

North Ayrshire Council

Best Value thematic management report

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



 AUDIT SCOTLAND

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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 In 2024 we reported that North Ayrshire Council's underlying service cost base is not sustainable and reserves will be depleted over the longer term unless future recurring savings are made through the transformation of its services and other measures.
- 3 The council's current transformation programme, known as its Sustainable Change Programme, was approved in 2023 and clearly sets out how it intends to transform its services, in line with its priorities, through five workstreams and six service reviews. Between 2021/22 and 2024/25 the council achieved financial efficiencies from its Sustainable Change Programme of £3.136m. It plans to make further efficiencies of £8.5m over the next three years.
- 4 The council's latest Medium Term Financial Outlook has identified a structural funding gap of £46.7m in the three-year period to 2027/28 (including HSCP pressures). Projected savings from transformation fall significantly short of the savings required. Officers are clear that future recurring savings also need to be made through workforce changes, cuts in services, and council tax and fees and charges increases. However, the transformation programme needs to be sufficiently ambitious to respond to the scale of the financial challenges.
- 5 The council has robust officer-led governance arrangements in place to monitor its Sustainable Change Programme through its Transformation Board. The Executive Leadership Team are all members of the Transformation Board and so are well-sighted on the council's transformation projects. However, there is scope for the council to improve its public reporting on transformation to provide assurance about how the council plans to change, to sustain services in the future.
- 6 The council has a well-established and well-resourced transformation team. It has a Change and Service Redesign Fund - an investment fund created by

the council more than eight years ago to help drive transformation. Nearly £0.8m has been drawn down from the Fund in the last two years although not all of this has been spent on transformation.

- 7** The council has shared examples of where it is working well with partners to deliver transformation with the aim of generating savings and improving outcomes, but its current transformation programme is primarily internally focused. There is scope for the council to consider opportunities for more radical transformational change with partners.
- 8** There are discussions ongoing across the senior leadership of North Ayrshire, East Ayrshire and South Ayrshire Councils to explore further opportunities for public sector reform and collaboration including the Ayrshire Economic Strategy. These developments will be subject to scrutiny by elected members as they progress. Elected members will need to make difficult decisions on how the use of limited resources is prioritised going forward. Plans need to be innovative and ambitious.
- 9** The council has provided good examples of consulting with its communities in relation to transformation projects and using the results to influence how services are delivered. The recent extensive budget engagement process included consultation with residents on many activities overseen by the Transformation Board.
- 10** The council provides regular and detailed information on the financial and non-financial benefits of individual transformation workstreams and service reviews to the Transformation Board. The benefits of individual projects are also reported in individual council reports.
- 11** The council has provided evidence of using Equality and Children's Rights Impact Assessments in relation to its transformation projects, where appropriate, and has provided examples of engagement with user groups leading to changes being made in how services are delivered.

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. It builds on what we have reported previously in this area in our 2023/24 Annual Audit Report.

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

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.

9. In January 2025, the Accounts Commission advised in its [Local government in Scotland Financial bulletin 2023/24](#) that councils need to intensify transformation activity, progressing at scale and pace to ensure their financial sustainability and how councils plan to use their reserves, make savings and transform their services needs to become more transparent.

10. The council's latest Medium Term Financial Outlook (MTFO) for the period 2025/26 to 2027/28 was presented to the council in October 2024. It identified a number of specific financial challenges in relation to the availability of Scottish Government funding for local authorities, the impact that anticipated demographic profile and other demand and cost pressures will have on the council's cost base, and the strategies available to address the resultant funding gap.

11. The MTFO identifies a structural funding gap of £46.7m (including HSCP pressures) which must be addressed as part of the council's Medium-Term Financial Plan.

12. In February 2025, the council agreed a balanced budget for 2025/26 but only after approving a council tax increase of seven per cent (£5.0m) and using:

- a further £4.0m of reserves;
- further savings across Directorates of £4.809m, including new approved savings of £2.547m, operational budget adjustments of £2.254m and previously approved savings of £0.008m;
- non-recurring savings of £9.5m relating to the reduction in employer pension fund contributions;
- a previously approved 100 per cent council tax premium in respect of second homes (£1.3m); and

- a revised policy for non-domestic rates empty property relief (£0.253m).

13. The council's latest Medium-Term Financial Plan indicates budget shortfalls of £3.6m in 2026/27 and £7.4m in 2027/28 (excluding HSCP pressures) after the planned use of reserves totalling £3.5m in 2026/7 and £1.8m in 2027/28. This is after assuming the council will fund a maximum three per cent increase in staff pay and council tax increases of five per cent for the next two years. The current planning assumption by the council for years 2026/27 and 2027/28 is that financial pressures facing the HSCP will be met by savings and recovery actions. However, the IJB's total estimated budget gap for 2026/27 and 2027/28 ranges from a best-case scenario of a £11.6m deficit to a worst-case scenario of a £27.6m deficit. This position represents a material risk to the financial sustainability of the council.

14. Financial efficiencies from the Sustainable Change Programme of up to £8.5m are planned from 2025/26 to 2027/28. However, these fall significantly short of the savings required to achieve financial balance and will only be part of the council's solution to closing its funding gap. The underlying service cost base is not sustainable and reserves will be depleted over the longer term unless further recurring savings are made through transformation of services, service reduction, service withdrawal and income generation.

Findings	Evidence
<p>The council's transformation programme, known as its Sustainable Change Programme, clearly sets out how it intends to transform its services in line with its priorities through five workstreams and six service reviews.</p>	<ul style="list-style-type: none"> • The council's current transformation programme, known as its Sustainable Change Programme, was approved in 2023 and consists of five workstreams and six service reviews. • The council is clear that the primary driver behind its transformation programme is the need to deliver financial savings to address the council's financial challenges. • The current workstreams in the Sustainable Change Programme are sustainability, non-commercial property, commercial property, digital, developing data assets and the tourist visitor levy. Each of these workstreams contain multiple transformation projects.
<p>The council is clear that the primary driver behind its transformation programme is the need to deliver financial savings to address the council's financial challenges and protect frontline services. There are strong links between transformation and the council's financial plans and transformation is included in the council's risk register.</p>	<ul style="list-style-type: none"> • All five workstreams and six service reviews have clear links with the council's priorities. For example, its digital programme is linked to its <i>Wellbeing, Communities and local democracy</i> and <i>A Sustainable Council</i> priorities. • There is a dedicated section in the council's annual budget documents on the Sustainable Change Programme. As well as setting out the savings generated to date, it notes that the more progress made through delivery of the Sustainable Change Programme, the less impact there could be on delivery of the council's core services. • There are many mentions of transformation in the council's December 2023 Long-term Financial Outlook and Medium-Term Financial Outlook. Reference is made to the fact that the scale and pace of transformation needs to increase if the council is to respond effectively to the challenges it faces. • The council classifies transformation as a high risk in its risk register reflecting the risk that transformation and change activities fail to deliver at the level of scale and pace required. The council describes risks associated with delivering the current transformation programme and developing a pipeline of future initiatives. Risk control measures put in place by the council include oversight from the Transformation Board and workforce planning. • The council's risk score in relation to transformation reduced slightly in 2024 to reflect a more mature programme with a greater level of governance, accountability and confidence around delivery.

Findings	Evidence
<p>The council's Sustainable Change Programme consists of five workstreams and six service reviews. Regular, detailed updates are compiled for each workstream and service review. These outline clear aims, costs and desired outcomes for users of services for the majority of activities.</p>	<ul style="list-style-type: none"> • Each of the council's five transformation workstreams contain multiple transformation projects. For example, the sustainability workstream includes two Solar PV Projects, fleet decarbonisation and expansion of EV structure whilst the Digital Programme workstream includes website development and online improvements in accessing the council. Thirty-three projects and activities are listed in total across the five workstreams. • The council has provided the audit team with the detail of projects under each workstream including status. As at March 2025, 19 transformation projects were in progress, two were on hold and two were complete. • The six service reviews are: early learning and childcare (now complete), learning resource, waste services, financial inclusion, housing services and external residential placements (through the Brighter Pathways programme). • Regular, detailed, internal updates are submitted to the Transformation Board for each workstream and service review. These outline clear aims, costs and desired outcomes for users of services for the majority of activities. Detailed updates are provided on savings and projected savings, where these have been identified.

Findings	Evidence
<p>The council's projected savings from transformation fall significantly short of the savings required to achieve financial balance and are only part of the council's solution to closing its funding gap.</p>	<ul style="list-style-type: none"> • The council's latest Medium Term Financial Outlook (MTFO) has identified a structural funding gap of £46.7m in the three-year period to 2027/28 (including HSCP pressures) Financial efficiencies from the Sustainable Change Programme amount to £3.136m from 2021/22 to 2023/24, with further efficiencies of up to £8.5m planned from 2025/26 to 2027/28. • The council reported in its Long-term financial outlook that transformation alone will not offer the full solution to the financial gap identified in the plan. • The council's structural funding gaps are currently being met with a combination of recurring and non-recurring solutions. Officers recognise that future recurring savings need to be made through transformation of services, workforce changes, cuts in services, and council tax and fees and charges increases. Elected members will need to make difficult decisions on how the use of limited resources is prioritised going forward. Plans will need to be sufficiently ambitious to respond to the scale of its financial challenges. • The council also stated in its long-term financial outlook that it needed to deliver change and transformation at scale and pace over the medium and longer term to address its financial challenges. • The council is also exploring areas of wider reform to address its financial challenges. These include national initiatives through the Improvement Service and Digital Office that will provide further opportunities for councils to take a collective approach to areas of service delivery and opportunities for sharing services on a regional basis.

Recommendation

The council should ensure its plans are sufficiently ambitious to respond to its financial challenges. It should clearly set out the extent to which savings from transformation will help address the budget shortfalls set out in its Medium-Term Financial Plan.

Programme management

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

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

Findings	Evidence
<p>The Transformation Board provides effective oversight of the council's transformation programme.</p> <p>The council has a well-established and well-resourced transformation team.</p>	<ul style="list-style-type: none"> • The Chief Executive chairs the council's bi-monthly Transformation Board. All Chief Officers are members of the Board. • The Board considers and agrees work to be progressed under the Sustainable Change programme. It receives updates on the progress of all projects within the programme and provides strategic oversight of the programme. • Each of the five workstreams has its own project board in place which feeds into the Transformation Board. • The transformation team is well-resourced with 11 members of staff. Members provides project management and business analysis support to transformation projects. • Internal audit recently carried out work on transformation and change management. It found there was substantial assurance regarding the governance and management of transformation projects within the council. It highlighted that the programme is reviewed regularly at a senior level and proportionate governance arrangements for individual workstreams sit underneath.

Findings	Evidence
<p>Members of the Executive Leadership Team are well-sighted on the council's transformation projects. They are also responsible for approving applications to an investment fund to help drive transformation. Nearly £0.800m has been drawn down from the Fund in the last two years although not all of this has been spent on transformation.</p>	<ul style="list-style-type: none"> • The Executive Leadership team are all members of the Transformation Board so are well-sighted on the projects within the workstreams and the service reviews. • The Change and Service Redesign Fund is an investment fund created by the council more than eight years ago to provide upfront investment to help drive transformation activity. It is also used to help address temporary resource challenges. £0.460m was drawn down from the Fund in 2023/24 and £0.330m in 2024/25. Although the balance at the end of 2024/25 was £2.1m the total uncommitted balance was £0.189m. • Examples of projects that have been supported by funding from the Change and Service Redesign Fund over the last few years include Development Analysts to support the council's Digital Workstream, resource to support Fleet Decarbonisation and APSE specialist resource as part of the Waste Services Review.
<p>Elected Members receive updates on transformation projects through the annual budget process, the council's performance reporting framework and reports to individual committees.</p>	<ul style="list-style-type: none"> • Officers engage with elected members from September to work towards agreeing the budget for the next year. Member engagement sessions are held if deemed appropriate. A detailed session on the transformation programme was held with the Administration in December 2024 and as part of the Elected Member Development Programme in February 2025. • As discussed in Part 4, since January 2025 the council's six-monthly progress report on its Council Plan has included a section on its transformation programme. • In addition elected members will consider standalone reports on certain transformation projects, for example the early learning and childcare review, that was reported to Cabinet. • In January 2025, the council took a report to its Audit and Scrutiny Committee assessing itself against the Accounts Commission's October 2024 Transformation in councils report.

Partnership working and community engagement

16. 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.
17. In January 2025, the Accounts Commission advised in its [Local government in Scotland Financial bulletin 2023/24](#) that how councils plan to use their reserves, make savings and transform their services needs to become more transparent. The need to consult local communities and clearly communicate the implications for local services of the budget decisions taken has never been more important.

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

Findings	Evidence
There are discussions ongoing across the senior leadership of North Ayrshire, East Ayrshire and South Ayrshire Councils to explore further opportunities for public sector reform and collaboration including the Ayrshire Economic Strategy. These developments will be subject to scrutiny by elected members as they progress.	<ul style="list-style-type: none">• The council recognises that as financial and demographic challenges increase there is a greater need to work with partners to share services and increase collaboration.• Initial discussions are underway around potential opportunities for further shared services on a regional basis. The council is involved in exploring a Pan-Ayrshire approach with East Ayrshire Council and South Ayrshire Council, with a view to potentially sharing services. There are some barriers to this level of joint working including the siloed approach to funding, governance, and reporting arrangements. Also, the three Ayrshire councils have different political make-ups. The council refers to the vital role of national government in enabling more transformational partnership working between different bodies.

Findings	Evidence
<p>The council's transformation programme is primarily internally focused. However, the council has shared examples of where it is working well with its partners and listening to its communities in relation to transformation. The recent extensive budget engagement process involved consulting with residents on many activities overseen by the Transformation Board.</p>	<ul style="list-style-type: none"> • The council notes that although much of its current transformation programme is internally focused, eg fleet decarbonisation and maximising rental income across its estate, it will work with partners and its communities when opportunities arise. • It provided the audit team with examples of transformation projects involving collaboration with local partners, communities and the third sector. For example, in 2023, an engagement programme was undertaken as part of its cost of living and child poverty initiatives. Its No Wrong Door mini public enquiry workshops were undertaken with third sector partners and voluntary organisations. The focus of these sessions was to identify where the council could improve, what it was doing well and any gaps. The output from these sessions helped to influence the development and delivery of the projects within the council's Accessing our Council transformation workstream. • The Accessing our Council transformation workstream also used the results of a public engagement survey conducted in 2022 to gain an understanding of customers' perceptions on how they were accessing council services alongside a Peoples Panel survey asking customers about how they access council services. The results of both surveys were used to develop the projects within the Accessing our Council programme such as the introduction of the council's new Contact Us process. • A wider programme of community engagement took place in winter 2024 on the council's budget (Exhibit 3). This included several areas where progress is managed by the Transformation Board such as: Review of Economic Development, Growth and Regeneration Services, Review of waste charges, Realigning the level of teaching resource and pupil support assistants across schools, charging a tourist visitor levy and sharing services on a regional basis. Consulting on specific budget options rather than generic areas of priority gained a higher level of engagement from communities.
<p>There is evidence of the council drawing on the good practice of other organisations when developing transformation projects.</p>	<ul style="list-style-type: none"> • There is evidence of the council drawing on other councils' good practice in transformation projects. For its Solar PV Farms Project (Exhibit 2), it made positive links with councils in England embarking on similar projects and reflected their learning in its plans. Also, a regular item on the agenda of the Transformation Board is horizon scanning, supported by evidence of what transformation projects are being undertaken by other councils.

Findings	Evidence
<p>There are limited joint funding arrangements between the council and its local partners for transformation projects.</p>	<ul style="list-style-type: none"> • The council is aware of many opportunities in the Pan-Ayrshire collaboration work that could lead to joint funding. • At present there are limited joint funding arrangements between the council and local partners in relation to its current transformation projects. • The council provided examples of joint funding arrangements for initiatives funded partly by the Scottish Government. Two members of its staff were funded by the Scottish Government's Child Poverty Accelerator Fund to work on the Single Shared Assessment Project, part of the Developing our Data Assets transformation workstream. Also, the council received a Fairer Futures Partnership Grant to create a Child Poverty Strategy Team. • North Ayrshire Council is part of a 5G Innovation Region project, alongside East Ayrshire and South Ayrshire, that received funding of £3.8m from the UK Government. This project aligns to the council's Digital transformation workstream.

Exhibit 2

Solar PV Farms Project – learning from councils in England

North Ayrshire Council formed effective relationships with experienced councils in England to assist in the design and development of its Solar PV Farms Project

- In 2021, the council approved the installation of two solar PV farms at former landfill sites at Nethermain and Shewalton. This project contributes to the council's work on climate change and the farms are key elements of its Sustainable North Ayrshire Strategy. The solar PV farms, due to become operational later this year, will provide clean, renewable energy to supply the local electricity grid and aim to contribute to a reduction in fuel poverty through the availability of affordable energy.
- As North Ayrshire was the first council in Scotland to install large-scale solar PV farms, it decided to meet with various councils in England and Wales to learn from their experiences. Due to the positive relationships established, the council still meets regularly with some of the other councils to discuss the future of their solar PV projects. For example, representatives from North Ayrshire Council visited a site operated by Warrington Council in York. In return, Warrington Council visited the council and did a presentation for key partners and stakeholders on the benefits of its solar PV farms. The council also worked with Strathclyde University which provided help and support with the projects.

Source: North Ayrshire Council

Exhibit 3

Engaging with communities on transformation projects as part of the annual budget engagement process

The council conducted an extended, comprehensive budget engagement process during Winter 2024 that included asking for views on several transformation projects

Due to the scale of the financial challenges facing the council, it decided to carry out a wider than usual programme of community engagement from October to November 2024 as part of the budget process. Surveys included a range of options across six main themes, including several transformation projects such as the learning review, sharing services on a regional basis and economic development. As the surveys were themed, people were able to select the areas they were most interested in, rather than having to complete all themes.

The refreshed approach resulted in an increased response, from 200 in 2024/25 to 4,461 in 2025-26, in addition to community discussions that were held. The outcome of the budget engagement process was communicated to elected members and helped them shape the approach to future service delivery.

From the transformation proposals included in the budget consultation, two were agreed as budget savings: the learning review and economic development service review.

Source: North Ayrshire Council

Impact of transformation

18. 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 provides regular and detailed information on the financial and non-financial benefits of individual transformation workstreams and service reviews to the Transformation Board. The benefits of individual projects are also reported in individual council reports.	<ul style="list-style-type: none"> • The council provides regular and detailed monitoring on the progress of individual transformation workstreams and service reviews to the Transformation Board. These updates include detail on savings and projected savings as well as intended outcomes. • As individual projects complete, the council reports examples of benefits being realised from individual projects, eg the Accessing our council transformation workstream (Exhibit 4) reports on a reduction in public facing email addresses and phone numbers, a streamlined customer journey that is cost effective. • The council has set out the expected benefits of the solar PV farms project described in Exhibit 2. These include an approximate £0.4m savings each year from 2026/27 and a reduction in carbon emissions that will help the council meet its net-zero targets.

Findings	Evidence
<p>The council reported publicly on its progress with selected transformation projects in its Council Plan update in January 2025. It does not currently report publicly on how it is progressing with delivering transformation as a whole in terms of planned and realised financial and non-financial benefits.</p>	<ul style="list-style-type: none"> • The council provides an overview of its Sustainable Change Programme in its budget documents. • The council produces six-monthly progress reports on its Council Plan. In January 2025, the progress report included a dedicated section on transformation providing a summary of progress on transformation workstreams where key milestones had been reached during the last six months. Realised and expected outcomes are referred to. For example, it notes that the Digital Workstream is expected to deliver £0.2m of savings by the end of 2027 and realised benefits from the Accessing our council work is listed. • This public-facing report, whilst providing a flavour of its transformation work, did not provide an overview of the progress the council is making in delivering transformation as a whole in terms of planned and realised benefits.
<p>The council has provided evidence of using Equality and Children's Rights Impact Assessments in relation to its transformation projects, where appropriate, and has provided examples of engagement with user groups leading to changes being made in how services are delivered.</p>	<ul style="list-style-type: none"> • We reported in 2023 that the council uses its equality impact assessment process effectively to ensure children's rights, human rights, socio-economic inequalities and the challenges islands face are considered in new policies, procedures, strategies and the budget-setting process • The council uses an Equality and Children's Rights Impact Assessment (ECRIA) process. Children's Rights, Human Rights, the Fairer Scotland Duty and Island proofing have all been integrated into this online tool. New or revised policies, procedures and strategies are assessed to ensure the council is meeting the needs of the equality duty. • We asked the council for examples of when it has used the ECRIA process in relation to transformation projects. The examples provided were in relation to Contact Us, the Housing single point of contact project (no full ECRIA was required) and website redesign. These involved testing of a new form and process with the Employee Disability Group and consultation with The Disability Forum, Over 65s' groups, Trade Unions, Ayrshire Youth Voice, Drop-in visits to libraries, NHS Learning and Disability team, Island groups. • As a result of user testing of the Contact Us form in May 2023, an issue was identified with software used by visually impaired users which was investigated and re-tested and successfully resolved the issues raised. • On the council's website, ECRIAs carried out for the 2025/26 budget proposals are available. • The council is currently working to make all ECRIAs meet accessibility requirements and so, at present, all other ECRIAs can only be accessed by emailing the council directly.

Exhibit 4

North Ayrshire Council's Accessing our Council project

The council has used an array of success measures to capture the impact of its project on improving access to council services

- North Ayrshire Council's Accessing our Council project was approved in March 2022. It focuses on improving customer access to council services through transforming services as well as achieving savings.
- The project aimed to streamline how customers access council services digitally and ensure that customers have the information they need at the first point of contact. The project team developed a new contact us form for customers to use which presents a drop-down list of the main council services, which is then linked to relevant pages on the website to provide more information related to the request. The council captured the impact of its new approach using a benefits tracker, which included establishing baseline figures for a number of indicators.
- The new form went live in June 2023 and the following impact has been reported:
 - the introduction of the new Contact Us process has led to the number of contacts coming into services from the website to reduce by 78 per cent since June 2023. This has resulted in a reduction of one FTE no longer being required to manage and direct service requests.
 - online interactions have increased from 24 per cent in 2021 to 38 per cent in 2023.
 - the introduction of a web assistant / chat bot in late 2023 has led to over 200 requests every week being answered by the chat bot.
 - Reduction in phone numbers on the council website of 39 per cent (from 322 to 199)
 - Reduction in email addresses on council website of 34 per cent (293 to 200)
 - Shift to online transactions with the council and less reliance on phone calls or visiting customer centres, increased from 63 per cent to 65 per cent.

Source: North Ayrshire Council

Recommendation

To provide assurance to elected members and the public about how the council plans to change to sustain services in the future the council should report publicly on how it is progressing with delivering transformation as a whole in terms of planned and realised financial and non-financial benefits.

Appendix

Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Transformation savings fall significantly short of the savings required</p> <p>The council's latest MTFO identifies a structural funding gap of £46.7m (including HSCP pressures) which must be addressed as part of the council's Medium-Term Financial Plan. Whilst we recognise that transformation alone will not offer the full solution to the financial gap identified in the MTFO, the level of financial efficiencies from the Sustainable Change Programme should be commensurate with the scale of the financial challenges.</p>	<p>The council should ensure its plans are sufficiently ambitious to respond to its financial challenges. It should clearly set out the extent to which savings from transformation will help address the budget shortfalls set out in its Medium-Term Financial Plan.</p>	<p>Accepted</p> <p>Management response</p> <p>It is recognised that the level of financial efficiencies should be commensurate with the scale of the financial challenges. Further work will be progressed as part of the council's medium-term financial planning to set out clearly how the council plans to address budget gaps through further transformation and reform activity and through a broader package of measures, including areas of service review and possible reduction, opportunities for further revenue generation and an ongoing planned use of council reserves.</p> <p>Responsible officer</p> <p>Head of Service (Financial Services)</p> <p>Actioned by</p> <p>31 March 2029</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>2. Public reporting on progress with transformation</p> <p>The council does not currently report publicly on how it is progressing with delivering transformation as a whole in terms of planned and realised financial and non-financial benefits.</p>	<p>To provide assurance to elected members and the public about how the council plans to change to sustain services in the future the council should report publicly on how it is progressing with delivering transformation, as a whole, in terms of planned and realised financial and non-financial benefits.</p>	<p>Accepted</p> <p>Management response The development of more public facing material will be produced to demonstrate the council's progress on the Sustainable Change Programme. This will include use of the council's new website to further promote activity and the progress being made to address the financial challenges.</p> <p>Responsible officer Head of Service (Financial Services)</p> <p>Actioned by 30 September 2025</p>

North Ayrshire Council

Best Value thematic management report

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



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