

South Lanarkshire 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 council has a Transformational Change Programme in place that is clearly linked to its updated Council Plan, financial plans and digital strategy.
- 2 The council estimates that it has a budget gap of £42 million to 2027/28. To date it has approved savings of £6.485 million for 2025/26, £2.680 million of which is intended to be delivered from transformational reviews. It is aware that it needs to explore further transformation opportunities alongside other measures to help bridge its budget gap and improve outcomes for the people of South Lanarkshire.
- 3 The council has effective governance arrangements in place to oversee its transformational reviews through regular progress updates to the Corporate Management Team. Comprehensive updates are provided on a regular basis to elected members through committee updates on transformational reviews and the budget process.
- 4 Transformational reviews are the responsibility of senior officers across the council and are mainly taken forward by staff within its resources (the council refers to its services or departments as resources). The council has an officer in place who supports project teams with the administrative tasks of the Transformational Change Programme. Going forward, there is a risk that the council does not have the sufficient dedicated resource to drive future transformational activity required.
- 5 The council has actively engaged in partnership working to support the delivery of transformational activity.
- 6 The council has provided examples of where it has engaged or consulted with communities in relation to its transformational reviews and budget-setting process. It is unclear what specific changes have been made as a result of its community engagement.
- 7 The council carries out Integrated Impact Assessments for its transformational reviews to consider the potential changes to services on

vulnerable groups and there are examples of community engagement taking place in relation to these.

- 8 The council currently focuses on establishing the financial benefits of its transformational activities but does not routinely separately track or report on the impact on service quality or outcomes for service users in relation to these transformational activities.
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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 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.

2. 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 the [Appendix](#) 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 councils' 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. Councils need to ensure they 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 2025/26](#) briefing noted that councils’ cumulative funding gap to 2027/28 is £997 million. Councils will need to identify and deliver recurring measures such as savings or increased income 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.

Findings	Evidence
The council has a Transformational Change Programme in place. Transformational activity is being driven by transformational reviews.	<ul style="list-style-type: none">• The council has a Transformational Change Programme that aims to help it achieve a balanced budget and support medium and long-term financial plans. This approach consists of transformational reviews that focus on how services are being delivered with a view to identifying efficiency savings and redesigning services.• The council has advised that, for the past three years, its transformation work has been primarily focused on addressing budget pressures. At the June 2024 meeting of the Executive Committee the council set out its approach to identifying savings options through transformational reviews. Some transformational reviews are organisation wide while others are specific to one service (or resource as they are referred to by the council). Reviews include charging, procurement, digital transformation, property and fleet reduction. The council’s Financial Resilience and Sustainability report from September 2024 advised that the transformational reviews would build on past service reviews.• A standard template has been created for the Terms of Reference of each review to include details on the background, identified issues, desired outcomes, scope of the review and key milestones. This is being applied consistently across reviews.

Findings	Evidence
<p>The council has significant budget savings to make in 2026/27, 2027/28 and beyond and is aware that it needs to explore further transformation opportunities alongside other measures to help bridge its budget gap and improve outcomes for the people of South Lanarkshire.</p>	<ul style="list-style-type: none"> • The council's latest projected budget gap is £42 million across 2026/27 and 2027/28 after accounting for additional levers such as council tax and reflecting agreed pay awards to date. • In the April 2025 Performance and Scrutiny Forum update on Transformational Reviews, the council set out that £2.680 million of the approved savings in 2025/26 (£6.485 million) were related to the ongoing transformational reviews on procurement, overtime, management structures and council charges. • The council also sets out its intention for the Transformational Change Programme to reduce its budget gap during 2026/27 and 2027/28. The council is currently quantifying the transformational savings it aims to achieve across these years. • A report to council in February 2025 outlined the impact the 2025/2026 approved savings will have beyond that year. The savings in relation to Waste Permits (£0.875 million) and Sheltered Housing – Housing Support Funding to Registered Social Landlords (£0.392 million) were both approved for 2025/2026 and will have an impact on the budget gap in 2026/2027. This reduces the budget gap by £1.267 million into 2026/2027. • The council regularly highlights (including in its 19 August 2025 update to the Performance and Review Scrutiny Forum on transformational reviews) that there is a need for transformational change to manage the significant budget gaps facing the council over the next three years.

Findings	Evidence
<p>The council's transformational activity is clearly linked to its financial and digital strategies.</p> <p>The council strengthened the links between transformation and its Council Plan through its mid-term review conducted in April 2025.</p>	<ul style="list-style-type: none"> • The council's 2025/26 to 2027/28 Revenue Budget Strategy from June 2024 includes a section on transformational change. It refers to the importance of the council having a programme of change to deliver a balanced budget and the intention for the Transformational Change Programme to drive continuous improvement as well as efficiencies. • As set out above, the council continues to review its approach to transformation. There was no specific reference to transformation in the Council Plan created in 2022, however the priorities set out are: <ul style="list-style-type: none"> - 'People – we need to put people first and reduce inequality' - 'Planet – we need to work towards a sustainable future in sustainable places' - 'Progress – we need to recover, progress and improve' • A mid-term review of the Council Plan presented to the Executive Committee on 30 April 2025 recognised the likely demands of the next few years and resulting requirement for transformation and service design work. The document prepared for the mid-term review explains that 'Given the magnitude of the budget gap, there requires to be a fundamental re-think of what public services in Scotland can do moving forward in order to achieve financial sustainability. That includes what the council can deliver by way of services to the public'. The council outlines it is continuing with its transformational reviews to deliver savings proposals to members. • Transformational activity is also referenced in the Finance and Corporate Resources Plan 2024/25 and Digital Strategy 2022-27.

Recommendation 1

The council should ensure its plans for transformation are sufficiently ambitious to ensure that it can continue to deliver sustainable services, prioritising transformational activities that will deliver the most impact and contribute towards reducing its budget gap.

Programme management

10. It is essential that councils have good programme management arrangements in place to ensure they are making sufficient progress against their transformation plans. It is important that councils have the structures and the staffing resource in place to deliver their transformation ambitions. In addition, councils 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 council has an officer in place who supports project teams with the administrative tasks of the Transformational Change Programme.</p> <p>Going forward, there is a risk that the council does not have the sufficient dedicated resource to drive the future transformational activity required.</p>	<ul style="list-style-type: none"> • Oversight of the Transformational Change Programme is led by an Executive Director and CMT meet every two weeks to discuss the programme. • An officer is in place who is responsible for the administration work around the Transformational Change Programme. The officer creates a level of consistency and timeliness around collating all information related to reviews, leaving staff within Resources to focus on the main content of the reviews. • The council has advised that delivering transformation is part of the jobs of managers, heads of service and directors and the council has periodically hired external support to help capacity. The council recognises that it needs to continually monitor whether it has sufficient dedicated resource to drive the scale and pace of transformation required going forward. • The Terms of Reference for reviews set out resourcing and details of who is leading the review. • The council has an IT Development Fund which can be used to support transformational reviews when required. The council has advised that there are also other funds that can be deployed when necessary, for example, there has been £24 million set aside to support the output from the Estates Strategy Review.
<p>The council has effective governance arrangements in place to oversee its transformation work.</p> <p>The Corporate Management Team receives regular</p>	<ul style="list-style-type: none"> • There is strong ownership of transformational activity from senior leadership at the council, with the Chief Executive and all directors being members of the Corporate Management Team (CMT) who meet every two weeks to discuss the transformational reviews.

Findings	Evidence
<p>updates on progress against the transformational reviews and a clear schedule of reporting is set out.</p>	<ul style="list-style-type: none"> • Progress on the transformational reviews is reported to the Corporate Management Team through the council's efficiencies workstream. The efficiencies workstream is focussed solely on transformational change at the council with a view to delivering efficiencies and savings. It also ensures that services are being delivered in line with CMT expectations. The CMT meets on a weekly basis to direct council operations and efficiencies workstream meetings are held on a rolling two-week schedule. • CMT regularly receives progress reports on the revenue budget savings (at least quarterly). These updates detail what savings have been achieved to date along with an estimate of savings still to be achieved in the year and notes any reasons for variances including slippage from the original savings targets. • The council advised that a number of the reviews are in their early stages and resultant savings cannot yet be quantified for all transformational reviews. These need to be established as the work progresses to prioritise which projects to expedite. • As the transformational reviews progress, some updates to CMT have begun to quantify savings where these are known. Examples include additional income from increased charges for bereavement services in 2025/26, increased school meals charging over a three-year period to 2027/28 and savings already realised by changing the scope of cleaning tasks in local schools. • The updates reported to CMT do not clearly show which outcomes have already been realised against those identified for the transformational reviews (per the terms of reference). We cover this in more detail in the Impact of Transformation section of this report. • Examples of good practice demonstrated in reporting to CMT by other local authorities includes reporting on progress with projects using RAG statuses and reporting on slippage and key risks within projects. Some councils use exception reporting, focusing on the most at-risk projects. • The council's Year End Risk Management Report (2023/2024) and Review of Council's Top Risks (2024/2025) sets out that monitoring the delivery of transformational reviews will inform whether an overarching 'transformational change' risk requires to be developed and added to the top risk register. It also noted that outcomes from the reviews offer mitigation against the top risk on funding. • The council provided the audit team with an example of a risk register for the Customer Engagement Review. This

Findings	Evidence
	<p>clearly sets out what the risks relating to the review are along with an inherent risk rating, control measures in place, residual risk rating and details of any further mitigations required to control the risk. Risk registers are completed for reviews when deemed necessary based on the stage of the review.</p>
<p>Comprehensive updates are provided on a regular basis to elected members through committee updates on transformational reviews and the budget process.</p>	<ul style="list-style-type: none"> • The Performance and Review Scrutiny Forum receives updates on the ongoing transformational reviews every two months. The updates are comprehensive and outline current progress against each review. The updates also provide information on risks associated with each of the reviews and key milestones. • Updates to elected members also include detailed breakdowns of savings identified to date resulting from transformational reviews where this is known. Information on non-financial benefits and outcomes are an integral part of transformational reviews but are often described in qualitative terms. All Performance and Review Scrutiny Forum meeting papers and minutes are publicly available on the council's website and meetings are live streamed on YouTube and are also available to be viewed after the meeting on the YouTube site. • Elected members receive updates on projects, where appropriate, through relevant committees for example, the Social Work Resources Committee receives updates on projects relating to Social Work. • Updates on the Revenue Budget are presented to the Executive Committee throughout the financial year.

Recommendation 2

The council should assess whether its arrangements for resourcing transformation activities are sufficient to drive the scale and pace of change required in future.

Partnership working and community engagement

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

Findings	Evidence
The council has actively engaged in partnership working to support the delivery of transformation projects, some of which have been jointly funded.	<ul style="list-style-type: none">• South Lanarkshire Council is undertaking a review of partnership working with the local third sector. The review aims to strengthen collaboration, improve operational relationships, and build on existing initiatives with the third sector. It has engaged with the third sector through a range of workshops throughout the spring and summer of 2025 and is in the process of updating internal processes and guidance for the provision of grants for third sector organisations.• The council is currently undertaking a review of Digital Transformation to create efficiencies across three key areas- business systems and processes, workforce productivity and customer engagement. To date, work has involved partnership working with commercial businesses.• The council has provided two examples of successful transformation projects it has delivered to date. This includes: Analogue to Digital: Shared Cloud-Based Alarm Receiving Centre (ARC) Solution (Case study 1) and South Lanarkshire Futures (Case study 2). Both examples highlight effective partnership working and community engagement and have been jointly funded.• The council has also identified the Marmot Place Programme for South Lanarkshire as a key example of transformational partnership working. This evidence-based initiative brings together partners to tackle inequalities in a

Findings	Evidence
<p>The council has shared examples of how it has engaged or consulted with communities in relation to its transformational reviews and budget-setting process. It is unclear what specific changes have been made as a result of this engagement.</p>	<p>specific place. South Lanarkshire is one of three areas in Scotland piloting the programme with Public Health Scotland and the University College London Institute of Health Equity, led by Professor Sir Michael Marmot. A local data working group is analysing cross-sector data to better understand and address place-based inequalities. Governance is overseen by a leadership group of community planning and third sector partners. Insights from integrated local data will inform future service delivery and prevention strategies, with stakeholder workshops planned for Autumn 2025 to establish actionable responses to the findings.</p> <ul style="list-style-type: none"> • The budget consultation for 2025/26 provided residents with savings options to consider and potential council tax percentage increases, totalling over £11 million. Survey respondents were asked the extent to which they agreed or disagreed with the options, as well as having the opportunity to leave specific comments on each area. Each option clearly set out the financial impact and workforce implications (eg, savings amount and number of posts affected). The consultation also incorporated elements of transformational reviews, such as the council's proposals to increase charges for its services (eg, burials and cremations). The results of the budget consultation were shared with elected members in January 2025 for consideration when drafting their budget proposals and the results were also factored into integrated impact assessments. It is not clear what impact this had on decisions made by elected members on the 2025/26 budget. • The council also engaged with the community in developing its 10-Year Estate Strategy. A public consultation held in April and May 2025 invited views on the future of council-owned properties and how they could better meet community needs within its financial constraints. An online survey received 298 responses, with 96 per cent supporting a review of the council's estate and 68 per cent agreeing that the outcome would likely deliver a smaller but higher quality estate. The next round of public consultation is currently being held, and feedback will be used to inform the development of the final strategy. Therefore, it is too early to conclude what impact this had on the strategy. • The council is in the process of carrying out a transformational review of its customer engagement. To date, the work has involved engaging with the Scottish Local Authority Customer Services Managers Group. A survey has been issued to capture information on systems and processes. The council also plans to issue two customer surveys to obtain feedback on the most efficient contact

Findings	Evidence
	methods. It is not yet clear how council services will change as a result of the engagement.

Case study 1

Digital telecare transformation

The Analogue to Digital: Shared Cloud-Based Alarm Receiving Centre (ARC) Solution project ensures the continued delivery of community alarms services ahead of the UK-wide analogue switch off in October 2025, replacing outdated systems with a more resilient cloud-based digital solution.

South Lanarkshire Council's social work department led on delivering the community alarms locally and were supported through partnership working with Scottish Government's Digital Office and Scotland Excel who led on procurement and development of the national ARC solution. The council also worked in collaboration with a range of other stakeholders including Chubb, Sky response, TEC Scotland and 16 other local authority RSLs.

The council was actively involved in the project steering group and co-design workshops and has engaged with the community in a variety of ways, including outreach through social media, direct messaging and publishing articles to prepare users for the transition. The design process was shaped by service users, carers and stakeholders and the project prioritised continuity of service for vulnerable users, ensuring no disruption during the transition.

The project has achieved significant milestones, including the deployment of digital-ready devices to over 50 per cent of users and recognition through a Bronze Digital Telecare Implementation Award. The project focuses on service improvement rather than cost savings. However, the cloud-based system offers efficiencies through flexible working and better data access. A key outcome for the project is for the use of digital solutions to assist in preventing hospital admissions or the need for long-term care for sheltered housing tenants.

A project closure report has been prepared that sets out nine follow-up actions. These include agreeing and realising community benefits following completion of the first year after going live and developing a suite of management reports.

The council received a total of £0.116 million from the Scottish Local Government Digital Office for this project.

Source: South Lanarkshire Council

Case study 2

South Lanarkshire Futures

The SLC Futures project is a transformational initiative led by South Lanarkshire Council, in partnership with Barnardo's and local services to support young people transitioning from care to independent living. It provides tailored housing support, life skills development, and a structured pathway to tenancy, aiming to reduce inequality and prevent homelessness through early intervention.

Young people with experience of care have played a key role in shaping the service, which was co-developed with stakeholders including Barnardo's Health and Homeless Team, high school pupils and those living in temporary accommodation. The project draws on insights from The Promise Design School and the Scottish Service Design Toolkit, to ensure a user-centred approach.

Funding of £0.166 million was provided by The Big Lottery and £0.126 million by SLC Social Work, through the provision of four training flats and a dedicated Throughcare Housing Officer. By January 2025, five young people had been supported to independent living, generating £0.230 million in savings for 2024/25. The initiative has reduced out-of-area placements and homelessness presentations, with projected recurring savings of £0.8 million annually from 2025/26 onwards. The model demonstrates innovation, collaboration, and a scalable approach to youth housing support.

Source: South Lanarkshire Council

Recommendation 3

The council should ensure it demonstrates how engagement with communities, including vulnerable groups, has informed planned changes to services.

Impact of transformation

12. It is important that councils have success measures in place to demonstrate the impact of their 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 currently focuses on establishing the financial benefits of its transformational activities but does not routinely separately track or report on the impact on service quality or outcomes for service users in relation to these transformational activities.	<ul style="list-style-type: none"> • South Lanarkshire Council reports publicly twice a year on progress against the six key outcome areas identified in the Council Plan Connect 2022-2027 (communities and environment, education and learning, health and wellbeing, children and young people, housing and land, and our economy). These reports draw on the latest available data to provide a summary of progress, key achievements and areas for improvement. The council also produces annual public performance reports which focus on the performance of key areas of council business, such as finance, budgeting and workforce, and comparing performance against the Scottish average. Reporting does not separately cover outcomes resulting from the transformational review programme, but the council's transformation work contributes to the delivery of these broader outcomes. • The council has advised that transformation impact is tracked through budget reporting, focussing on savings targets. Broader service areas report separately to committees using tailored metrics. Interviewees noted that success is often defined by the ability to continue operating and delivering services within a reduced budget. • As set out in the Programme Management section of this report, regular updates on the progress of reviews are reported to the CMT efficiencies workstream alongside updates to elected members through the Performance and Review Scrutiny Forum. Our analysis shows that the impact of transformational activity on outcomes and non-financial benefits is not being monitored or reported on, and that updates to CMT and elected members lack

Findings	Evidence
	<p>specific examples of quantified benefits already realised or metrics in place to measure success.</p> <ul style="list-style-type: none"> • The council acknowledges that as transformation work matures, there is a need to track and report outcomes. The Performance and Review Scrutiny Forum will become the main platform for this. • We note the council's ongoing work to develop a benefits tracker in relation to its review of Digital Transformation to ensure both cashable and non-cashable benefits are identified, tracked and realised through the programme. We welcome this recent development and recommend the approach is broadened to include all of South Lanarkshire Council's transformational work. • As set out in the Partnership Working section of the report above, the council has provided two examples of successful transformation projects. The impacts to date from the two projects are set out below: <ul style="list-style-type: none"> - Analogue to Digital ARC solutions project – The council has reported improvements in service quality through better data visibility and system performance. The key outcome is helping people stay in their homes and avoiding long-term care or hospital admissions, though this impact is not yet quantified. The aim of the project was service improvement, therefore there are no cost savings associated with the project. - SLC Futures Project - In January 2025, the council reported £0.230 million in savings for 2024/25, with projected savings of £1 million in 2025/26 and £1.6 million annually by the end of the programme. Key non-financial benefits include improved tenancy sustainment and enhanced life skills for young people. The council has adopted The Scottish Housing Regulator Annual Return on Charter Indicator 16 (Percentage of new tenancies sustained for more than a year) as a key baseline measure of success in relation to tenancy sustainment for this project.
<p>The council carries out Integrated Impact Assessments for its transformational reviews to consider the potential changes to services on vulnerable groups and there are examples of community engagement</p>	<ul style="list-style-type: none"> • The council carries out Integrated Impact Assessments for its transformational reviews and there are examples of community engagement taking place in relation to these. These are publicly available on the council's website. Some examples are highlighted below: <ul style="list-style-type: none"> - The Integrated Impact Assessment for the Council's proposed charges policy aims to apply a 14.4 per cent inflationary increase across all non-statutory council charges, in addition to a 1.5 per cent year on year inflationary increase from 2025/26. The aim is to

Findings	Evidence
<p>taking place in relation to these.</p>	<p>achieve full cost recovery for the services it provides, as well as providing financial sustainability and protecting frontline services going forward. A public consultation was undertaken between November 2024 and January 2025, widely promoted through various channels. It received over 3,000 responses, with the majority of respondents supporting the proposed increases. A separate consultation was also designed for children and young people to ensure their views were considered. The IIA considers groups which may experience greater impact such as unemployed people, single parents and those living in areas of deprivation. To address potential negative impacts the council has sets out mitigation strategies, such as concessions, exemptions for disabled blue badge holders and access to travel schemes for young and elderly groups. The council commits to ongoing monitoring and consultation to assess the impact of the proposed changes going forward.</p> <ul style="list-style-type: none"> - The Integrated Impact Assessment for the council's cross-cutting review of Loans Fund and Service Concessions aims to implement changes in accounting practice for loan charges (council debt) and service concessions (PPP payments for secondary schools) to reduce costs over the next three years. The council carried out consultation on this proposal as part of the engagement for its annual budget process and the results showed 60 per cent of responders agreed with the proposal. The IIA considers the impact of the proposed changes on vulnerable groups but concludes there is no impact on them given the proposal is a technical accounting change and is not related to service delivery. It also notes that not implementing the proposal could lead to greater service reductions, which might inadvertently affect vulnerable groups. - The Integrated Impact Assessment for the 2025/26 Financial Savings Budget Strategy identifies cumulative impacts of the council's budget savings on those with protected characteristics. The IIA identifies age, disability and sex as the characteristics most likely to be affected, as well as socio-economic groups such as low-income households, those experiencing deprivation and children and young people, particularly those additional support needs. A range of specific proposals are identified as having negative impacts, such as charging for early years services and school meals. A public consultation was carried out in relation

Findings	Evidence
	to this as part of the council's annual budget process and changes made as a result of the impact assessment will include mitigations in the form of exemptions for households meeting eligibility criteria for school meals and early years charges.

Recommendation 4

The council should prioritise establishing a framework that identifies and monitors the estimated and realised impact to date of its transformation work, including on service delivery and on outcomes for service users. It should report to CMT and elected members on both the financial and non-financial impact of the full range of its transformational activities.

Appendix

Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Transformation ambition</p> <p>The council has significant budget savings to make over the next three years and beyond and is aware that it must explore further options for transformation to help bridge its funding gap and improve outcomes for the people of South Lanarkshire.</p> <p>There is a risk that the council may not be able to deliver sustainable services if the required savings are not achieved.</p>	<p>The council should ensure its plans for transformation are sufficiently ambitious to ensure that it can continue to deliver sustainable services, prioritising transformational activities that will deliver the most impact and contribute to reducing the budget gap.</p>	<p>The Council continues to progress a long term schedule of transformational reviews which run in parallel with the Budget process, in order to maximise the impact on the Budget Gap.</p> <p>Executive Director of Finance and Corporate Resources / Corporate Management Team.</p> <p>September 2025</p>
<p>2. Resourcing transformation</p> <p>The council has advised that delivering transformation is part of the jobs of managers, heads of service and directors and the council has periodically hired external support to help capacity. It has an officer in place to support project teams with the administrative tasks of the transformation programme.</p> <p>There is a risk that the council's Transformational Change Programme will lose momentum if it does not have the sufficient dedicated resource to drive the activity required.</p>	<p>The council should assess whether its arrangements for resourcing transformation activities are sufficient to drive the scale and pace of change required in future.</p>	<p>The role of senior officers in the Council includes managing change and the work around transformation forms part of that role. The arrangements for resourcing transformation across the Council will continue to be monitored, and as is currently the case, additional resources will be deployed as and when required.</p> <p>Executive Director of Finance and Corporate Resources / Corporate Management Team.</p> <p>Ongoing as required</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>3. Demonstrating the impact of community engagement on transformational activities</p> <p>The council has shared examples of how it has engaged or consulted with communities in relation to its transformational reviews and budget process. It is unclear what specific changes have been made as a result of this engagement as this has not been clearly demonstrated.</p> <p>There is a risk that the council is not viewed to have considered community views when prioritising which transformational projects to be taken forward.</p>	<p>The council should ensure it demonstrates how engagement with communities, including vulnerable groups, has informed planned changes to services.</p>	<p>The Council will consider adding a final stage to the Budget Consultation process for the 2026/2027 exercise, to ensure outcomes are fed back to communities. This will include feedback on the impact of consultation on Transformational Reviews.</p> <p>Head of Finance (Strategy)</p> <p>March 2026</p>
<p>4. Measuring the impact of transformational activities</p> <p>The council currently focuses on establishing the financial benefits of its transformational activities but does not track or report separately on the impact on service quality or outcomes for service users in relation to these transformational activities.</p> <p>There is a risk that, when prioritising which transformational activities to take forward, the council does not have adequate information on impact to make a fully-informed decision.</p>	<p>The council should prioritise establishing a framework that identifies and monitors the estimated and realised impact to date of its transformation work, including on service delivery and on outcomes for service users. It should report to CMT and elected members on both the financial and non-financial impact of the full range of its transformational activities.</p>	<p>The Council will develop a framework to capture estimated and actual impacts from transformation activities.</p> <p>An annual report will be produced which will provide a summary of the outcomes from the Transformational Review Programme.</p> <p>Executive Director of Finance and Corporate Resources / Corporate Management Team</p> <p>June 2026</p>

South Lanarkshire Council

Best Value thematic management report

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



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