

**South Ayrshire Council**

**Report by Director of Communities and Transformation  
to Audit and Governance Panel  
of 29 January 2025**

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**Subject: Accounts Commission: Transformation in Councils -  
Sector-Led Change and Collaboration to Achieve  
Financial Sustainability**

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**1. Purpose**

- 1.1 The purpose of this report is to advise Members of the Accounts Commission publication '*Transformation in Councils - Sector-led Change and Collaboration to Achieve Financial Sustainability*', and; to note the outcome of the self-assessment exercise undertaken by South Ayrshire Council's Corporate Leadership Team to benchmark the Council's approach to transformation against the five principles for transformation, as set out in the publication.

**2. Recommendations**

**2.1 It is recommended that the Panel:**

- 2.1.1 considers the findings outlined in the Accounts Commission publication '*Transformation in Councils - Sector-led Change and Collaboration to Achieve Financial Sustainability*' (attached as Appendix 1); and**
- 2.1.2 notes the outcome of the self-assessment exercise undertaken by South Ayrshire Council's Corporate Leadership Team to benchmark the Council's approach to transformation against the five principles for transformation, as noted in the report and at Appendix 2, including the actions being progressed by officers.**

**3. Background**

- 3.1 In October 2024, the Accounts Commission published '*Transformation in Councils – Sector-led Change and Collaboration to Achieve Financial Sustainability*'. This report is part of a series of outputs produced by the Accounts Commission that provide an independent overview of the local government sector.
- 3.2 The report follows on from three other outputs in the series: Local government in Scotland: Financial bulletin 2022/23, Local government budgets 2024/25 and a Local government blog on benchmarking and performance. It also draws on local Best Value audit work and the Accounts Commission's wider work programme.

- 3.3 The report sets out four key messages around transformation and the expectations of sector-led transformation work alongside other local approaches to help Councils achieve financial sustainability and deliver better outcomes in the medium to long term.
- 3.4 The Commission recognise the challenges and barriers to transformation, listed on page 11 of the report, including: i) ring fenced funding and protected services; ii) cost of living; iii) workforce pressures; iv) public perception or push back on decisions; v) increased service demand; vi) short term-ism; vii) willingness and capacity viii) demographic changes; ix) lack of co-ordinated decision making; x) risk appetite and: xi) increased costs.
- 3.5 An overview of the Solace/ Improvement Service developing Transformation Programme for Councils is presented. The Commission finds that progress against the three transformation workstreams within the Programme is at an early stage and highlights risk to delivery of the overall programme including: insufficient detail on timescales, costs, resources, outcomes, outputs and impact on the overall programme aims, which could provide reassurance and clarity for Councils' medium to longer-term planning.
- 3.6 The report sets out the Commission's expectation of the local government sector, Scottish Government and Community planning and third sector partners as well as urging COSLA and the Scottish Government to take action to facilitate sector-wide transformation.
- 3.7 The report emphasises urgent facilitators of transformation as being a preventative approach, an innovation culture and whole public service approach.
- 3.8 Whilst no single, concise definition of transformation in a local government context is provided and auditors accept that transformation means different things to different Councils, a set of five principles have been developed to help guide Councils around the expectations for transformational activity (Appendix 1, Exhibit 1, page 8) which all Councils are expected to follow.

#### **4. Proposals**

- 4.1 It is recommended that the Panel considers the findings outlined in the Accounts Commission publication '*Transformation in Councils - Sector-led Change and Collaboration to Achieve Financial Sustainability*' (attached as Appendix 1).
- 4.2 From November to December 2024, the Council's Corporate Leadership Team, facilitated by the Assistant Director – Transformation, undertook self-assessment to benchmark the Council's current approach to transformation against the five transformation principles set out by the Audit Commission.
- 4.3 The Panel is asked to note the outcome of the self-assessment exercise at Appendix 2 and the actions being progressed by officers to ensure full adoption of the principles within South Ayrshire Council.

#### **5. Legal and Procurement Implications**

- 5.1 There are no legal implications arising from this report
- 5.2 There are no procurement implications arising from this report

## **6. Financial Implications**

6.1 Not applicable.

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

### **8.2 *Risk Implications of Rejecting the Recommendations***

8.2.1 Rejecting the recommendations may impact on the reputation of the Council.

## **9. Equalities**

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

## **10. Sustainable Development Implications**

***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report and is not required.

## **12. Link to Council Plan**

12.1 The matters referred to in this report contribute to delivery of all of the Council's strategic objectives and all of the strategic outcomes.

## **13. Results of Consultation**

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and Councillor Ian Davis, Portfolio Holder for Finance,, Human Resources and ICT and the contents of this report reflect any feedback provided.

**Background Papers**    [Audit Scotland report - Local Government in Scotland: Overview 2021 – May 2021](#)

[Audit Scotland report - Local Government in Scotland: Financial Overview 2020/21 – March 2022](#)

                                 Report to Audit and Governance Panel of 28 June 2023 – [Best Value Thematic Work in South Ayrshire Council 2022/23](#)

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