

Best Value thematic work

East Lothian Council

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



Prepared by Audit Scotland
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Accessibility

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Key messages

- 1 The Accounts Commission's [Local government in Scotland Financial bulletin 2023/24](#) notes that councils need to intensify transformation activity, progressing at scale and pace to ensure their financial sustainability.
- 2 East Lothian Council has a clear vision and plan to support the transformation of its services, which aims to deliver a portfolio of change over a five-year period and support the financial sustainability of the council. It has a defined transformation programme in place that clearly sets out what transformation activity is underway. In addition, there are several projects, led at service level, that the council consider to be transformational. The council should ensure that each of these projects meet the objectives set out within its transformation strategy.
- 3 The council faces a projected funding gap of over £17 million for 2025/26, rising to over £79 million by 2029/30. It estimates that the current portfolio of transformation projects will deliver recurring savings of £6.1 million over the five-year period to 2029/30¹. While recognising that transformation is a key enabler to financial sustainability, the council's financial and transformation strategies make it clear that it is only part of the council's solution to closing its funding gap. Other measures include cost reduction through energy efficiency, investment in early intervention and prevention and developing and growing income streams. The council's collective change activity needs to be sufficiently ambitious to respond to the scale of its financial challenges.
- 4 Over half of the council's current 15 transformation projects are in the delivery stage and detailed information has been compiled for each of these. The council has allocated earmarked reserves totalling £18.5 million to support and enable transformation and in 2024/25, £1.486 million was spent from this reserve.

¹ [Cross-party General Services Revenue and Capital Budget Including Council Tax Proposals 2025/26 - 2029/30](#)

- 5 The council has robust governance arrangements in place for projects in its transformation programme. It has a dedicated transformation team but is experiencing staffing issues on some projects due to staff turnover and staff vacancies linked to the temporary nature of these projects. Also, there are constraints on the availability of some staff carrying out business-as-usual work to contribute to the transformation programme due to heavy workloads. This presents a significant risk to the progress of the council's transformation programme.
 - 6 The council has effective arrangements in place for reporting progress on the projects in its transformation programme to its senior leadership team and plans to enhance reporting to elected members. An overview of all significant transformation activity is not currently compiled. This creates a risk that elected members are not fully sighted on the progress of all key transformation activity across the council as a whole.
 - 7 The majority of the council's current transformation programme is council led and does not involve working with partners. The council is at an early stage of progressing opportunities to work with partners in service-led transformation activities outside its current transformation programme.
 - 8 The council has shared examples of where it is listening to its communities in relation to transformation projects. Integrated Impact Assessments (IIAs) are being carried out during the development of transformation projects where the council believe they are appropriate and there are examples of community engagement taking place in relation to these.
 - 9 The council has had a transformation programme in place since 2016. In the context of the growing financial challenges facing the council, the focus of this programme has shifted in recent years. A new framework was introduced in 2024 and is being developed which better captures, monitors and reports on the financial and non-financial benefits of transformation projects. The council is due to present its first annual progress report on transformation to full council in Autumn 2025.
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Introduction

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

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

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

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

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

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

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

6. An improvement action plan is included at 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.

7. The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#) and we have considered the Accounts Commission's transformation principles set out in [Transformation in councils \(Exhibit 1\)](#).

Exhibit 1

Transformation principles

Transformation is about radically changing how councils operate and deliver services to achieve planned outcomes in a financially sustainable way.

Principle	
Vision	Have a clear vision that sets out the intended end state of any transformation activity, focused on: • delivering large-scale recurring savings or generating income for the council, contributing to its longer-term financial sustainability • improving outcomes for citizens in line with council priorities • taking a whole-system approach to see and realise opportunities both within councils and more widely • meeting the needs of the people who use services and reduce inequalities • focusing on preventative activity, where applicable, to reduce the demand for services and to make them sustainable in the longer term.
Planning	• Be clear on the scale of the change required and ensure transformation plans are sufficiently ambitious to credibly respond to the scale of the challenge. • Commit staff with appropriate skills, time, and resources to ensure transformation occurs at the scale and pace required and that there is enough capacity for the changes to be embedded. • Be clear about the timescales, costs, outcomes, and anticipated impacts of transformation projects. • Show urgency and progress projects at pace without compromising appropriate governance on projects.
Governance	• Have a clear process for monitoring, evaluating, and reporting progress. • Put in place effective governance and escalation processes so that the transformation activities are well managed in their own right, but also able to be given priority alongside other business-as-usual activities.
Collaboration	• Develop better working relationships with communities and/or partners to achieve a sustainable model of service delivery. • Actively consider the opportunities offered by regional or national sectoral collaboration, or by integrating services locally with partners, or by supporting individuals and communities to achieve desired outcomes in place of an existing service. • Learn from good practice across Scotland and beyond.
Innovation	• Implement new ways of thinking, including innovation, creativity and a desire, willingness, and action to change and do things in new and different ways that achieve the outcomes needed. • Embed the right culture and behaviours to manage change and help maximise the contribution of all the team.

Source: Accounts Commission, [Transformation in councils](#), October 2024

Transformation planning

8. 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.

Findings and evidence relating to the council’s transformation planning

Findings	Evidence
East Lothian Council has a clear vision and plan to support the transformation of its services. It has a defined transformation programme in place that clearly sets out what transformation activity is underway. In addition, there are a number of projects, led at a service level, that the council consider to be transformational. The council should ensure that each of these projects meet the objectives set out within its transformation strategy.	• The council approved its Transformation Strategy (2024-2029) in August 2024. The plan sets out a clear vision to “deliver a portfolio of change over a five-year period (aligned to the Financial Strategy 2024-2029) which will support the financial sustainability of the council aligned to Council Plan / Corporate Priorities.” • East Lothian Council has agreed three new short-term priorities, since the publication of its Council Plan in 2022, to more accurately reflect the current financial challenges it faces. Transformation features prominently in the first of these new priorities, which aims to “ensure the financial sustainability of the council through the delivery of approved savings and transforming the way we deliver services.” • The Transformation Fund and the projects it supports are regarded as critical enablers to support long-term financial sustainability within the council. Commitment to investing in transformation is shown in the council’s latest Financial Strategy (2025-2030), where it has committed a movement of over £12 million (between March 2023 and March 2024), earmarking £18.5 million in its reserves for the Transformation Fund. • The council plans to use this fund to progress and accelerate key transformation projects

Findings	Evidence
	including the asset review, parking strategy and new corporate systems during 2024/25. • The council has committed to reviewing and updating its Transformation Strategy (2024-2029) on an annual basis to ensure continued alignment with supporting the delivery of its priorities and outcomes. • Officers have told the audit team about other significant transformation projects (see Part 3) that are being taken forward by services that are not included in the current transformation programme. • The council must ensure that each of these projects meet the objectives set out within its transformation strategy and that officers and members are provided with a clear overview of all transformation activity across the council.
The council faces a projected funding gap of over £17 million for 2025/26, rising to over £79 million by 2029/30. It estimates that the current portfolio of transformation projects will deliver recurring savings of £6.1 million over the five-year period to 2029/30. While recognising that transformation is a key enabler to financial sustainability, the council's financial and transformation strategies make it clear that it is only part of the council's solution to closing its funding gap. Other measures include cost reduction through energy efficiency, investment in early intervention and	• East Lothian Council faces a projected funding gap of over £17million for 2025/26 (before applying budget efficiencies, increases to the council tax charge or use of reserves). This figure is projected to rise to over £79 million over the next five years to 2029/30². • To date, the council has identified estimated recurring annual savings of £6.1 million from its current portfolio of transformation projects over the five years to 2029/30. The council expects more savings to be made as projects progress and benefits are captured. • The council has emphasised that making savings is not the sole objective of its transformation programme and that it will not be possible to deliver the financial savings required to close the budget gaps it faces through transformation alone. • The council's Financial Strategy (2025-2030) sets out the measures it will take in addition to transformation to achieve financial sustainability, including cost reduction through energy efficiency, investment in early intervention and prevention and developing and growing its income streams.

Findings	Evidence
prevention and developing and growing its income streams. The council's collective change activity needs to be sufficiently ambitious to respond to the scale of its financial challenges.	• After current planned savings and the additional measures set out above have been taken into account, there remains a funding gap of over £45.9 million over the next five years.
Over half of the council's current 15 transformation projects are in the delivery stage and detailed information has been compiled for each of these. The council has allocated earmarked reserves totalling £18.5 million to support and enable transformation and in 2024/25, £1.486 million was spent from this reserve.	• There are currently 15 projects within the council's transformation portfolio which are grouped into the following categories: energy transformation; income generation; asset review; systems; processes as well as data and governance. The March 2025 update to the Transformation Portfolio Board shows that eight projects are in the delivery stage. • Total project costs and spend to date for individual projects, using a methodology that is in development, are reported at Transformation Portfolio Board meetings. • The council has allocated earmarked reserves totalling £18.5 million to support and enable transformation and in 2024/25, £1.486 million was spent from this reserve. The highest project costs incurred to date are attributed to assets, parking and digital projects. • High level benefits are being reported at Transformation Portfolio Board meetings, but officers have noted that there are some inconsistencies in the approach to capturing and reporting on benefits. To address this, the council is planning to verify its methodology for portfolio level financial information with finance, and has run benefits workshops to improve the reporting of both financial and non-financial benefits going forward.

Recommendations

While we recognise that transformation activity is designed to have wider benefits beyond financial savings, the council should ensure its plans for transformation are sufficiently ambitious to respond to the financial challenges it faces.

There are a number of projects, led at service level, that the council consider to be transformational. The council should take the opportunity, when conducting the annual review of its Transformation Strategy (2024-2029), to ensure all significant transformation activity is reflected as well as ensuring that each project meets the objectives set out within its transformation strategy.

Programme management

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

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

Findings	Evidence
The council's programme management arrangements for transformation do not cover all the transformation activity being undertaken at the council.	The council's programme management arrangements for transformation are focused on the projects it includes in its transformation programme. Officers have told the audit team about other significant plans for change (see Part 3) that are being taken forward by services that are not included in the transformation programme and are not specifically included in programme management arrangements for transformation.
The council has effective arrangements in place for reporting progress with projects in its transformation programme to its senior leadership team and plans to enhance reporting to elected members.	- A review of the Transformation Portfolio Board papers shows that overarching portfolio and project progress is being monitored and reported against high level timescales, cost and estimated benefits at each meeting. RAG dashboard reporting shows delivery confidence for the overarching transformation portfolio, as well as progress for each of the 15 individual transformation projects. Reporting on costs includes portfolio resource allocation, detailing project costs and spend to date, as well as planned savings to date. Updates on the status and delivery confidence of both financial and non-financial benefits are also reported at each meeting, alongside very high risks and issues, stakeholder impact assessments and approvals required at each meeting. - There is a clear focus on improvement, with recommendations being made at each meeting. For example, in the March 2025 update to the Transformation Portfolio Board officers noted that high-level benefits are identified but that there are some inconsistencies in the approach to capturing and reporting on benefits. The council facilitated benefits workshops in Spring 2025 to address this, as well as

Findings	Evidence
	working with finance staff to improve its reporting of financial benefits. • East Lothian Council's Transformation Strategy commits to reporting on performance against financial targets through regular finance updates to the Cabinet/ Council (starting in December 2024). It has also committed to producing an annual report capturing performance for transformation for each financial year. In addition, the October 2024 Finance update states that "regular updates on progress, status and benefits delivered will be incorporated into future reporting to Council." • Officers have committed to sharing detailed reporting on transformation progress, status and benefits delivered with elected members as part of its annual report, starting from Autumn 2025. Progress towards delivering key financial savings is included as part of quarterly financial reporting to council. Officers recognise the need to enhance reporting to elected members on transformation delivery targets and benefits realisation as projects progress from delivery to business as usual.
The council has robust governance arrangements in place for projects in its transformation programme. It has a dedicated transformation team but is experiencing staffing issues on some projects due to staff turnover and staff vacancies linked to the temporary nature of these projects. Also, there are constraints on the availability of some staff carrying out business-as-usual work to contribute to the transformation programme due to heavy workloads. This presents a significant risk to the progress of the council's transformation programme.	• The Transformation Portfolio Board oversees the monitoring of delivery and performance of transformation within the council. It comprises of the Executive Management Team, with the Chief Executive leading on meetings every 6-8 weeks. • Other aspects of governance arrangements which are in place include the stage gate review process, reporting cycle and risk escalation process. There is also a Digital Transformation Board chaired by the Executive Director for Council Resources which oversees digital transformation, as well as the prioritisation of digital projects and resources. • Work is ongoing to implement a permanent Programme Management Office for the transformation programme, which is due to complete in November 2025. There is an ongoing recommendation within Transformation Portfolio Board updates to review and optimise governance arrangements for transformation. • The council has faced some recruitment challenges for digital and IT roles. The council has been working to address these issues by growing its capacity internally and utilising resources such as the Scottish Digital Academy, the Digital Office and the Improvement Service. • Resource allocation for March 2025 shows that the council is using a combination of permanent, temporary and service staff to deliver its transformation ambitions. A total of 22 staff have been allocated to the transformation portfolio, 12 of

Findings	Evidence
	which are permanent staff and the remaining 10 are a combination of service and temporary staff. The council has now successfully filled one of three existing vacancies, and recruitment is underway for the remaining two vacant posts within the transformation portfolio. • Overall delivery confidence for the Transformation Portfolio continues to present as ‘amber’ with resource management being cited as a key factor. Resource risks are primarily around the clash of increased demand for transformation resource and the ability of the wider organisation to release staffing resource to transformation projects due to the demands of business-as-usual workload. • The Transformation Portfolio Board is asked to note that overall portfolio progress is being delayed due to resourcing issues and recommended actions to address this include ensuring the availability of operational staff to support project delivery.

Recommendations

The council should ensure it delivers on its commitment to report on transformation to elected members. This should include regular reporting on planned and realised financial and non-financial benefits from its transformation work in line with what is set out in the Transformation Strategy. The council should put in place arrangements to report to elected members on the full range of transformation activity being progressed.

The council should ensure that its workforce has capacity to deliver on its transformation ambitions. This includes balancing workforce planning with the resource needs of wider business groups and recruiting additional roles for transformation if required.

Partnership working and community engagement

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

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

Findings	Evidence
The majority of the council's current transformation programme is council led and does not involve working with partners. The council is at an early stage of progressing opportunities to work with partners in service-led transformation activities outside its current transformation programme.	• Nine of the council's current transformation projects are internally focused, for example, M365 roll-out, finance system replacement and the development of a Portfolio Management Office, with limited opportunities for partner involvement. • Six projects have an external focus, for example the parking strategy, energy transformation and assets review. The council is working with partners to deliver energy transformation and its assets review. • Examples of service-led transformation activity being progressed outside the current portfolio of transformation projects, involving working with partners, includes the Development Framework for Blindwells New Settlement and the former Cockenzie Power Station site.
One of the projects in the council's current transformation programme is to be jointly funded with a partner	• The council provided two examples of successful transformation where it had received funding from external bodies. Its waste project received £2.7 million funding from Zero Waste Scotland, while the Community Empowerment Winterfield Golf Club transformation project received funding from the UK Shared Prosperity Fund (UKSPF).

Findings	Evidence
The council has shared examples of where it is listening to its communities in relation to transformation projects.	• There are plans for the energy transformation project, one of the 15 projects in the council's current transformation programme, to be jointly funded with a partner, Clear Futures. • A number of the council's current transformation projects have involved or are planning to involve consultation with the community. This includes the council's new parking strategy that will lead to the introduction of charges for parking in North Berwick later this year and its asset reviews. The council conducted a consultation on the introduction of parking charges in North Berwick with 586 people responding. The consultation summary noted opposition to the scheme that has attracted an extensive campaign and objections. • Mitigations were recommended to the council in relation to the objections. An Integrated Impact Assessment was conducted and an action plan produced, as described in Part 4. • In relation to its asset reviews, the council proposes to reduce the number of council-owned buildings by creating several centralised service hubs that include a customer access point, library and some meeting space. It has begun implementing its plan for engagement and consultation with stakeholders. • In the examples of successful transformation projects the council provided to the audit team, we asked what partners had been involved in the project and what community engagement there had been. The council's examples included working with Zero Waste Scotland and FCC Environment on its waste services project and working with the Improvement Service on its online customer platform project. It engaged with its communities on its community empowerment projects and waste services project.

Impact of transformation

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

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

Findings	Evidence
The council has had a transformation programme in place since 2016. In the context of the growing financial challenges facing the council, the focus of this programme has shifted in recent years. A new framework was introduced in 2024 and is being developed which better captures, monitors and reports on the financial and non-financial benefits of transformation projects. The council is due to present its first annual progress report on transformation to full council in Autumn 2025.	• The council has had a transformation programme in place since 2016. The programme initially set out to create efficiencies, as well as improving services, transparency and sustainability. The Transformation Strategy (2024-29) includes a section summarising the achievements of the previous transformation work. This lists projects under four headings – digital transformation, front-line service redesign, commercialisation and supporting service redesign. Under each heading project benefits are described but not quantified using phrases such as ‘costs avoided’, ‘customer satisfaction’, ‘increased income’ and ‘resources released’. • The council’s intention to improve the capture, monitoring and reporting of benefits from 2024 onwards is set out in the Transformation Strategy (2024-2029). • In 2024 the council developed a defined list of financial and non-financial benefits for its transformation projects. These were developed with consultants and are used to report across the portfolio. For example, non-financial benefits identified for the finance system replacement project include resources released, reduced transaction time, reduced failure rate, customer satisfaction and increased transparency. • Project managers can also add in any additional benefits not included in the generic list. The council recognises that benefits reporting is an area requiring further work to improve accuracy and consistency. • As noted above, the council plans to report annually on the impact of its transformational activity to elected members and the public. The first progress report is scheduled for Autumn 2025.

Findings	Evidence
The examples of successful transformation projects provided by the council, although pre-dating the new benefits tracking regime, set out a range of benefits including financial savings and improvements to processes and service quality. Some financial benefits are estimated, however most are not quantified.	• In the examples of successful transformation projects the council provided to the audit team, we asked for realised and projected cost and service quality benefits to be highlighted as well as the impact projects had had on people who use services. The council has noted that these projects pre-date the new regime of benefits tracking. • Examples of successful transformation projects provided by the council included its online customer platform project and delivering changes in waste services. • The online customer platform project, delivered in 2021 and enhanced since then, involved the council developing more online services. A saving of £23,500 per year was identified alongside unspecified decreases in processing and cash-handling costs. Its impact on service users is mainly around the benefits associated with the provision of 24/7 online access to council services. Customer platform statistics show there were nearly three times as many online requests in 2024 compared to 2023. • The waste services project aimed to move the council's non-recyclable waste collection service from a two-weekly to a three-weekly cycle from April 2024, introduce a garden waste permit scheme to generate income in July 2024 and start a booking system for recycling centre visits. The project is estimated to reduce waste disposal costs by around £200,000 per annum with income from the garden waste permit offsetting the costs of delivery of the service.
Integrated Impact Assessments are being carried out during the development of transformation projects where the council believe they are appropriate and there are some examples of community engagement taking place in relation to these.	• We reviewed a sample of Integrated Impact Assessments (IIAs) shared by East Lothian Council. Five of these relate directly to the council's current transformation programme with four of these covering specific transformation projects. • The council carried out an IIA in relation to its Transformation Strategy (2024-2029) in May 2024. This considered whether the Transformation Strategy has consequences and impacts for people, equalities, the environment and for the storage and collection of personal data. The council answered no to each of these questions, concluding that there was no need for a full impact assessment to be carried out. The IIA notes that although the Transformation Strategy itself will not have a direct impact on service user experience, individual transformation projects might and therefore specific impacts will be considered at project level. • An IIA was completed in April 2023 for the council's proposals to introduce charges for parking in North Berwick. It notes that several consultations were carried out using a range of different methods, including a survey (both online

Findings	Evidence
	and paper copies), as well as drop in events, meetings and a postal address for submitting detailed feedback on the proposals. The IIA clearly sets out both positive and negative impacts in relation to equalities and human rights, reducing poverty and environmental and sustainability issues. The IIA was updated in March 2025 to reflect feedback from consultations which it notes have informed options for modifications to the proposals. The action plan also states that options have been developed for potential changes to the scheme and will be considered by elected members. Amendments for North Berwick were considered in April 2025. • An IIA was carried out in February 2025 for the planned replacement of the council's existing financial IT systems with one single digital platform. It concluded that a full IIA was not required to be carried out as the proposals will not affect people or their access to services or have impacts for equalities. • A Data Protection Impact Assessment was carried out for the council's Housing Management System Replacement project between October 2020 and October 2024. It states that consultation with individuals will not be carried out as this is a project focused on improving existing systems and processes. • A project to replace East Lothian Council's website began in January 2024 and is due for completion in August 2026. An IIA for the website replacement was carried out during the development of the project in October 2024. It notes that a survey has been issued to both citizens and internal staff on what they would like to see delivered in a new website and there are plans to inform users of any changes or improvements to the functionality. It is not yet clear what changes will be made to the new website or how the consultation will influence planned changes to services. Once this information is available it should be captured in the action plan section of the IIA, in line with the council's guidance on Integrated Impact Assessments.

Recommendation

The council should continue to improve its methodology for measuring financial and non-financial benefits for its transformation projects.

Appendix

Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
1. Ensuring transformation plans are sufficiently ambitious The council faces a projected funding gap of over £17 million for 2025/26, rising to over £79 million by 2029/30. It estimates that the current portfolio of transformation projects will deliver recurring savings of £6.1 million over the five-year period to 2029/30. Whilst we recognise that transformation alone will not offer the full solution to the council's funding gap, the level of financial savings from the council's collective change activity should be commensurate with the scale of its financial challenges.	While we recognise that transformation activity is designed to have wider benefits beyond financial savings, the council should ensure its plans for transformation are sufficiently ambitious to respond to the financial challenges it faces.	The Council is prioritising its resources to support a range of projects focused on key enablers of change. It has also prioritised the delivery of transformation as a key council objective. An update will be provided to Council in August 2025. Transformation & Digital Portfolio Manager August 2025 / ongoing
2. Including all significant transformation activity in transformation strategy Officers have told the audit team about other significant transformation projects that are being taken forward by services that are not included in the current transformation programme.	There are a number of projects, led at service level, that the council consider to be transformational. The council should take the opportunity, when conducting the annual review of its Transformation Strategy (2024-2029), to ensure all significant transformation activity is reflected as well as ensuring that each project meets the objectives set out within its transformation strategy.	Officers will consider options for incorporating service led transformation activity within future reporting, with a view to capturing resource commitment and benefits delivered. Transformation & Digital Portfolio Manger August 2026

Issue/risk	Recommendation	Agreed management action/timing
3. Reporting on transformation Officers have committed to sharing detailed reporting on the progress of its transformation programme with elected members as part of its annual report, starting from Autumn 2025. Officers have told the audit team about other significant plans for change that are being taken forward by services that are not included in the transformation programme. There is a risk that officers and members do not have a full overview of the range of transformation activity taking place within the council.	The council should ensure it delivers on its commitment to report on transformation to elected members. This should include regular reporting on planned and realised financial and non-financial benefits from its transformation work in line with what is set out in the Transformation Strategy. The council should put in place arrangements to report to elected members on the full range of transformation activity being progressed.	A report will be presented to Council in August providing an update on progress made towards delivering the council's transformation strategy. This report will also consider how wider transformation activity can be incorporated into future updates to Council. Transformation & Digital Portfolio Manager August 2025
4. Resourcing transformation The demands of the council's business-as-usual activities are limiting the wider organisation's ability to respond to the increased demand for transformation staff resource. These pressures present a risk to the progress of the council's transformation programme.	The council should ensure that its workforce has capacity to deliver on its transformation ambitions. This includes balancing workforce planning with the resource needs of wider business groups and recruiting additional roles for transformation if required.	The Council has allocated significant resources within earmarked reserves to support transformation activity, and this will remain under review to ensure that there is sufficient capacity to deliver on our ambitions in the context of acute funding constraints. Transformation & Digital Portfolio Manager December 2025

Issue/risk	Recommendation	Agreed management action/timing
5. Measuring the impact of transformation The council is monitoring and reporting on the financial and non-financial benefits from its transformation projects. It recognises that benefits reporting is an area requiring further work to improve accuracy and consistency.	The council should continue to improve its methodology for measuring financial and non-financial benefits from its transformation projects.	The council recognises the importance of ensuring that the benefits of transformation are captured and reported. While the financial savings delivered are already being reported through regular finance updates, future reporting will also capture the non-financial benefits delivered. Transformation & Digital Portfolio Manager August 2025

East Lothian Council

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