

Best Value thematic work

Inverclyde Council

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

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Key messages

- 1** The Council's plans for transformation are embedded within its key plans and strategies and align with its corporate priorities.
- 2** The Council Plans identifies specific projects and detail anticipated costs and benefits.
- 3** The Council's transformation projects vary in scale, and it is clear how they will address its funding gaps/ contribute to the financial sustainability of the Council. However the Council needs to consider projects to generate further cost savings/income generation required to address the financial challenge identified as part of the financial strategy.
- 4** The Council does not have a dedicated programme management office. Effective committee and officer led governance arrangements are in place to facilitate the oversight of the transformational activity
- 5** The Council has scrutiny arrangements in place for reporting progress to the senior leadership team and elected members.
- 6** The Council faces challenges including staffing capacity to deliver its transformation ambitions.
- 7** The Council has demonstrated that it is working with partners to deliver its transformation initiatives.
- 8** There are examples of joint funding arrangements between the Council and partners for transformation projects.
- 9** The Council has engaged with communities including the third sector and vulnerable groups to inform its transformation plans.
- 10** There is evidence that timely equality impact assessments have informed the Council's transformation plans.
- 11** The Council's transformation activity has had a positive impact on its services and has delivered positive outcomes for communities

Introduction

1. The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Transformation, through greater collaboration with partners, will be key for councils to deliver more sustainable service models in challenging financial climates.

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

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

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

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

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

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

Transformation planning

7. The council needs to ensure it can deliver sustainable services now and in the future, and difficult decisions will need to be made to achieve this. The Accounts Commission's [Local government budgets 2024/25](#) briefing noted that councils' cumulative funding gap between 2025/26 and 2026/27 is £780 million. This means that, cumulatively, councils need to identify and deliver recurring measures such as savings or increased income of five per cent of their overall revenue budget to be financially sustainable in the short term

Findings	Evidence
<p>The council's plans for transformation are embedded within its key plans and strategies and align with its corporate priorities.</p>	<ul style="list-style-type: none"> • The overarching strategic vision of the Council is detailed in the Council's Plan. The plan extends for 5 years from 2023 to 2028. • The Council Plan identifies the key priority themes for the Council and includes "performance" as an underlying theme aimed towards transformation. • The Council Plan further lays down the key strategic delivery plans under this theme. • The Council Plan is supported by Committee Delivery and Improvement Plans which lay down the priorities, actions and performance measures at the Directorate level to support the priorities identified in the Council Plan. • The Council and the Committee Plans identify plans and measures specifically aimed towards transformation and efficiency e.g. digital modernisation and delivering differently programs. • Examples of underlying measures aimed towards transformation include: <ul style="list-style-type: none"> - In 2017, the Delivering Differently programme was formally established. The Delivering Differently programme comprises of projects that aim to deliver change through service redesign or review. - In early 2023, a new Digital Modernisation Project Board was established (now called the Digital Modernisation and Transformation Project Board). The Board oversees the delivery of individual digital modernisation projects. • The Council has further established Change Boards. The Change Board remit extends beyond the Delivering Differently programme and includes developing savings proposals and identifying additional opportunities for service redesign at a Directorate level.

Findings	Evidence
The Council Plans identifies specific projects and detail anticipated costs and benefits.	<ul style="list-style-type: none">• As noted above, the Council does not have separate transformation plans and they are embedded in the Council Plan, Committee Plans and further plans aimed towards transformation.• The Plans lay down the actions, performance measures, targets as well as responsible officers in relation to achievement of the intended priority outcomes.• Additionally the Delivering Differently programme lays down the specific actions/projects aimed towards transformation, responsible individuals, timescales as well as associated benefits/potential savings attached to each initiative identified as part of the plan.

Findings	Evidence
<p>The council's transformation projects vary in scale, and it is clear how they will address its funding gaps/ contribute to the financial sustainability of the Council. However The council needs to consider projects to generate further cost savings/income generation required to address the financial challenge identified as part of the financial strategy.</p>	<ul style="list-style-type: none"> • From our review of the Council's transformation plans and the latest financial strategy we note that the outcomes of the ongoing projects contribute to the financial sustainability of the Council by addressing funding gaps. • The council's latest financial strategy update covers the period 2025/26 to 2034/35. • The Strategy covers the period 2026-35 in terms of identifying potential issues, but the revenue forecasts are limited to the period which can be reasonably forecast. • As per the latest update the 2025/28 estimated net funding gap is £19.92 million before application of the savings. The net funding gap after application of the savings amount to £16.35 million. • The update highlights that based on this latest information and the local assessment of certain figures by the Chief Financial Officer, the mid-range scenario shows that the Council faces a net potential funding gap of £23.6 million over the 2027/29 period. The update further illustrates scenarios for the 2027/29 funding gap using different assumptions. These tables show potential funding shortfalls of £13.9 million to £34.5 million. The council plans to bridge funding gaps mostly through savings and the use of reserves. The council needs to further consider measures to generate further cost savings/income generation required to address the financial challenge identified as part of the financial strategy. • Keeping in view the availability of medium term forecast, beyond the latest budget, saving/income generation plans should be considered and developed for medium term i.e. beyond the period covered by the latest budget and incorporated as part of the medium term financial strategy. • The Finance Services Update presented, dated 16 September 2025, to the Policy and Resources Committee included a section in relation to the Savings Strategy which highlighted options available to the Council to close the budget gap. The process should be further developed to include indicative figures in the medium term to close the projected budget gap identified in the MTFS.

Recommendations

- 1- We recommend that keeping in view the availability of medium term forecast, beyond the latest budget, quantified saving/income generation plans should be considered and developed for medium term as well i.e. beyond the period covered by the latest budget and incorporated as part of the medium term financial strategy.**
- 2- Currently identified savings do not completely bridge the gap identified as part of the medium term financial strategy. The council needs to consider additional schemes to generate further cost savings/income generation required to address the financial challenge identified as part of the financial strategy.**

Programme management

8. 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 Council does not have a dedicated programme management office. Effective committee and officer led governance arrangements are in place to facilitate the oversight of the transformational activity</p>	<ul style="list-style-type: none"> • As noted above the Council's transformation plans are embedded into the Council Plan and associated underlying Committee Plans as well as Delivering Differently and digital modernisation plans. • Project management is delivered through existing governance structures, rather than a separate Programme Management Office. • Various committee and officer led governance arrangements are in place to facilitate the oversight of the transformational activity. • The governance of the Delivering Differently programme is provided by the Corporate Management Team (CMT) and the Policy and Resources Committee. • The Digital Modernisation and Transformation Project Board oversees the digital modernisation initiatives. Each individual project identified under the plan has an identified service area and the project lead responsible for delivery of the project. Further oversight is provided by the Policy and Resource Committee. • Individual Committees provide oversight of their respective plans. Further each outcome identified under the plan, including transformation outcomes, has a Lead officer identified to provide oversight of the delivery.

Findings	Evidence
<p>The council has scrutiny arrangements in place for reporting progress to the senior leadership team and elected members.</p>	<ul style="list-style-type: none"> • The Corporate Management Team oversees the governance and scrutiny of the Delivering Differently Programme and the delivery of identified workstream savings which is further reported to the Policy and Resources Committee on an annual basis. • The Digital Modernisation and Transformation Board is chaired by the Chief Executive. The Board has met 5 times between June 2024 and June 2025, and includes representation from the 3 Directorates plus other services including finance and HR. • A business case is developed for each new change / transformation project that is presented to the Digital Modernisation and Transformation Board. • Project updates are provided as part of the Digital Modernisation meetings using a standardised form including milestone status, outcomes since last reporting, planned tasks till next reporting period as well as issues, risks, dependencies and budget status. • Following implementation of a project, a project evaluation report is presented to the Digital Modernisation and Transformation Board. These evaluations provide an analysis against intended outcomes as well as provide insights in relation to lessons learned and future recommendations. • The Corporate Management Team also receives the Change Program updates, every two months, which include the details of area being reviewed, latest agreed savings, milestones as well as approved and anticipated completion dates. • Both updates detailed above further provide a RAG rating against each item. • The Council's Performance Management Framework sets out the process for target setting. Priorities under the strategic plan, including ones related to transformation, are aimed to be delivered through Committee Delivery and Improvement Plans and Service Delivery and Improvements Plans. • Each directorate periodically reports on performance in the delivery of their Committee Delivery and Improvement Plan to their relevant committee. • Performance is reported to: <ul style="list-style-type: none"> - Education and Communities Committee - Environment and Regeneration Committee - Policy and Resources Committee

Findings	Evidence
<p>The Council faces challenges including sufficient staffing capacity to deliver its transformation ambitions.</p>	<ul style="list-style-type: none"> • The Council recognises the risk posed by the availability of the resource and skills mix to support the transformation initiatives. • The transformation initiatives are currently being delivered by the existing governance structures and resources in place. • The Council has engaged in the SOLACE and Improvement Service’s transformation programme to support the delivery of transformation activity. Scotland Excel has provided support to the Council’s Procurement Team to help identify and deliver savings and will continue to work actively with member authorities to develop, prioritise and agree a savings workstream programme for the delivery of future savings opportunities. The Council has sought to harness external expertise to support transformation. • In addition to the capacity challenges, the Council identified the following risks, as part of it’s latest corporate risk register, which may impact it’s transformation objectives: <ul style="list-style-type: none"> - Insufficient financial resources to effectively deliver services, key projects and financial outcomes. - Council’s assets and facilities do not fully meet the needs of its existing and future service users and employees which impacts on the delivery of services. - Failure to keep pace with changing technology and deliver new systems that support service delivery. • Out of the risks identified above, financial pressures has been allocated the highest risk score, with a red RAG status, and the remaining three have an amber status • The corporate risk register further identifies the current mitigations in place as well as future mitigation against each risk identified therein.

Partnership working and community engagement

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

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

Findings	Evidence
<p>The Council has demonstrated that it is working with partners to deliver its transformation initiatives.</p>	<ul style="list-style-type: none"> • The transformation initiatives for the Council are driven by the Council Plan under the theme of “performance”. • The Council Plan aligns to and supports the Inverclyde Alliance Partnership Plan 2023/33, ensuring that partners work together to create conditions that promote success for all and addresses inequalities. • The Council works alongside multiple partners including but not limited to the UK Government, the Scottish Government, SOLACE and Inverclyde Alliance Community Planning Partners. • An example of joint transformation initiative is The Inverclyde Approach to tackling Child Poverty (more details are included in the case study 1). • Following approval of the Inverclyde Council on 27 February 2025, the Council joined the Local Government Digital Office. The Digital Office supports Scottish Councils with their digital transformation journeys and facilitates services, including a Digital Maturity Assessment offer, that would align with the Council's Digital Strategy. • This will allow the Council to gain visibility of practices across local authorities in Scotland and support the developments in digital space. The Digital Office hosted by COSLA offers expertise, support and a network of peer authorities. • The collaborative nature of the Digital Office allows councils across Scotland to work together and share best practices across a range of areas.

Findings	Evidence
<p>There are examples of joint funding arrangements between the council and partners for transformation projects.</p>	<ul style="list-style-type: none"> • Each of the four projects, under the Inverclyde Approach to tackling child poverty (case study 1), are jointly funded: <ul style="list-style-type: none"> - The RISE project was funded by Inverclyde Council and the Health and Social Care Partnership. The RISE project ran from 2021-2024. - Thrive Under 5 was introduced by Greater Glasgow and Clyde in 2023. - The Home Start project was initiated following receipt of funding from the Scottish Government Child Poverty Accelerator Fund. - Early Adopter Community funding from the Scottish Government was secured which enabled Inverclyde to become an ‘early adopter’ in the design and development of community-based childcare for school age children. Inverclyde was one of four pilot authorities in Scotland, selected by the Scottish Government. • Other examples of projects including external funding are as follows: <ul style="list-style-type: none"> - Glasgow City Region City Deal Projects – Inverkip, Inchgreen and Greenock Ocean Terminal - UK Levelling Up - Greenock Central - Scottish Government Fairer Futures Partnership - Shared Service arrangement with West Dunbartonshire Council - Development of a new community hub for people with learning disabilities. This is a £10 million project and being led and funded by Inverclyde Council/Health and Social Care Partnership (HSCP) alongside development partner hub West Scotland. The project has also attracted a grant of almost £1m from the Scottish Government. - The delivery of the Net Zero Action Plan (various projects) - The expansion of Early Years provision - Glasgow City Region Electric Vehicle Charging Infrastructure Collaboration - The appointment of a Repopulation Officer to pilot an approach to tackling population decline - Zero Waste Food Pantries

Findings	Evidence
<p>The council has engaged with communities including the third sector and vulnerable groups to inform its transformation plans.</p>	<ul style="list-style-type: none"> • As noted earlier the Council’s overall transformation plan is embedded in the Council Plan under the theme “performance”. This plan supports the delivery of the Inverclyde Alliance Partnership Plan (partnership plan). • Development of the Council’s plan was supported through multi-faceted, 8 week public consultation which concluded in January 2023. Alongside this consultation, the Inverclyde Strategic Needs Assessment was updated which informed the development of the plan. • We further note the updated Strategic Needs Assessment in 2025. Updated Strategic Needs Assessment has been reviewed by the Inverclyde Alliance, the Council's Senior Management Team and a briefing was held for the Elected Members. Reports enumerating the consultation and strategic needs assessment are available for public access. • Evidence of consultation in relation to specific projects/ initiatives is available e.g. in relation to Inverclyde Approach, all four projects employed measures to involve communities including vulnerable groups. These engagement activities ranged from co-design, online surveys, co-production workshops and hosted events.

Case study 1

The Inverclyde Approach to tackling Child Poverty

Tackling poverty and reducing inequalities is a key priority for Inverclyde Council and the CPP, the Inverclyde Alliance.

The Inverclyde Approach is transformational because it is delivering a whole system, whole family approach to support those living in poverty. It initially evolved from a ‘theory of change’ developed by the Inverclyde Child Poverty Action Group and is based on the premise that alleviating poverty requires a network of interconnected support to address the increasingly complex needs of families.

A recent independent evaluation, carried out by Urban Foresight, found that the Inverclyde Approach is successfully addressing the many factors that contribute to child poverty. The evaluation found that the approach is delivering a co-ordinated system of support that is adaptive and shaped by those it aims to serve, which is improving outcomes for residents and families.

Impact of transformation

10. 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
<p>There is evidence that timely equality impact assessments have informed the council's transformation plans.</p>	<ul style="list-style-type: none"> • As noted earlier the Council's transformation aspirations are embedded in the existing plans i.e. Partnership Plan, Council Plan and Committee Plans. • Equalities Impact Assessments were carried out as part of the development of the Council Plan as well as the Inverclyde Alliance Partnership Plan. • These assessments provide detailed analysis including the analysis of impact in relation to protected characteristics as well as the impact on the Fairer Scotland Duty. • The assessment further include a section which requires evidence based analysis to support the identified impacts. • These assessments are published and available on the Council website for public access and scrutiny. • We have observed evidence of the Equality Impact Assessment being carried out in relation to budget saving proposals included in the latest budget which also include assessment of the impact in relation to the Fairer Scotland Duty. • In addition to impact assessments being carried out for specific budget proposals, we note following assessments being carried out in relation to the overall revenue budget proposals: <ul style="list-style-type: none"> - Equalities Impact Assessment - Fairer Scotland Duty Assessment - Child Rights and Wellbeing Impact Assessment

The council's transformation activity has had a positive impact on its services and has delivered positive outcomes for communities

- The Delivering Differently program is aimed towards generating efficiencies.
 - As noted earlier an annual report is presented to the Policy and Resources Committee with respect to monitoring of savings.
 - As per the report presented to the committee dated 25 March 2025, £1.25 million worth of workstream savings were delivered against a target of £1.32 million.
 - The report further notes projected savings for 2025/26 amounting to £2.11 million against approved savings target of £1.89 million.
 - This results in the total projected savings for 2024/26 amounting to £3.4 million which exceeds the target by £0.15 million evidencing positive impact of the savings programme.
 - As part of the previous best value audit we recommended that a system of overall assessment of the impacts (cost, time and quality) of the digital modernisation initiatives should be designed and implemented.
 - Based on update from the management in relation to the above recommendation we note that the Council has joined the Local Government Digital Office.
 - The Council noted that plans to conduct a Digital Maturity Assessment to help the Council to establish where they are on their digital transformation journey are in place. The first steps in this process involve a staff survey and targeted employee workshops. The overall timescale for this is 30 November 2025.
 - The performance against the actions identified under the Committee Plans is measured and reported on the basis of performance measures identified under the respective plans.
 - The Council publishes performance information on the delivery of the Education and Communities, Corporate Services and Environment and Regeneration Committee Plans which is publicly available through the website.
 - In relation to the case studies provided we have also noted evidence of third party assessment of the impacts of the project.
 - A recent independent evaluation, carried out by Urban Foresight, noted the positive impact of the Inverclyde Approach (case study 1). The evaluation also included positive feedback from the intended beneficiaries.
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Findings**Evidence**

- Another project i.e. Inverclyde Health and Social Care Partnership: Ideas to Action Programme has been highlighted as an example of best practice in a Scottish Government consultation report. It is a new 'Practice Pad' to support young people leaving care, which was developed following an Ideas to Action employee programme.
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Appendix

Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Savings Plans</p> <p>The identified savings are limited to 2026 i.e. period covered by the latest budget</p> <p>Risk – There is a risk of not achieving financial balance in the medium to long term and over reliance on use of reserves.</p>	<p>We recommend that keeping in view the availability of medium term forecast, beyond the latest budget, quantified saving/income generation plans should be developed for medium term as well i.e. beyond the period covered by the latest budget and incorporated as part of the medium term financial strategy.</p>	<p>Savings plan developed and approved by Policy & Resources Committee September 2025.</p> <p>Approach to closing budget gap included in December 2025 Finance Strategy. Savings plan will be further developed in future budget settings on approval by Members.</p> <p>Chief Financial Officer December 2026</p>
<p>2. Budget gap</p> <p>Currently identified savings do not completely bridge the gap identified as part of the medium term financial strategy.</p> <p>Risk – There is a risk of not achieving financial balance in the medium to long term and over reliance on use of reserves.</p>	<p>The Council needs to consider additional schemes to generate further cost savings/income generation required to address the financial challenge identified as part of the financial strategy.</p>	<p>To be linked to Digital Modernisation and Transformation Agenda.</p> <p>Chief Financial Officer/ Corporate Management Team December 2026</p>

Best Value thematic work

Inverclyde Council

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