

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

Best Value Thematic 2024/25

Moray Council

Prepared for those Charged with Governance and the
Controller of Audit

16 July 2025



Table of contents

01	Scope of the audit	3
02	Executive summary	5
03	Transformation strategy and priorities	6
04	Transformation oversight	12
05	Development and delivery of transformation plans	18
06	Impact of transformation activity	24
Appendices		29
A	Improvement action plan	30

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our external audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect Moray Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and Audit Scotland (under the Audit Scotland Code of Audit Practice 2021). We do not accept any responsibility for any loss occasioned to any third part acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

01 Scope of the audit

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.

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

The [Accounts Commission's Strategy \(2021-2026\)](#) 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.

Code of Audit Practice 2020 – Best Value reporting requirements

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports. This is set out in the 2020 Code of Practice, issues by Audit Scotland:

As part of their integrated wider scope annual audit work, appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.

The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integrated Joint Board at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission

01 Scope of the audit - continued

This report covers the thematic aspect of the Best Value audit requirements. The Accounts Commission has directed auditors to report on how councils are responding to local government budgetary challenges through service transformation and innovation.

In producing this report, we have considered the following questions posed by the Audit Scotland guidance:

- 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 communities and partners 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?

An improvement plan is included at Appendix A of this report. This sets out our audit recommendations in key areas, and the council's planned response including responsible offices and dates for implementation.

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 2023, Best Value Statutory Guidance 2020](#).

We would like to thank the Senior Management Team for their engagement in the Best Value Thematic process and for the detailed supporting evidence provided to the audit team to assist us forming our conclusions, in line with the agreed timescales.

This report is presented to the Council in August 2025. Any significant progress to the recommendations made in this report will be included within the Annual Audit Report which is scheduled to be presented to the Council on 24 September 2025.

02 Executive summary

Question	Conclusion
To what extent does the council have clear plans for transformation that link to its priorities and support long-term financial sustainability?	The Council have developed a Transformation Strategy during 2024/25 which links to its priorities, set out in the Corporate Plan. The Transformation Strategy and Corporate Plan were only approved in April 2024 and work is ongoing to implement and embed these strategies. A balanced budget has been set for 2025/26 without any proposals for use of reserves and a short-term savings plan is in place, with the majority of savings identified.
To what extent do the council's programme management arrangements facilitate effective oversight of its transformation plans?	The Council has appropriate arrangements in place to provide oversight over the Transformation Strategy however enhancements could be made to progress reporting to members. Several transformation projects are behind schedule and the Council need to review projects regularly to confirm whether timescales remain achievable and the impact this may have on future savings.
To what extent are communities and partners involved in the development and delivery of the council's plans for transformation?	The Council engages well with its local communities and uses community engagement as a mechanism to shape and transform service delivery. Community engagement is used to good effect in the Council's service delivery decisions. The Council has a number of formal partnerships which are working well and providing benefits.
To what extent has the council considered the impact of its transformation activity, including on vulnerable or protected groups?	Detailed Integrated Impact Assessments are completed for each transformation project to mitigate against any unintended consequences of change. The Council are undertaking a review of the governance processes in place and must ensure these are appropriate with a balanced focus on planning and delivery. Work on the Digital Strategy is at an early stage but must align with the Transformation Strategy for both strategies to be successful.

We have raised a number of recommendations for improvement. These are in Appendix 1 of this report.

03 Transformation strategy and priorities

Transformation strategy and priorities

To what extent does the council have clear plans for transformation that link to its priorities and support long-term financial sustainability?

The Council have developed a Transformation Strategy during 2024/25 which links to its priorities, set out in the Corporate Plan. The Transformation Strategy and Corporate Plan were only approved in April 2024 and work is ongoing to implement and embed these strategies. A balanced budget has been set for 2025/26 without any proposals for use of reserves and a short-term savings plan is in place, with the majority of savings identified.

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.

In the 2025/26 Revenue Budget, the Council confirmed that efficiency savings of £10.905 million are required over the next three years to achieve financial balance. The Council also prepare a Medium to Longer Term Financial Strategy (MTLFS) and mid-range projections show a total budget gap of £41.365 million over the 10-year period to 2034/35.

The Council implemented an Improvement and Modernisation Programme (IMP) that commenced in 2018. Delivery of the IMP was impacted by the response to the Covid-19 pandemic. During this period, the Council were able to implement some of the IMP projects including a review and expansion of flexible working, enhanced delivery of online services and approval of funding for review of Additional Support Needs.

Following the pandemic response, the IMP programme was restarted in May 2021 and was expanded to include investment projects for service improvement, which included significant investment in Education as a Moray Council priority. The Council had other transformational projects ongoing alongside the IMP

including the Moray Growth Deal, Climate Change project and NESS Energy from Waste plant.

In previous years, our commentary in wider scope work has reported that the Council need to increase the pace of change. Pace of change was also a key finding in the Best Value Assurance Report (BVAR) presented to the Council in March 2024. The Controller of Audit identified that major transformation was needed to close the funding gap and that the IMP was unlikely to deliver the scale of transformation required.

The Council have been operating transformation projects since 2018, however the majority of these have been smaller scale projects. The scale of transformation required will increase in future and the Council need to ensure that plans reflect a level of ambition and pace which will drive change in service delivery. In previous years, whilst the Council delivered a balanced budget, this was in part through the use of reserves. This was not sustainable in the longer term.

In April 2024, the Council approved a new Transformation Strategy (replacing the IMP). The Transformation Strategy aims to take forward a continued focus on delivering transformation projects already in progress and accelerate and expand where there is opportunity to develop new areas of work to support the council's financial sustainability. In developing the Transformation Strategy, the Council have recognised the importance that a new focus is given to pace, progress and innovation.

Transformation strategy and priorities (2)

The Transformation Strategy is made up of a programme of projects. The ongoing development of the Strategy has meant further transformation projects have been identified during 2024/25 and included within the overall programme. The Council see transformation as “live” with the objective to deliver change on an ongoing basis.

The Transformation Strategy is being developed over several phases, with the Council aiming to deliver current projects whilst also identifying new opportunities for transformation. Each project identified for inclusion in the Transformation Strategy is defined through a project mandate moving to a business case where benefits, budgets and resources are set out. The phases of the Transformation Strategy are as follows:

Phase	Timeline	Description
Phase 1	April 2024 – September 2024	Refresh and refocus - an interim position based on a continued delivery of existing transformation projects with financial benefits.
Phase 2	October 2024 – March 2025	Continue to develop the programme of work, build on experience and seek external review and challenge
Phase 3	April 2025 – March 2026	Identifying approaches to transformation to be considered for the Future Council
Phase 4	April 2026 – March 2029	Assuring Delivery with a keen focus on the core benefits of each project
Phase 5	April 2029 – March 2032	Continued Sustainability recognising likely increasing demand and reducing resources

The timeline does present a challenge for the Council and there will need to be enhanced focus to ensure that year on year savings are delivered at an appropriate pace which will enable the Council to be sustainable each year.

The Council are currently at Phase 2 of the planned development of the Transformation Strategy (as set out when the Strategy was approved in April 2024). Since April 2024, there has been further reporting to the Corporate Committee in August 2024 and November 2024 which identified new projects for inclusion in the Strategy.

Phase 3 is the next planned phase of development. This is where the Council will identify the future Council programme, looking at different ways to deliver services in future years, with a view to making the Council sustainable in the long term. This is in development and began with a workshop with senior officers and members in March 2025.

We recognise the progress the Council have made over the previous twelve months and it is clear they have responded and delivered to the timeline of action in the Best Value Action Plan (BVAP). We understand that implementing the outcomes of the BVAP will take time and the Council must continue to deliver the table of actions they have developed. Looking ahead, the Council should ensure it continues to develop the Transformation Strategy, with a focus on identifying projects which will deliver financial sustainability in future years.

Progress updates on the Transformation Strategy are provided to the Corporate Committee. The reports to committee reference each project, provide an update on progress since the last report and outline next steps. The reporting to committee could be improved by; clearly identifying how each project links to the Corporate priorities of the Council; providing additional information relating to the quantified costs and projected benefits of each project and providing context in relation to the direction of travel of each project. This would allow elected members to provide a higher level of scrutiny. Further detail can be found in section 4 of this report. **See Recommendation 1.**

Transformation strategy and priorities (3)

The Transformation Strategy is aligned to the Council's corporate, financial and best value plans. In the Transformation Strategy, reference is made to the budget position and the contribution that transformation must make in enabling the Council to balance the budget over the medium term. The Corporate Plan was refreshed and approved by Council in April 2024 and is closely interlinked with the Transformation Strategy. There are quarterly monitoring reports presented to Council on the outcomes of the Transformation Strategy, and thus the movement towards the vision set out in the Corporate Plan.

The Medium to Longer Term Financial Strategy (MTLFS) (2025/26 – 2034/35) references transformation and innovation as a key priority and there is a dedicated section to the Transformation Strategy within the MTLFS. There is recognition that the Transformation Strategy is progressing through stages in its development, with the overriding aim that progress on current projects and identification of new concepts will result in the continued sustainability of the Council across the life of the MTLFS.

When identifying potential projects for inclusion in the Transformation Strategy, the Council create individual project plans. The project plan contains detail on all tasks that a service will need to complete to deliver a project and includes milestones for delivery, key dates and expected stages of completion.

The project plan used by the Council is consistent across services which ensures there is a level of consistency. There has been a corporate steer on reporting to ensure that all services are reporting consistently to allow for clear and easy reporting on a council wide basis. This approach is now well established and ensures the Extended Corporate Management Team (ECMT) are able to identify how projects are progressing through to delivery.

In recent years, the Council have utilised reserves balances to balance the budget. The Council have recognised that this was not a sustainable approach. Our previous audit reporting and recommendations have noted this issue, as the continued use of reserves to balance the budget would result in significant financial sustainability issues in the short to medium term.

The table below sets out the intended and actual use of reserves by the Council in recent years.

	Budgeted use of reserves £m	Actual use of reserves £m	Under / (Over) use against budget £m
2017/18	7.611	4.615	2.996
2018/19	4.720	3.787	0.993
2019/20	2.094	-	2.094
2020/21	2.348	-	2.348
2021/22	0.010	(5.838)	(5.848)
2022/23	13.881	1.562	12.309
2023/24	15.423	14.211	1.212
2024/25	10.225	6.477m*	3.748*

*This was the forecast amount as at 31 December 2024.

Transformation strategy and priorities (4)

The 2025/26 revenue budget was approved by Full Council in February 2025. As outlined previously, due to over reliance on use of existing reserves balances and the slower pace of change, 2025/26 was the first time in several years the Council presented a balanced budget without the planned use of any reserves.

To achieve financial balance, efficiency savings totalling £10.9 million are required over the next three years (2025/26 – 2027/28). The Council have approved £7.9 million of savings for 2025/26 and £1.0 million for financial years 2026/27 and 2027/28. The Council aim to identify the remaining savings during 2025. The vast majority (98%) of the agreed savings are recurring in nature.

The Council approved a Short to Medium Term Financial Strategy (2024/25 – 2026/27) in June 2024. One of the main priorities of this strategy was to remove the reliance on using reserves to balance the budget. The strategy has been successful and there is no planned use of reserves in the short to medium term.

The MTLFS shows the level of challenge the Council is likely to face in the longer term. The MTLFS is based on optimistic, average and pessimistic assumptions and the budget gap could range from a budget surplus of £28.6 million to a budget deficit of £107.5 million. The mid range projections show a total budget gap of £41.4 million over the 10-year period to 2034/35 and the Council need to identify new approaches to manage this gap over the longer term.

Looking ahead into future years, the Council must ensure that the Transformation Strategy is the key driver for addressing identified budget gaps over the longer term. The Council should not revert to the use of reserves as the method of balancing the budget. **See Recommendation 2.**

In addition to the Corporate Transformation programme set out above, the Council has other pieces of major transformation work that run as programmes in their own right:

- Moray Growth Deal – a programme of 8 projects
- Energy from Waste project (partnership project)

The progress of these projects is monitored through separate project governance arrangements, including programme boards and reported to committee for regular oversight. The Energy from Waste facility is now fully operational and considered business as usual.

There were a number of transformational projects ongoing outwith the regular reporting cycle for the Transformation Strategy, although this has now resolved to all projects being contained within the two major programmes of work: Moray Growth Deal and Transformation. For assurance purposes, the Council should review its overall reporting on transformation and produce an annual report which brings all projects the Council consider as transformational into one document to members. **See recommendation 3.**

Transformation strategy and priorities (5)

The Council has calculated that it has generated savings of £58 million over the past 14 years. The Council recognise that building on the work to date will enable them to look ambitiously at the medium to long term position. Stage 3 of the Transformation Strategy will focus on the identification of projects that will help transform the future Council.

A key element of the MTLFS is to review the Council's asset base. There are multiple projects considering the asset base included in the Transformation Strategy and the focus of the review is to reduce costs by reducing the asset base. The Council have already disposed of offices and depots and there are plans in place to dispose of more assets.

The review is focusing on the assets the Council requires for the medium to long term and how they can best be used, with the aim of securing a sustainable long term asset base with an affordable maintenance plan. Work has already commenced, and the smarter working project has reduced the office base and seen the closure of certain schools. The learning estate programme will report later in 2025 on the proposals for the longer-term future of schools.

The Council recognises that the review of assets is complex. A programme of engagement has begun with senior officers and members, and consideration is ongoing on how best to engage with communities in the autumn. Engagement is seen as a key stage in this work, as there are strongly held views on council assets and heightened challenge of managing community expectations.

The Council's Smarter Working project is one example where the Council have generated capital receipts, through the sale of unoccupied properties and buildings. Across the phases of Smarter Working, including the proposed Phase 3, the minimum anticipated capital receipts generated by year end are:

- 2024/25 - £0.075 million
- 2025/26 - £0.110 million

- 2026/27 - £0.300 million

The project has also delivered a small level of savings, approximately £0.075 million to date. However, the project has had other benefits, including enabling modern ways of working to support recruitment in social care posts which aligns to the Council's priorities on tackling poverty and inequality.

As part of the IMP, the Council agreed in December 2018 to set aside a specific reserve for transformation projects, with the balance was built up from 2018/19 onwards. Following investment in recent years across a range of projects, the reserves balance to support transformation currently sits at £5.4 million.

Typically, investment is focussed on achieving recurring savings, but all projects are considered on their merits in terms of the return on investment generated in cashable and non-cashable benefits. As such, investment in a non-recurring revenue saving or avoided future spend would be considered where the return merited this.

The Council recognises the need to ensure that its workforce matches the transformation agenda. The Council intend to make changes to employment terms and conditions in future years to ensure service delivery remains affordable and sustainable. The Council will review its approach for modernising conditions of service and working practices, considering the advantages and challenges and how best to manage these into the future.

A report was considered by the Corporate Committee in April 2025 to agree, in principle, the way ahead for consultation and negotiation with the trade unions.

04 Transformation oversight

Transformation oversight

To what extent do the council's programme management arrangements facilitate effective oversight of its transformation plans?

The Council has appropriate arrangements in place to provide oversight over the Transformation Strategy however enhancements could be made to progress reporting to members. Several transformation projects are behind schedule and the Council need to review projects regularly to confirm whether timescales remain achievable and the impact this may have on future savings.

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.

The Council's project governance is set out in the Project Management Governance Policy. Project Boards support individual projects and Programme Boards are in place for programmes of projects. The main Programme Boards, which were originally implemented in February 2018, were:

- Transform Council
- Transform Learning
- Transform Economy

With a view to improving strategic oversight, the Council took the decision to amalgamate these three Boards into one Board, known as the Transform Programme Board, as of January 2025. There has been no member involvement in any of Transformation Boards since their inception. The Council also have separate programme Boards for the Moray Growth Deal and for the Learning Estate, with both reporting to the Transform Programme Board.

The Council employ a full time Project Management Officer (PMO) who supports the monitoring of projects undertaken through the Transform Programme Board.

This officer also provides support and advice on project methodology and approaches where required.

There is recognition that the PMO support requires to be consolidated. This has begun through phase 1 of the Corporate Management Restructuring and will be further progressed through Phase 2 due to commence shortly.

Project resources are the employees within each service, who help to deliver and support specific projects and programmes of work. The Council believe that service-based resourcing ensures service ownership and drive for change. It also provides services with change experience and therefore learning is embedded within services. Work has commenced to take stock of the project resources that are located within services and how these individuals can be used to help to help drive transformation projects across the Council.

The Extended Corporate Management Team (ECMT) operates as a corporate project gateway and has oversight of progress and development of the Transformation Strategy.

Quarterly reports are provided to the Corporate Committee for formal reporting, which provide an update of progress on the specific project areas. Progress towards the achievement of each transformation project is reported on a RAG basis, with reasoning provided in the covering report for projects not assessed as green (on schedule). Each project is assessed against three main objectives; if the project is on schedule, if the project is on budget and whether it is meeting specified objectives. This is reflected on the report using the RAG rating.

Transformation oversight (2)

We noted that these reports do not contain benchmarks on what differentiates a project between green, amber or red. These would be valuable additions to the monitoring report to identify the reasoning behind the project's RAG assessment. **See Recommendation 1.**

As outlined previously, the monitoring reports presented to Committee could be improved by clearly identifying how each project links to the Corporate priorities of the Council. This is visible in the main Transformation Strategy (latest update presented in August 2024) however this information is not included in the monitoring reports. Furthermore, the Council could provide additional information relating to the quantified costs and projected benefits of each project which would allow for greater scrutiny. We noted that the financial implications of projects is available in the body of the accompanying covering report however this detail is not included in the project update appendix.

In its current format, whilst the monitoring reports provide a status update on a RAG basis, it does not provide any context in relation to the direction of travel of each project (e.g. has a project moved from green to amber in the previous quarter). Adding the recommended information to the monitoring reports will provide members with fuller detail and the ability to provide greater scrutiny over the projects within the Transformation Strategy. **See Recommendation 1.**

The most recent monitoring report was presented to the Corporate Committee in January 2025. Of the nine projects included in the report, five were behind schedule (rated as amber/red) and two projects were not meeting budget expectations (amber). One project was rated as amber based on delivery against objectives.

The table below shows the status of projects included in the Transformation Strategy based on their progress against expected project schedule. The table shows a snapshot of progress to date against schedule and provides detail on how successful the Council's delivery of transformation projects has been to date:

Project	Apr 2024	Aug 2024	Nov 2024	Jan 2025
Education HQ Business				
Schools for the Future: Learning estate review				
Raising Attainment: Well-being ASN				
Business Support for Schools (Schools Business Admin)				
Raising Attainment: Curriculum Breadth - Digital Inclusion				
Smarter Working				
Depot Review				
Service Efficiency - LEAN review				
Building Information Modelling				

Transformation oversight (3)

The covering reports presented alongside the Transformation Strategy updates provide details on the reasoning behind delays, and the Transformation Strategy includes a section where the Council provide progress updates. There are several projects which are now behind schedule, mainly due to issues of resourcing.

Two projects have been assessed as behind schedule (red rating) in each monitoring report to date. Details on the reason for the delay are outlined below:

- Business Support for Schools (Schools Business Admin) – The Council are recruiting a project officer to support delivery of the project but to date have not identified a suitable candidate
- Service Efficiency (LEAN review) – The project has been placed on hold

The Council need to consider whether the initial timetable for all projects assessed as behind schedule are still attainable. **See recommendation 4.**

Elected members are involved in the development of the Transformation Strategy. This is primarily done through workshops and working groups. For example, the Additional Support Needs (ASN) Working Group and the Learning Estate Rationalisation Working Group have significant involvement from elected members.

The Council understands the risks associated with ensuring there is sufficient staffing capacity for transformation work and has considered options to mitigate this. The Council allocate specific project resources to support transformation work, and these individuals have responsibility for ensuring that work progresses in a timely manner.

The programme management office role is currently supported from a small central permanent resource and is otherwise provided within the services leading the programme of work using either transformation or other specific funding. There are challenges in releasing service experts from small teams to support change work and solutions are currently considered on a case-by-case basis.

The ECMT are also exploring opportunities for improved coordination of project resources to assist the implementation of projects.

The Council recognise that the next step in the development of the Transformation Strategy will require strong corporate oversight and leadership to meet the Council's ambitions. In the past twelve months, there has been significant changes in the leadership structure at the Council including:

- John Mundell was in post as the Interim Chief Executive since April 2024. Karen Greaves has been appointed as the new Chief Executive and began her role in March 2025 with a short handover period.
- Jim Lyon was appointed as the Chief Social Worker in May 2024 on an interim basis and no permanent replacement has yet to be appointed.
- Judith Proctor was appointed as the Chief Officer of the Moray Integration Joint Board on an interim basis in July 2024 and was made permanent in November 2024.

The Council have undertaken a review of the corporate management structure with a view to adding capacity to key areas, which will assist in delivering the Council's priorities and ensuring a sustainable financial position. This was considered as part of the management structure review that reported in April 2025. The next part of this process will involve a review of the middle management structure which is scheduled to take place later in 2025. We plan to review the changes made to the management structure as part of our wider scope work and our findings will be reported in the Annual Audit Report.

Transformation oversight (4)

The Council recognises that its approach to project planning and monitoring is maturing. The Council continues to reach out to other local authorities who are further progressed in their transformation planning to further understand and develop the approach to transforming services. Examples include the Additional Support Needs review which involved visits to other local authorities as well as recent work in June 2025 which explored how other local authorities complete service reviews.

The council will continue to seek opportunities for learning from other local authorities and to work with partners as transformation work develops. This will provide the Council with further support and provide alternative ideas and methods for the future of service delivery.

The Council have implemented project plans which enables tracking of progress and identifies key milestones to be delivered throughout the delivery of transformational projects. This enables scrutiny of activity and challenge where projects may be behind schedule. However, there are a small number of projects underway where tracking is less formal and based on written narrative updates from the Senior Responsible Officer (SRO). The Council are aware of some anomalies in reporting and are eliminating them.

When a project included in the Transformation Strategy is nearing completion, the Council prepare an End of Project Report. This report provides full detail on the outcome of the project including; benefits achieved to date, benefits not realised, significant risks and issues outstanding, budget performance of the project, lessons learned and follow up actions. These reports are comprehensive and provide a good level of context on the outcome of a project, including whether the project has achieved predicted financial or service delivery benefits. It would be good practice for the Council to report the high level outcomes of a projects to members. **See recommendation 5.**

The Council provide regular reports to the ECMT on transformation projects. This includes reporting each quarter of progress on the transformation projects which enables oversight and scrutiny of the programme of work. Reporting to ECMT is split across the three main areas referenced in the Transformation Strategy; Transform Learning, Transform Council and Transform Economy.

The reporting to ECMT is in two parts, the first being a Programme Board Report which provides a summary of progress and an overall assessment of progress to date on a RAG basis. There is also a supporting programme dashboard which provides an update on schedule, budget, scope, risks and any issues. The reporting has similarities to the information provided to members but does contain more detailed information relating to timeframes and budget implications. It would be good practice to ensure that this information is also made available to members, but not formally reported. **See recommendation 1.**

Business cases are also reported to ECMT as the Project Gateway board. This gives awareness across the Council and ensures that cross cutting issues and calls on support services can be managed.

The Council's Asset Management group also reviews the case for capital based projects and provides advice through the Chief Financial Officer to the ECMT.

Representatives of the ECMT also chair or sit on programme boards, including the Council Transformation Board.

Transformation oversight (5)

The scale of transformation required at the Council is unprecedented. Members have an important role in overseeing the delivery of the overall approach to transformation and the Council must ensure members are offered appropriate support which enables them to perform their role effectively.

Elected members were fully involved in a Transformation Workshop on 18 March 2025. This was full-day, interactive session held with Members and Officers to influence and steer the overall future direction of transformational activities at the Council. The purpose of the session was to develop the overall vision and aims for transformation with elected members.

The focus of the discussion was through three drivers for change:

- a) **Community focussed transformation:** service re-design to meet the needs of communities and individuals; address changing demand; use technology effectively and identify how new solutions and approaches can be developed
- b) **Place-based:** changing the use of assets across Moray, accessibility for rural areas and linking to locality plans with services aligned to local needs
- c) **Efficient internal working:** ensuring effective processes, practices, digital solutions, customer focus and performance standards

The workshop featured four key activities which is reflected in the following table:

Activity	Description of Activity
Transformation mapping	Identifying positive/negative transformation projects that the Moray Council have undertaken to date
Transformation project evaluation	Reviewing success/failures of previous transformation projects
Future council	Looking at future of the council, what residents need from services and identification of 'BIG change' ideas
Call for action	Commitment by participants stating what they will do drive forward change at pace.

The Council are looking to take forward recommendations agreed at the meeting which included:

- Identifying themes and areas for further discovery work to develop projects.
- Identifying senior leads or service managers/officers to champion each of the three transformation pillars
- Consideration of culture and ethos as part of the management review.

05 Development and delivery of transformation plans

Development and delivery of transformation plans

To what extent are communities and partners involved in the development and delivery of the council's plans for transformation?

The Council engages well with its local communities and uses community engagement as a mechanism to shape and transform service delivery. Community engagement is used to good effect in the Council's service delivery decisions. The Council has a number of formal partnerships which are working well and providing benefits.

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

The Council agreed its approach to community engagement as part of its financial planning in September 2024. There is a structured approach to community engagement which begins with providing sufficient information to enable open engagement and consideration of options for future service delivery. A mix of online and in person opportunities are provided to ensure that engagement work is fully accessible.

The Council recognises the valuable impact that can be achieved by working effectively with its communities. As part of the ongoing corporate engagement with communities, plans are being developed to engage the community in shaping the future of the Council and its services. Activities will aim to stimulate and sustain community engagement in Council transformation, ensuring the community has a voice in decision making. Feedback will be collected through an online community that will be established. This project is in its development phase and is a future aspiration of the Council.

Examples of recent community engagement activity include:

- Learning Estate – full data and relevant information on each associated schools' group was made available online and presented at in person sessions. Following this, the Council asked for a survey to be completed either

- online or on paper. The results of these surveys were then used as part of a follow up workshop on the future design of the learning estate for each area.
- Leisure and Libraries – information was provided to the community as part of the budget consultation. Evidence gathering was carried out using various forums including; online and at open public drop-in sessions; online (and paper) surveys; and workshops held with the public on future service design to achieve financial sustainability. The outcomes from the consultation processes were considered and influenced the decisions in the preparation of the future strategic direction and design of services of the Council and were presented to full Council for approval. The third stage of engagement process is public consultation on specific proposals. This took place in November 2024 for Libraries and the outcome was reported to the full Council in February 2025. . Following the Council decision in February, Library User groups have been established for all libraries and elected members have also attended these meetings. These groups are currently considering the structure of opening hours for each facility to suit community needs.

The Council worked closely with its communities when developing the Corporate Plan. The Council recognise the importance of communities having a voice in shaping future service delivery and intend to continue of engagement to identify better outcomes that fit the needs of the Community into the future. The feedback gathered from engagement will feed into the Transformation Strategy and the Council's overall approach to transforming service.

Development and delivery of transformation plans (2)

Below are details of two transformation projects identified by the Council.

Case Study – Bus Revolution

Council Priority – Building a stronger, greener, vibrant economy Moray Growth Deal delivery

The Council had a clear vision to develop a flexible, demand responsive bus service that was easy to use and allowed for real time journey bookings. From initially using school and social care transport when it was not in its primary use, and customers could book transport through a telephone booking system, the Council have developed m.connect.

m.connect provides:

- demand responsive and timetabled bus services, operated by the Council, but linking in to the wider commercial bus network
- App based booking platform, in addition to telephone bookings, for demand responsive journeys
- Introduction of fully electric buses in a range of sizes, meeting accessibility requirements.

m.connect is a 10-year project, expected to run until 2032 with the intention that the service is embedded into business as usual for the Council at that point.

The Council worked with HITRANS (Highlands and Islands Regional Transport Partnership) and HIE (Highlands and Islands Enterprise) to develop an outline business case in 2021 and a full business case in 2023. Capital funding of £4.3m was provided by the Scottish Government as part of the Moray Growth Deal. DWP have also partnered with the Council on initiatives to provide pathways to employment – either through bus services that provide access to interviews / employment, or driver recruitment. A partnership with NHS

Grampian is likely to be considered in phase 2.

Community engagement and feedback has been key to the m.connect service introduction and ongoing development. Community engagement workshops were initially held to establish need and inform solutions, so the Council knew they were delivering a service that was wanted. Now in operation, customer feedback is recognised as being essential to grow and improve the service offered. Recent feedback on community access to medical appointments has led to the establishment of a new timetabled route connecting coastal villages to a new medical practice.

The project was not targeted as a cost saving, but to improve and transform public transport service provision in rural areas with low population density and relatively high transport poverty. A benefits realisation plan is in place to measure the impacts of m.connect which is reported regularly. There is regular monitoring of the demographic using the service, how and when bookings are made, to help the service plan and anticipate demand.

Journeys made with the service have increased from 45,881 in year 1, to 74,938 in year 3. The success of the first phase of the project has led to the purchase of additional buses as spare capacity from school and social care transport is no longer sufficient.

The Council has noted the following aspects of transformation from the review:

- Innovation in providing public services that embraces new technologies
- Enhanced service provision for residents in a cost-effective manner
- Reduction in transport poverty in rural areas through existing service provision

Development and delivery of transformation plans (3)

Case Study – Additional Support Needs Review

Council Priority – Tackle poverty and inequality

In 2019, a review of the Additional Support Needs (ASN) requirements in Moray's schools began. This was against a backdrop of increasing demand leading to an unsustainable and growing call on the budget and evidence that the Council was not meeting the needs of children and young people. The review sought to look at how the Council could effectively meet the needs of all children and young people with ASN in schools, early years settings and other council educational settings. The review, reinvigorated in 2023 has been implemented during the 2023/24 and 2024/25 financial years, a delay in initially proposed timescales due to the Covid pandemic.

Moray Council engaged with Renfrewshire Council to review and understand their ASN provision and with the Northern Alliance and the Association of Directors of Education Scotland (ADES). The Council also sought advice from Education Scotland, who worked with the Council for over a year as a 'critical friend' supporting the transformation of ASN funding and provision. While partners worked with the council to develop a plan for change, delivery was all at the hands of the Council. The Council engaged with the ASN parent/carer action group to understand concerns and compliments. The engagement included meetings with the Chair and Vice Chair of the Education Committee and the Interim Chief Executive.

A clear plan, timescale and governance of the review was set out in 2019. This was re-assessed in 2023 when the review was reinvigorated. This included a short-life Member-Officer working group and reporting the Transform Learning Board as well as the Education, Children's and Leisure Service Committee.

Prior to the review, funding for ASN was based on a paper exercise where schools were provided with funding per child. There had been no in-person visits to schools to evaluate the activities undertaken and whether need was being met through the funding provided. An in-person pilot exercise took place, assessing how schools were using ASN funding and tested a needs matrix that was developed by a team of moderators.

The result of this was that a new approach to allocating ASN resource was introduced using a matrix and weighting based on the school. Going forwards, the Council will provide schools with their teacher allocation and a 'pot' of ASN funding for support staff – where the school will be able to choose how the funding is used depending on their local needs. The Council are currently looking into developing an ASN forecasting tool, akin to school roll forecasting to support future financial and provision planning.

The Council has noted the following aspects of transformation from the review:

- One service vision – ASN is no longer separate and there are now clear responsibilities and accountability to meet needs of learners
- Changing narrative – moving away from 1:1 funding and funding per child entitlement to funding schools and settings so that effective spending decisions are made by the people directly involved
- Maintaining budget through increased demand – ASN budget has not increased over the last two years despite increasing demand
- Reduction in violent and aggressive incidents in schools.

The Council has identified other projected benefits from the review, which will continue to be monitored and reported to Members in the coming years.

Development and delivery of transformation plans (4)

Other projects delivered in conjunction with partners and the community include:

The Council undertook a significant community transfer of assets by supporting the development of community groups to take on village and town halls. This provided the basis for the transformation work that is ongoing for Elgin Town Hall whereby “Elgin Town Hall for the Community” – a charitable community run body – will continue to operate the facility as part of the Cultural Quarter project within Moray Growth Deal.

Other projects ongoing which involve engagement with communities include:

- Early Years Science, Technology, Engineering and Maths (STEM) – Wild Things. An environmental charity with a strong local base will be involved in delivering outdoor education as a core strand of activity for STEM development in early years.
- In the Digital Health project within Moray Growth Deal, communities have participated in delivery of the project by taking part in “living labs”, where new technology is tested in a real-life rural environment.

The Council recognises that across its priorities and objectives much can be achieved by working in partnership. There has been work carried out with the Community Planning Partnership over the last year to identify where there may be opportunities to increase impact through closer working. The Council plan to bring a report to the Community Planning Board (CPB) during 2025 to set out how joint resources could be used to enable the development of a more closely aligned partnership plan moving forward. This work is being supported by the Improvement Service, with the aim of implementing a single plan spanning the Moray CPB agencies.

The Council acknowledges there are opportunities for the provision of shared services and has recently reviewed the arrangements that are in place. Investigations into other ways to identify new ways of working have commenced in relation to customer relationship management with Aberdeenshire Council.

The Council has several areas of work in progress where there is joint resourcing or funding by partners. This ensures the Council can benefit from efficient use of resources across organisations as well as efficiencies in how projects can be delivered. An example is set out below:

- The Council participate in an Energy from Waste Project (NESS) with Aberdeen City and Aberdeenshire Councils. The project has helped to achieve financial benefits as well as assisting the Council to meet its obligations in relation to landfill. Energy from Waste has been a jointly funded project from concept development in 2015 through to recent operational delivery. The funding has been governed using a bespoke Inter-Authority Agreement which sets out the agreed share of costs for each funding partner, based on the agreed proportionate use of the facility by each partner.

Due to an issue between Energy-from-Waste (EFW) Ness Ltd and its operating sub-contractor, the Ness Energy from Waste Facility is currently closed. Discussions are ongoing to resolve the situation, with the NESS partners continuing to work collaboratively to manage waste disposal until normal service can be resumed.

Development and delivery of transformation plans (5)

In conjunction with Aberdeen City Council, Argyll & Bute Council, Orkney Council and Shetland Council, the Council are participating in a collaborative procurement partnership to deliver the Learning Estate Investment Programme (LEIP) Phase 3 projects within the Northern Alliance. The overall cost of the five projects is £333m – and the collaboration aims to realise substantial financial, economic, technical innovation and social impact benefits for all partners. Associated partners also include Hub North Scotland, Scottish Futures Trust, Built Environment Smarter Transformation and Developing Young Workforce.

The approach will allow shared knowledge and understanding of 21st century school building designs. Moray Council are central partners, working with other Local Authorities and in conjunction with hub North Scotland to drive a number of outcomes through partnership working.

The Strategic Territory Partnering Board (STPB), which is a regional coordinating structure that brings the Northern region Local Authorities, Health Boards, and Blue Light Agencies has created an alternative method of delivering infrastructure plans, and a coordinated funding proposal was successfully submitted to the Government in 2022.

The five Local Authority partners agreed that an alternative programme strategy could support the delivery of the investment programme by:

- Driving financial benefit through aggregated procurement;
- Delivering resource efficiencies; and
- Creating an environment for service transformation and shared learning.

The LEIP is an outcomes-based funding model, with all listed Local Authority Partners responsible for the forward funding of specific projects within the North Schools Programme. Subject to criteria associated with asset performance, funding recovery is expected to be achieved over a 25-year operational phase.

A number of success measures are in place to measure the impact of the project, including:

- The new school will have sustainable and viable pupil rolls, which help with the delivery of the full breadth of Curriculum for Excellence
- Developed and improved Digital Learning and Teaching, which contributes to the National Digital Learning and Teaching Strategy
- Provide touchdown space for support services to facilitate integrated partnership working
- Sharing of knowledge, best practices, and experience across Partners
- Ability to share resources, both internal and external, across Partners to provide support where needed and to generate further efficiencies

The governance structure is a joint leadership approach through the Northern Alliance and Local Government Partners, and there are dedicated Programme Boards in place for each project.

Overall, there are effective joint funding arrangements in place between the council and partners for transformational projects. The Council have a good level of engagement with other local authorities in the north of Scotland and it is clear the Council are looking to identify further opportunities to deliver efficiencies through smarter working practices.

06 Impact of transformation activity

Impact of transformation activity

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

Detailed Integrated Impact Assessments are completed for each transformation project to mitigate against any unintended consequences of change. The Council are undertaking a review of the governance processes in place and must ensure these are appropriate with a balanced focus on planning and delivery. Work on the Digital Strategy is at an early stage but must align with the Transformation Strategy for both strategies to be successful.

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.

To ensure there are no unintended consequences of transformation projects, particularly for vulnerable groups, Integrated Impact Assessments (IIAs) are created by services at the inception of a project. Members of ECMT lead and prepare the IIAs for issues within their services. The IIAs capture equality, human and children's right impacts, having moved from a more abbreviated style – an Equality Impact Assessment (EIA) – in December 2023. IIAs are prepared for all significant service changes where it is anticipated that there could be an impact on these areas.

The IIAs are detailed and include:

- information on the impact a project will have across service users
- potential changes to service delivery
- how changes would impact different categories of service users
- staffing impacts of the change to services
- details of consultation events held.

The IIAs include a “protected characteristics” section which enables the Council to document their consideration of how a project will impact individuals with a protected characteristic (e.g. sex, race, disability etc) and the mitigations the

Council will put in place to avoid issues arising.

It is clear the Council understand the importance of IIAs and are utilising IIAs as an appropriate mechanism in selecting projects for inclusion in the wider Transformation Strategy. The IIAs are reported to ECMT alongside the business case.

A further project the Council are delivering is the STEM Project. There has been significant engagement with parents, pupils, education staff, and the wider public as the project has sought to identify challenges, opportunities, and to obtain feedback on solutions proposed. Engagement methods have included; one on one and group consultations; facilitated focus groups and workshopping exercises; attendance at Associated Schools Group (ASG) and head teacher meetings; school and ELC classroom visits; public events and STEM taster sessions; career fairs; and feedback obtained from surveys and feedback forms.

In preparation of the projects full business case, which includes an IIA:

- 140 education staff had been consulted, including ELC practitioners, childminders, and primary and secondary teachers.
- 353 children had been engaged, including responses from pupil surveys, classroom visits, Developing the Young Workforce (DYW) careers fairs, and STEM workshops.
- 109 parents were consulted through public engagement events, STEM taster sessions and feedback from targeted surveys.

Impact of transformation activity (2)

The Council have several processes in place to measure the impact of transformation projects and ensure projects are producing the intended benefits to outcomes and service delivery. The project governance arrangements ensure that consideration is given to the benefit to be derived from projects from the outset. Success measures and benefits are defined and the progress against these are monitored and reported to the relevant Board. A high-level oversight is included in the quarterly reporting to ECMT and committee.

As an example, for the Moray Growth Deal (MGD) there is a published annual report which evidences the progress of developing projects and how these are working towards the delivery of planned benefits. The MGD Project Management Officer (PMO) also uses a process of “in-life” project reviews to check whether projects are on track to deliver their intended benefits. A similar review has been completed for Council projects including the Bus Revolution Project and Housing Delivery Mix Project.

There is also an established post project learning review process in place where the Council reflects on the experience of developing and delivering transformation projects to ensure learning is identified and applied to future work. These end of project reviews are reported to Committee for review and include detailed information on a variety of topics including:

- the benefits delivered,
- significant issues and risks arising from the project,
- overall budgetary performance and
- Lessons learned and details of ongoing monitoring.

The reporting is thorough and gives a clear overview of the outcomes of an individual project and the transformational benefits to service delivery.

The Council recognise that the next step in their transformation is significant but believe they have a platform for achieving increased pace in order to deliver agreed savings.

The Transformation Strategy is focussed on supporting the long-term sustainability of the Council. There are several projects that are in development and progressing to an implementation phase. The Council will use the transformation reserve to invest in these projects on a planned basis to drive the identified benefits, as is shown in the revenue budget for 2025/26.

Further work is planned to develop in the longer term. The Council is planning extensive engagement with local communities on the future long-term transformation of the Council. This will include consideration of the Council’s assets, making best use of assets to meet future needs across Moray and harnessing opportunities from digital. A series of engagements began in March 2025.

The Corporate Management restructuring is being designed to help deliver these transformational projects, ensuring there is appropriate capacity and skills in place at the Council. There will also be a look forward piece regarding new business systems and processes which is a key area of focus for the Council as it enters the next phase of transformation. **See recommendation 6.**

Impact of transformation activity (3)

There are several barriers the Council will need to overcome to deliver the level of transformational change required including:

- Significant financial challenge over the medium to longer term
- The scale of improvement required Council wide
- Having sufficient leadership capacity to help drive change
- Establishing ideas that can offer new opportunity and change
- Public perception to change
- Establishing a streamlined governance structure

The biggest barrier to delivering the transformational change required is the scale of the financial challenge in the medium to long term. While this is a barrier to significant investment, the Council has achieved a balanced revenue budget without the use of non-earmarked reserves and included specific investment in key priorities from the Council's priorities reserve.

Following the BVAR in 2024, the Council is engaged on a significant journey of improvement which adds to the challenge of delivery. However, clear plans are under development and the members have considered the long-term vision and opportunities for improvement. The evidence gathered as part of this process will be utilised in the development of the next planned stage of the Council's Transformation Strategy. **See Recommendation 1.**

To provide the level of transformational change required, the Council need change leaders, service specialists and additional project resource. To address this, the Council is using funding from the transformation reserve to fund specific resource. Capacity is a significant barrier for the Council, and the rural nature of the Council adds to complexity when recruiting. The corporate management

review will consider how to ensure the Council is appropriately resourced moving forward, with a view to implementation of approved changes by August 2025.

See recommendation 6.

A working group is being formed to consider refreshing programme governance to ensure that while all necessary due diligence is completed, this is done in an effective and efficient manner. The Council have several transformation projects in development, however there is a risk that too much time is being spent on developing plans which is taking away focus from implementation. As part of the governance refresh, the Council need to ensure there is an appropriate balance between planning and delivery to ensure transformation of services can be delivered at the correct pace. **See recommendation 7.**

Impact of transformation activity (4)

The Council recognise there is a complex national context for digital; there are a range of IT systems and integration, and the current ICT architecture presents challenge due to a lack of integrated systems. As a small council, the Council have identified that there must be careful consideration of the risks of pioneering approaches in these areas. Therefore, the Council is monitoring work being undertaken through IS and COSLA to draw out key lessons and points for local development.

The Council reviews results of developments and opportunities that may come from the national work being led by Solace and the Improvement Service. The Solace/IS transformation programme aims to carve out a local government-led route to reform. The Digital Office has supported the Council in undertaking a digital maturity assessment and the Council is aiming to ensure that key links are made with national digital developments to enhance the Council's ambition to ensure best use of digital solutions across the business.

Work is underway to capture learning from digital developments elsewhere and explore with suppliers the possibilities for the Council's Digital Strategy and transformation approach. Following this, ECMT will hold a workshop to identify the areas with greatest opportunity to take the Council into the next stage of digital transformation. It is planned to report the outcome to full Council by November 2025.

Work is already progressing across the Council including:

- **Legacy systems:** Three major systems are identified for priority consideration and work is advancing on to identify replacement. The rationalisation of business systems will be considered from cost, capability and service improvement aspects
- **Current systems:** Maximising use of current systems has identified how the council could move forward at pace to gain better advantage from the Microsoft 365 suite of digital tools.

- **Education:** Work has progressed to update assessments of the digital connectivity issues in schools and take forward solutions as part of the roll out of Swan 2. All secondary schools will have improved broadband capacity before the end of the summer term. The next focus will be to enhance digital capacity in primary schools and building in future proofing.
- **Workforce:** Upskilling staff is a key priority, and readily accessible, free options have been identified to be create a workforce development suite

The Council acknowledges that it can learn from the work being undertaken elsewhere. A report was taken to the Corporate Committee in January 2025 which sets out the planned approach to digital strategy. At this meeting, the Committee approved an updated ICT Strategy 2025-2028.

The Committee also approved the development of a Digital Strategy as a separate distinct area to be removed from the ICT Strategy. The Council intend to formalise this plan in future months, as there is an understanding this will be an integral part of transformation in future years. Embedding new approaches to digital will enable the Council to offer new ways of service delivery. The intention is to report the new strategy to committee in the Autumn. **See recommendation 8.**

The Council have identified Digital Discovery as an area of opportunity within the Transformation Strategy. As part of the 2025/26 Revenue Budget, the Council agreed to invest £0.200 million from reserves in order to scope future service developments and develop a programme of digitisation. In the short term, the Council is looking to adapt and adopt practice and solutions that have been tested elsewhere, including liaising with East Renfrewshire Council on certain digital projects which could be implemented in Moray.

Appendices

A. Improvement action plan

We have set out below, based on our audit work undertaken on the transformation thematic, the key recommendations arising from our work:

Issue / risk	Recommendation	Agreed management response
<p>1. Project monitoring</p> <p>Quarterly reports are provided to committee for formal reporting and provide an update of progress on the specific project areas. The monitoring reports presented to Committee could be improved by clearly identifying how each project links to the Corporate priorities of the Council. Furthermore, providing additional information relating to the quantified costs and the projected benefits of each project would allow for greater scrutiny.</p> <p>In the current format, the monitoring report does not provide any context in relation to the direction of travel of each project or contain benchmarks on what differentiates a project between green, amber or red.</p> <p>Adding this information to the monitoring reports will provide members with fuller detail and the ability to provide greater scrutiny over the projects within the Transformation Strategy.</p>	<p>The Council should review the content of the reporting provided to members on the Transformation Strategy. The Council should ensure the reporting includes an appropriate level of detail which will provide members with sufficient detail in order to scrutinise progress and make effective decisions.</p>	<p>The committee reporting format will be reviewed to ensure that the appropriate level of detail is available to committee</p> <p>Action Owner: Depute Chief Executive (Education, Communities and Organisational Development)</p> <p>Timescale for implementation: September 2025</p>

A. Improvement action plan

We have set out below, based on our audit work undertaken on the transformation thematic, the key recommendations arising from our work:

Issue / risk	Recommendation	Agreed management response
<p>2. Future budget plan</p> <p>Looking ahead into future years, the Council must ensure that the Transformation Strategy is the key driver for addressing identified budget gaps over the longer term. The Council should not revert to the use of reserves for balancing the budget.</p>	<p>The Council should ensure that the MTFS is linked to the overall Transformation Strategy and is the catalyst for identifying future efficiencies</p>	<p>The latest iteration of the MTFS includes linkages to the Transformation Strategy. The MTFS indicates that the main drivers for reducing the budget gap are to be found in the Transformation Strategy, however it does not specifically state that these drivers are embedded in the Transformation Strategy. This will be clarified in the next iteration of the Medium to Long Term Financial Strategy.</p> <p>Action Owner: Chief Finance Officer</p> <p>Timescale for implementation: February 2026</p>
<p>3. Annual report on transformation</p> <p>There are a number of transformational projects ongoing outwith the regular reporting cycle for the Transformation Strategy. For assurance purposes, the Council should review its overall reporting on transformation and produce an annual report which brings all projects the Council consider as transformational into one document to members.</p>	<p>The Council should prepare an annual report which provides a progress update on all transformation projects.</p>	<p>All transformation work is now captured within the Transformation Strategy and the Moray Growth Deal programme. Both are extensive programmes of work that would be very large within a single annual report.</p> <p>Annual reporting for the Transformation Strategy will be aligned with the annual reporting for MGD from 2026 forward.</p> <p>Action Owner: Executive Director (Finance, Strategy & Transformation)</p> <p>Timescale for implementation: June 2026</p>

A. Improvement action plan

We have set out below, based on our audit work undertaken on the transformation thematic, the key recommendations arising from our work:

Issue / risk	Recommendation	Agreed management response
<p>4. Delivery timetable from transformation projects</p> <p>Updates on the progress of the projects included within the Transformation Strategy are reported quarterly to the Corporate Committee. The most recent update confirmed that there are several projects which are now behind schedule and the Council will need to consider whether the initial timetable for these projects is still attainable.</p>	<p>The Council should put in place a rolling schedule of timetable review for projects to confirm they remain achievable, ensuring that when delays occur, the Council is sighted on the delay and can put in place appropriate actions</p>	<p>The report to the Corporate Committee on 10 June 2025 noted the reasons for projects being behind timescale and the remedies proposed. The last overall review of all projects within the programme was undertaken as part of the refresh and refocus of the programme reported to the Council on 13 August 2024. Consideration will be given to the timing and continuation of the current set of projects as Stage 3 of the Transformation Strategy is prepared for reporting in the autumn of 2025.</p> <p>Action Owner: Depute Chief Executive (Education, Communities and Organisational Development)</p> <p>Timescale for implementation: December 2025</p>
<p>5. Reporting of outcomes</p> <p>The Council prepare End of Project reports which provides full detail on the outcome of projects. These reports are comprehensive and provide context on the outcomes of projects, including whether the project has achieved predicted financial or service delivery benefits. These reports are not currently presented to members for oversight.</p>	<p>The Council should report the high-level outcomes of completed transformation projects to members.</p>	<p>Outcomes from end of project reports and interim project learning reports will be reported to committee</p> <p>Action Owner: Project Owner</p> <p>Timescale for implementation: As projects conclude</p>

A. Improvement action plan

We have set out below, based on our audit work undertaken on the transformation thematic, the key recommendations arising from our work:

Issue / risk	Recommendation	Agreed management response
<p>6. Workforce capacity</p> <p>The Council recognise capacity is a significant barrier, and the rural nature of Moray adds to complexity when recruiting. The Council are undertaking a corporate management review which will consider how to ensure the Council is appropriately resourced moving forward, with a view to implementation of approved changes by August 2025.</p>	<p>The Council should implement the agreed changes to the corporate management structure and commit to reviewing and refreshing as appropriate in future years.</p> <p>The Council should ensure it has appropriate capacity at senior levels, ensuring the Council has the correct mix of skill and experience, to support the Council in its transformation journey.</p>	<p>Management structure changes will be implemented.</p> <p>Action Owner: Chief Executive</p> <p>Timescale for implementation: September 2025</p>
<p>7. Delivery of transformation programme</p> <p>An officer group is refreshing programme governance to ensure that while all necessary due diligence is completed, this is done in an effective and efficient manner. The Council have several transformation projects in development, however there is a risk that too much time is being spent on developing plans which is taking away focus from implementation. As part of the governance refresh, the Council need to ensure there is an appropriate balance between planning and delivery to ensure transformation of services can be delivered at the correct pace.</p>	<p>The Council need to find the correct balance between planning and delivery to ensure transformation of services can be delivered at the correct pace.</p>	<p>Project governance will be reviewed</p> <p>Action Owner: Executive Director (Finance, Strategy & Transformation)</p> <p>Timescale for implementation: March 2026</p>

A. Improvement action plan

We have set out below, based on our audit work undertaken on the transformation thematic, the key recommendations arising from our work:

Issue / risk	Recommendation	Agreed management response
<p>8. Approach to digital</p> <p>The Council recognise that the scale and extent of digital development that is required to support transformation as well as digital maturity is extensive. There are a range of IT systems and integration, and the current ICT architecture presents challenge due to a lack of integrated systems. The Council is monitoring work being undertaken through the Improvement Service and COSLA to identify key lessons and points for local development. The Council understand that digital will be an integral part of transformation in future years.</p>	<p>The Council should formalise the approach to digital and set this out in a Digital Strategy for presentation to members. The Digital Strategy should be linked to transformation and be one of the Council's key policies</p> <p>.</p>	<p>Digital services is included within the Transformation Strategy and work is well progressed towards reporting the Digital Strategy to committee in September 2025.</p> <p>Action Owner: Depute Chief Executive (Education, Communities and Organisational Development)</p> <p>Timescale for implementation: September 2025</p>



© 2025 Grant Thornton. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.