

# South Ayrshire Council

**Best Value thematic management report**

**Transformation – How councils are redesigning and delivering more efficient services to achieve planned outcomes**



 **AUDIT SCOTLAND**

Prepared by Audit Scotland  
March 2025

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# Key messages

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- 1 In 2023 we reported that the pace of improvement had been slow in some key areas of Best Value, including a lack of progress with transformation in the council.
- 2 The council has made substantial budgetary savings in recent years whilst still achieving improved service performance. However, it is not clear how the council's established transformation programmes contributed to these savings. Historically, the council's transformation programmes were hampered by a lack of strategic leadership and the silo nature of the programmes resulted in limited buy-in across council services.
- 3 In 2024 we reported on a greater strategic focus on improving the pace of change. The new Transformation Board provides the strategic integration and ownership of the council's transformation plans. There are strong governance arrangements in place to facilitate the effective oversight of these plans and the council has demonstrated a more collegiate approach across its senior leadership to deliver the transformational change needed. With the governance, resources, and funding in place the council now needs to take forward proposals and deliver on its transformation priorities.
- 4 We reported in 2024 that the council's underlying cost base is not sustainable. The latest update to the Medium-Term Financial Plan shows a cumulative budget gap of £32.9 million. Savings of £25.8 million need to be delivered in 2026/27 and 2027/28. Savings of £6.6 million have so far been identified to bridge this gap.
- 5 To date savings of just over £1 million have been identified from the transformation projects in the new programme but this does not represent the full savings forecast as the savings, benefits trackers, and realisation reports, for most projects are in development. The council should ensure its plans are sufficiently ambitious to credibly respond to its financial challenges.
- 6 The council acknowledges that its transformation programme is not expected to realise the full savings needed to bridge its budget gap. It should therefore clearly set out the extent to which savings from transformation will contribute to bridging its budget gap, prioritising transformation projects that will deliver the most savings. Recent audit reports have been critical of the reporting on

the council's previous transformation programme noting a lack of detail around the projects expected benefits and outcomes. Reporting of progress against delivery of the planned transformation benefits in the new programme will be introduced to allow oversight and scrutiny by officers and elected members. The first reports are planned for March 2025.

- 7 Alongside this as part of its budget preparations the council is considering areas where costs can be saved and income increased. As part of this picture, financial plans now need to be aligned to the workforce plans to demonstrate how services will be sustainable in the future. Alongside this, it is exploring opportunities for greater partnership working to help contribute to the required savings.
  - 8 Officers and elected members need to work together in identifying how resources are to be effectively prioritised towards delivery of the council plan priorities. Elected members need to make difficult decisions on how the use of resources is prioritised going forward, within the council's recurring funding envelope.
  - 9 The council, alongside the Community Planning Partnership, has engaged an external consultant, [Mutual Ventures](#), to support service redesign across South Ayrshire. This aims to shift from a service focused approach to one that is person centric, with an emphasis on removing duplication, empowering the third sector, and enhancing outcomes for citizens. The new delivery model is being developed and will be piloted in Ayr North during 2025 before being integrated into the transformation programme.
  - 10 The council has a history of collaborating with East and North Ayrshire, for example, through the Ayrshire Growth Deal and Ayrshire Roads Alliance. There are discussions ongoing across the senior leadership of the three councils to explore further opportunities for collaboration in areas such as tourism and economic development. These developments are now to be discussed with elected members.
  - 11 The council has included the requirement for community engagement and integrated impact assessments on specific transformation projects, where applicable, in its new transformation processes. Projects are still being developed, but arrangements are in place to demonstrate that this is happening, particularly on those projects that affect vulnerable groups.
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# Introduction

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

**2.** This report sets out how the council is redesigning and delivering more efficient services to achieve planned outcomes.

**3.** [The Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities, and recovery. The [Code of Audit Practice](#) sets out the Best Value work required to report on these priorities.

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

- To what extent does the council have clear plans for transformation that link to its priorities and support long-term financial sustainability?
- To what extent do the council's programme management arrangements facilitate effective oversight of its transformation plans?
- To what extent are partners and communities involved in the development and delivery of the council's plans for transformation?
- To what extent has the council considered the impact of its transformation activity, including on vulnerable or protected groups?

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

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

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

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

# Transformation planning

7. The council needs to ensure it can deliver sustainable services now and in the future, and difficult decisions will need to be made to achieve this. The Accounts Commission’s [Local government budgets 2024/25](#) briefing noted that councils’ cumulative funding gap between 2025/26 and 2026/27 is £780 million. This means that, cumulatively, councils need to identify and deliver recurring measures such as savings or increased income of five per cent of their overall revenue budget to be financially sustainable in the short-term.
8. In 2023 we reported that the pace of improvement had been slow in some key areas of Best Value including a lack of progress with transformation in the council. In 2024 we reported on a greater strategic focus on improving the pace of change but that the council now needs to deliver on its transformation priorities.
9. The latest update to South Ayrshire Council’s Medium-Term Financial Plan (MTFP) shows a cumulative budget gap of £32.9 million to 2029/30, with savings of £25.8 million needing to be delivered across 2026/27 and 2027/28.

| Findings                                                                                                                                                                                | Evidence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <b>Clearer plans for transformation have been developed under a revised approach approved in March 2024 when sound project management and governance arrangements were established.</b> | <p>The council revised its approach to transformation in March 2024 to address <a href="#">issues</a> raised by Audit Scotland on pace of change. It is strengthening its approach, drawing on expertise from the Improvement Service and Angus Council.</p> <p>The council agreed enhanced leadership and new governance arrangements including a Transformation Board and a Transformation Fund.</p> <p>The council has an overarching transformation plan, Shaping Our Future Council, that includes four transformation priorities and a three-year transformation portfolio. Projects within the portfolio are mostly at early stages and some are still to be fully approved.</p> <p>Sound project management and governance arrangements have been established enabling plans for individual projects to be clearly set out and monitored.</p> |

**The council's project management framework for transformation work includes the requirement to quantify the costs and benefits of projects. Information is being collated as proposals progress in line with the governance approach in place.**

Governance arrangements are in place to ensure that the council identifies and reports on the costs and benefits of transformation projects. This includes cashable and non-cashable benefits.

The council is at the early stages of project implementation and is in the process of implementing benefits trackers and benefits realisation reports.

As at November 2024, the council had approved business cases for 12 projects out of 32 to be prioritised in 2024/25. There are 58 projects being taken forward from 2024/25 to 2026/27.

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**Individual projects align with the council's priorities and financial plans.**

Project management and governance arrangements ensure that approved transformation projects align with the council's plans for transformation, council plan priorities and medium-term financial plans.

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Our November 2023 Controller of Audit report repeated previous concerns about the lack of progress with the council's transformation programme urging the council to move at pace and highlighting the need for decisive and focused leadership to deliver the required transformation.

In September 2024, we reported that at 31 March 2024 total usable reserves are now only £42 million, and the underlying service cost base is not sustainable. The council approved a balanced budget for 2024/25, but only after planning to utilise £4 million of reserves and £10.253 million from reduced pension contributions. Given the reducing levels of reserves, future savings must be made through the urgent transformation of services to bridge this gap.

Savings of £25.8 million need to be delivered in 2026/27 and 2027/28. To date savings of £6.6 million have been identified to bridge this gap.

**The council has significant budget savings to make in 2026/27 and 2027/28 and transformation is urgently needed to bridge this gap. While not all savings are forecast across the transformation portfolio, the savings projected so far are only around £1 million.**

The council has identified savings of just over £1 million from 2025/26 to 2027/28 from its transformation projects. While this does not represent the full savings forecast as many projects have still to identify projected savings each year, there is still a significant funding gap that needs bridged.

The council advised that its transformation programme is not expected to realise the full savings needed to bridge its budget gap.

Pay-related costs account for around 50 per cent. At the December 2024 Council meeting it was acknowledged that a reduction in overall staffing numbers may be required to achieve these savings.

The council now needs to be clear on how it will balance the workforce that it needs, and what it can afford, to deliver its priorities and outcomes in a sustainable way. Given the significant savings required over this period, difficult and transparent discussions and decisions will need to be made including on the council's workforce. As we reported in our year two BV thematic, there remains a need for the council to clearly align its workforce plan to its MTFP. Additionally, from our review of the transformation programme, whilst workforce is listed as one of the four workstreams, from the projects currently identified, it is not clear what is being considered as part of this.

The assets of the council is another of the four transformation workstreams. This workstream will look to ensure the council estate is being fully utilised to deliver services. This may present it with the opportunity

to rationalise the number of buildings occupied and for savings and a reduction in the council's carbon footprint to be realised. In May 2023 Cabinet considered a [report](#) from an external consultant on transforming the council's estate. A number of recommendations, including the implementation of a three-phased approach to the transformation of the council's estate were presented and members agreed these together with a further review of the proposals. An update report on progress was due to be provided to Cabinet in June 2024. We have not seen this presented to members. Whilst the new transformation programme was established after this initial report, given the potential opportunities identified regarding cost savings together with investment in key assets to aid income generation, we would have expected this to feature in the current list of transformation projects. From our review of the list, it is not clear how this is being progressed, if at all.

The council has currently identified over 50 projects in its three-year transformation portfolio. Ongoing projects include process automation, technology upgrades (e.g. Microsoft 365), property maintenance process improvement and the introduction of an early payment discount scheme. Some more ambitious projects are at early exploratory stages (Mutual Ventures and the Ayrshire Collaborative).

Previous audit reports have said that the council's historic approach to transformation has been slow, inconsistent, and lacked drive and urgency. The council now needs to demonstrate that its new programme is progressing with pace to deliver the transformation required ([recommendation 1](#)).

Officers and elected members need to work together in identifying how resources are to be effectively prioritised towards delivery of the council plan priorities. Elected members need to make difficult decisions on how the use of resources is prioritised going forward, within the council's recurring funding envelope.

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## Recommendation 1

The council should ensure its plans are sufficiently ambitious to credibly respond to its financial challenges. It should clearly set out the extent to which savings from transformation will contribute to bridging its budget gap, prioritising transformation projects that will deliver the most impact and savings.

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# Programme management

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

| Findings                                                                                                                                                                                                                                            | Evidence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <b>Strong governance arrangements are in place to facilitate effective oversight of transformation plans. These arrangements demonstrate a more collegiate approach across senior leadership to deliver transformational change at the council.</b> | <p>The council established a Transformation Board in March 2024 that meets quarterly. The Board is responsible for upholding and implementing the council's vision for transformation, maintaining the scope of the portfolio and ensuring transformation is resourced and managed effectively to deliver tangible benefits.</p> <p>There is strong senior leadership ownership from across the council with the Board being chaired by the Chief Executive and membership comprising Directors, Assistant Directors, Heads of Service, and the Chief HR Advisor.</p> <p>Previously, the council's transformation activities, the Change Programme, were under the direction of one Director.</p> |

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**The council has created the capacity to deliver its transformation agenda through the establishment of a Transformation Service and a £5 million Transformation Fund. It is developing how it works with services to deliver the transformation agenda.**

**It is procuring additional capability through a Transformation Partner.**

The council created capacity to deliver its transformation programme by setting up the Transformation Service. The new Transformation Service was established in May 2024. It brings together what was ICT Enterprise Architecture, the Strategic Change Team and resource from elsewhere, notably Organisational Development, and comprises 24 dedicated members of staff. Through this the council has built capacity to deliver its new transformation programme.

A Transformation Delivery Group has been established that meets every four weeks. It is chaired by the Assistant Director Transformation and is responsible for the operational oversight of the projects.

Alongside the Transformation Service a three-year £5 million Transformation Fund has been established to invest in transformation projects.

The council is contracting an external Transformation Partner to build capability in specific scope areas.

The council recognises that all transformation activities need engagement and buy in from services to be effective. This risk is being mitigated through the development of a communications approach and plan for the portfolio. The transformation service is engaging with services on the programme to raise awareness and embed its approach.

**The council has effective scrutiny arrangements in place for reporting progress to the senior leadership team and elected members. The first reporting, including benefits tracking, will be presented to members in March 2025.**

A Transformation Scrutiny and Reporting Schedule was approved by Cabinet in October 2024.

The Transformation Board comprises senior leadership. It receives updates on the overall status of the portfolio and individual projects which show a RAG status for time, costs, and benefits. It also monitors spend from the Transformation Fund, the delivery timescales for all the projects and project benefits trackers when prepared. The first update paper to SPPP is due in March 2025 and the next update to Cabinet will be October 2025.

In October 2024, Cabinet agreed that reports, including benefits reporting will be brought back to Cabinet and Service Partnerships and Performance Panel (SPPP) as described in the schedule.

# Partnership working and community engagement

11. The [Best Value in Scotland](#) report noted that councils must now rethink how they work together, and with local partners and communities, to provide financially sustainable services. Few councils provide services jointly or share support services across different councils to a great extent.

| Findings                                                                                                                                                                                                                                                                                                                                                                                  | Evidence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p>There are discussions ongoing across the senior leadership of South Ayrshire, North Ayrshire, and East Ayrshire Councils to explore further opportunities for collaboration in areas such as tourism and economic development. These developments are to be discussed with elected members. Scottish Government support is needed for more radical transformation across Ayrshire.</p> | <p>The council is involved in exploring a Pan-Ayrshire approach with North Ayrshire Council and East Ayrshire Council, with a view to potentially sharing services. There are some barriers to this level of joint working including the siloed approach to national funding allocations, governance, and reporting arrangements. Also, in Ayrshire the three different councils have different political make-ups. The council refers to the vital role of national government in enabling more transformational partnership working between different bodies.</p> |
| <p>The council, alongside the Community Planning Partnership, has engaged an external consultant, <a href="#">Mutual Ventures</a>, to support service redesign across South Ayrshire. This aims to shift from a service focused approach to one that is person centric, with an emphasis on removing duplication, empowering the third sector, and enhancing outcomes for citizens.</p>   | <p>The council is at an early, exploratory stage of 'Radical Place Leadership,' working with Mutual Ventures to develop a place-based approach with its partners to think more radically about how to support residents and meet collective financial challenges (<a href="#">Exhibit 1</a>).</p> <p>The council notes that this work is intended to sit under the Transformation Programme but will be CPP-led with a focus on empowering the third sector.</p>                                                                                                    |

**The council has some good examples of working with partners and communities but there is still a way to go to transform services to better meet the needs of its communities.**

The council works with a variety of partners and communities to improve services. For example, on The Promise in South Ayrshire, to help create a comprehensive support network for care-experienced children and young people, the council works alongside South Ayrshire HSCP, The Promise Scotland, local community groups, schools, and colleges.

Community planning partners' initiatives include the Ageing Well Strategy, Working for Wallacetown approach and CCTV. The council has also worked with neighbouring authorities on the Ayrshire Growth Deal and the roads operating model, Ayrshire Roads Alliance.

**The council does not have any joint funding arrangements in place with partners for transformation projects, but it is exploring opportunities to engage the Community Planning Partnership with its Transformation Programme.**

The Radical Place Leadership Baseline Report in October 2024 found that a lack of shared budgets or resource hampers long term partnership working. Collaborations across organisations were often project specific with limited funding.

The council has confirmed its Transformation Fund can be used to fund joint projects. It will provide the Community Planning Partnership with details on its Transformation programme and fund in May 2025 to highlight the opportunity for greater collaboration.

**The council has included the requirement for community engagement on specific transformation projects, where applicable, in its new transformation processes. Projects are still being developed, and we have yet to see any evidence of this being carried out and influencing planned changes.**

**The council has in place arrangements to demonstrate that this engagement is happening. As the programme progresses, we will look for evidence of the council demonstrating its consideration of the impact of projects on vulnerable groups.**

The council's business case template asks whether consultation with the community has taken place. We are yet to see examples of where this has taken place in the new programme, as the business cases approved to date have not required consultation, although the council intends to engage with communities on its Mutual Ventures and Community Venues projects. Additionally, the requirement for an Integrated Impact Assessment forms part of the business case development and we will review these as and when they are completed.

It has demonstrated good community involvement in its Ageing Well Strategy and the South Ayrshire Promise, both of which involve people with lived experience helping shaping decisions and, as such, represent a more co-design approach. As it progresses its revised transformation programme we will review the council's monitoring of projects, and their completed Integrated Impact Assessments. We will be looking for evidence that the council follows its established arrangements to engage with communities and consider the impact of projects on vulnerable groups ([recommendation 2](#)).

There are also examples where the council has tended to provide information to communities on transformation projects rather than involving them in development or delivery. For example, the council issued a news release on the new transformation programme linking to the Shaping Our Future Council October 2024 update report.

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## Exhibit 1

### Radical Place Leadership

The council is working with Mutual Ventures to adopt its [Radical Place Leadership](#) approach to service delivery. This aims to shift from a service focused approach to one that is person centric, with an emphasis on removing duplication, empowering the third sector, and enhancing outcomes for citizens.

The working group has reviewed how the sharing of data and intelligence from community engagement can help to identify specific cohorts of people needing additional support within the population.

Ayr North has been selected to pilot a new integrated way of working in a neighbourhood to test, learn, and integrate the approach. This will include examining how frontline teams can be co-located to work more effectively and well as learn from other stakeholders who have successfully implemented different approaches.

Source: South Ayrshire Council

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## Recommendation 2

The council should demonstrate it is engaging with its communities as it progresses its revised transformation programme, particularly on those projects that affect vulnerable groups. It should set out clearly how these activities influence any planned changes.



# Impact of transformation

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

| Findings                                                                                                                                                                                                                                                                                                                                                                                                                            | Evidence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <p>The council has made substantial budgetary savings of over £75 million since 2011. However, it is not clear how the council’s established transformation programmes contributed to these savings. It is too early to comment on delivery of the current programme, but arrangements are now in place to better identify and capture the impact of transformation projects. This includes cashable and non-cashable benefits.</p> | <p>As reported in previous audit reports, historically, the council’s transformation programmes were hampered by a lack of strategic leadership and the silo nature of the programmes resulted in limited buy-in across council services. Whilst significant savings have been achieved, it is not clear how the council’s established transformation programmes contributed to these, how the savings were aligned with the council’s strategic priorities, and if the impact of these savings on service delivery and outcomes were assessed.</p> <p>In March 2025, the council reported on the impact of its previous transformation activity covering August 2021 to March 2024. This highlighted that of the 40 projects covered by the programme, 28 were delivered with 12 realising cashable benefits, including cost avoidance, savings, and income generation, of £1.6 million.</p> <p>The council now has arrangements in place to better identify and capture impact on specific projects. A benefits realisation plan has been approved which provides guidance on the different types of benefits and outlines roles and responsibilities for capturing and reporting on benefits.</p> <p>Benefits trackers are being developed and introduced to measure success. This includes savings, improvements to service delivery and outcomes. This is embedded in the project management and governance. The council has committed to reporting this information to members and has a clear process established. The first report is planned to be presented to the Service, Partnerships and Performance Panel in March 2025. We have included a recommendation on this area given its importance. (<a href="#">recommendation 3</a>).</p> <p>The council is preparing a portfolio level assessment of benefits.</p> |

**Together, the two examples of successful transformation provided by the council set out one-off savings of £0.850 million and recurring savings of £0.300 million.**

**The council's work on The Promise details the expected benefits to service quality and outcomes as well as setting out, but not quantifying, areas where cost benefits may occur. However, this work runs until 2030 and so the majority of benefits have yet to be realised.**

The council was asked to provide Audit Scotland with two examples of successful transformation projects. The examples provided were The Promise in South Ayrshire and the council's Thriving Communities service review.

The council has set out in detail the expected impact of the Promise in terms of improvements to service quality and outcomes. The Promise runs until 2030 and therefore the majority of benefits have yet to be realised.

The council has set out areas where cost benefits are likely to arise, e.g. the reduction of the long-term costs associated with poor outcomes for care-experienced individuals, such as health issues, unemployment, and involvement with the criminal justice system, but these have not yet been quantified. To date it has reported that there have been one-off savings of £0.850 million.

The Thriving Communities service review generated recurring savings of £0.300 million through the deletion of posts and the reallocation of European match funding. This service is responsible for developing and delivering a range of employability programmes that help support young people and adults into sustainable employment.

**The council has recently developed a new integrated impact assessment tool which is embedded in the project management and governance arrangements, but we have not yet seen any that have been carried out for projects in the new transformation portfolio.**

Cabinet agreed a new integrated impact assessment tool in September 2024 following a trial period using a draft tool. The tool looks at the potential impact on protected characteristics, socio-economic disadvantage, human rights, the environment, and some cross-cutting issues.

Integrated Impact Assessments (IIA) are required to be carried out, where applicable, prior to business case approval so that they will inform the development of the transformation project. The council advised that so far impact assessments have not been carried out on projects in the new programme due to the internal nature of these. However, there will be assessments completed for upcoming projects covering community venues and the Radical Place Leadership project. For projects that progress to the business case stage officers need to consider whether the full IIA needs to be completed. This section will include a free text box for officers to explain their rationale for not completing the full IIA e.g. it is not applicable due to the nature of the project.

The HSCP did carry out a full impact assessment before publishing South Ayrshire's Parenting Promise 2021-2030. This did not identify any negative impacts on young people with protected characteristics or affected by socio-economic disadvantage. The CPP carried out an integrated impact assessment on the Ageing Well Strategy as part of the trial of the new tool. They did identify mitigating measures where negative or unclear impacts were identified.

**Recommendation 3**

The council is introducing reports which will include benefits tracking and realisation progress for all approved projects. These reports are to be provided to members and should set out clearly what has been achieved compared to the expected benefits and the outcomes these changes have delivered.

# Appendix - Improvement action plan

| Issue/risk                                                                                                                                                                                                                                                                                                                               | Recommendation                                                                                                                                                                                                                                                                                                                                                       | Agreed management action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>1. Impact and ambition of transformation plans</b></p> <p>The council has significant budget savings to make in 2025/26 and 2026/27 and transformation is urgently needed to bridge this gap. While not all savings are forecast across the transformation portfolio, the savings projected so far are only around £1 million.</p> | <p>The council should ensure its plans are sufficiently ambitious to credibly respond to its financial challenges. It should clearly set out the extent to which savings from transformation will contribute to bridging its budget gap, prioritising transformation projects that will deliver the most savings.</p> <p><a href="#">Transformation planning</a></p> | <p><b>Management response</b></p> <p><b>Action 1-</b> Update council reporting format to ensure all transformation activity and proposed benefits are captured.</p> <p><b>Responsible officer-</b> Assistant Director - Transformation. <b>Due date-</b> April 2025.</p> <p><b>Action 2-</b> Develop a new workforce plan linked to the medium-term financial plan, Council Plan and LOIP.</p> <p><b>Responsible Officer-</b> Chief HR Officer. <b>Due date-</b> December 2025.</p> <p><b>Action 3-</b> Deliver briefings to members and partners as discussions relating to shared services progress.</p> <p><b>Responsible officer-</b> Chief Executive. <b>Due date-</b> March 2026.</p> <p><b>Action 4-</b> Develop a project brief relating to Radical Place Leadership in Ayr North for consideration/approval by the Transformation Board.</p> <p><b>Responsible officer-</b> Assistant Director - Corporate Policy Strategy and Performance <b>Due date-</b> June 2025.</p> <p><b>Action 5-</b> Provide an update report to Council detailing the financial and carbon impact of the 'Transforming our Estate' strategy.</p> <p><b>Responsible officer-</b> Assistant Director of Planning and Development. <b>Due date-</b> July 2025.</p> |

| Issue/risk                                                                                                                                                                         | Recommendation                                                                                                                                                                                                                                                                                                                                   | Agreed management action                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>2. Community engagement</b></p> <p>Projects are still being developed, and so we have yet to see any evidence of this being carried out and influencing planned changes.</p> | <p>The council should demonstrate it is engaging with its communities as it progresses its revised transformation programme, particularly on those projects that affect vulnerable groups. It should set out clearly how these activities influence any planned changes.</p> <p><a href="#">Partnership working and community engagement</a></p> | <p><b>Management response</b></p> <p>We will include details of the impact community engagement has had on relevant transformation projects as part of the reporting regime.</p> <p><b>Responsible officer-</b> Assistant Director - Transformation. <b>Actioned by</b> March 2026.</p>            |
| <p><b>3. Benefits tracking and delivery reporting</b></p> <p>Benefits trackers are still being developed to report progress on projects to elected members.</p>                    | <p>The council is introducing benefits trackers and realisation reports. These reports are to be provided to members and should set out clearly what has been achieved compared to the expected benefits and the outcomes these changes have delivered.</p> <p><a href="#">Impact of transformation</a></p>                                      | <p><b>Management response</b></p> <p>Benefits realisation and tracking reports now clearly set out what has been achieved compared to the expected benefits and is reported to Members.</p> <p><b>Responsible officer-</b> Assistant Director - Transformation. <b>Actioned by</b> March 2025.</p> |

# South Ayrshire Council

Transformation – How councils are redesigning and delivering more efficient services to achieve planned outcomes



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