence of the impact of partnership working is not available.	Consistent progress is being made towards the majority of key strategic outcomes. However, some improvements are still required in a number of outcome areas and there is scope to further align partnership working with key strategic priorities.	The council is able to consistently demonstrate considerable success in delivering complex cross-cutting strategic local issues and improving outcomes with partners. Consistent progress is being made towards almost all key strategic outcomes. Limited improvements are required.
The quality of local service	The overall quality of council services is consistently below the national average. Many services, including one or more key services (education, social work, or housing) require significant or urgent improvement.	Overall service performance is mixed. While some services are performing well several services, or significant aspects of services, require important improvements to be achieved.	Many council services are performing consistently well and demonstrating continuous improvement. While some further improvements are required, all key services are performing well.	Most of the council services are recognised as performing at the highest level. All key services can demonstrate strong and consistent improvement.
The views of citizens and service users	Overall satisfaction with the council and its services is consistently below the national average. Overall satisfaction trends are static or falling. Arrangements for consulting with local people and users of services are patchy and underdeveloped and the council cannot demonstrate that consultation is influencing decision-making and service improvement.	Overall satisfaction with the council and its services is mixed, with a significant number of services, or important aspects of services, below the national average. Overall satisfaction trends are improving slowly. The council has introduced arrangements for consulting with local people and users of services but these are not applied consistently throughout the organisation. While there are some examples of this ‘making a difference’ within departments systematic evidence of impact is not yet available.	Overall satisfaction with the council and its services is generally above the national average, with overall satisfaction trends that are improving well. Arrangements for consulting with local people and users of services are well developed. There is good evidence that consultation and engagement is taken seriously across the organisation with good systematic evidence available on its impact.	Overall satisfaction with the council and its services is consistently above the national average for most aspects of performance, with overall satisfaction trends that are improving quickly. The council has comprehensive and well-coordinated arrangements for consulting with local people and users of services and is able to demonstrate that their views are influencing strategic priorities and shaping service improvements.
The council’s progress in delivering on its improvement agenda (including VFM)	There is limited evidence that the council knows where improvements are required and is able to secure improvement in service performance. It cannot demonstrate improvement in VFM.	While some services are improving the pace of change has been slow and the council has been unable to systematically transfer service improvements from one service to another and secure systematic improvements in VFM.	The council knows where improvements are required and can demonstrate a systematic and effective approach to securing improvements across all services (including VFM). Improvements are implemented quickly, and with little slippage.	The council is able to demonstrate that it is effectively managing performance improvements in line with its strategic priorities, across services, and in partnership with others, and it can demonstrate systematic and significant improvement in VFM.

Judgement descriptions – what are my council’s prospects for future improvement?

What are my council’s prospects for future improvement?	Poor prospects	Fair prospects	Good prospects	Excellent prospects
Leadership capacity and organisational commitment to change	The council does not have the leadership and management arrangements needed to deliver on its ambitions. Governance is weak and developing its political and managerial ability to tackle the council’s problems is a key priority for the council.	The council needs to improve its leadership and managerial impact to deliver on its ambitions. There are some weaknesses in the governance arrangements and it is unable to demonstrate that it currently has the organisational commitment and capacity to secure change and improved outcomes.	The council has effective political and managerial leadership supported by good governance arrangements. It is committed to continuous improvement, focused on what matters to local people, and is securing improved outcomes.	The council has highly effective political and managerial leadership supported by strong and effective governance arrangements. It has ambitious plans for the areas and a strong focus on continuous improvement. It has the organisational commitment and capacity to secure change and improved outcomes.
Partnership working	The council has not yet established a shared vision for the area with its partners, supported by sound governance arrangements and the resources needed to deliver key priorities.	While the council has established a shared vision for the area with its partners, there is not a consistent sense of ownership from the partnership’s leaders and improvements are needed in governance and resource alignment.	Leaders of the partnership articulate a clear and consistent shared vision and sense of purpose for the partnership and the improvements it is trying to achieve for the area and effective governance and resource alignment arrangements are in place.	Leaders of the partnership actively promote and communicate the shared vision and sense of purpose of the partnership and the improvements it is trying to achieve for the area. They can demonstrate – and are committed to – ensuring that the shared vision for the area impacts on their own organisation and partnership activity.
Staff understanding of and commitment to improvement	There is very limited staff understanding of and commitment to continuous improvement and the council’s improvement agenda.	Staff understanding of and commitment to continuous improvement and the council’s improvement agenda is developing.	There is widespread staff understanding of and commitment to continuous improvement and the council’s improvement agenda.	There is very strong staff understanding of and commitment to continuous improvement and the council’s improvement agenda.
Effectiveness of resource planning and performance management (including member scrutiny)	The council lacks awareness of where it needs to make improvements and is not able to secure improvement in service performance as a consequence of ineffective performance management arrangements and weak scrutiny and challenge. Resources are not used to best effect.	While the council is aware of where it needs to make improvements, it lacks a systematic approach to securing improvement. Scrutiny and challenge is patchy. The council lacks a systematic process for directing resources to key priority areas and securing improved VFM.	The council is aware of where it needs to make improvements, and has a systematic approach to securing improvement. Scrutiny and challenge is well developed. It has a systematic process for directing resources to key priority areas and securing improved VFM, but cannot yet demonstrate consistently improved outcomes.	The council is aware of where it needs to make improvements, and has a systematic approach to securing improvement. Scrutiny and challenge is highly effective. The council has a systematic process for directing resources to key priority areas and can demonstrate consistently improved outcomes.

Comhairle nan Eilean Siar

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