

County Buildings
Wellington Square
AYR KA7 1DR
Telephone No. 01292 612102



22 January 2025

To: Councillors Dettbarn (Chair), Bell, Cullen, Kilpatrick, Lamont, McGinley, Ramsay and Weir

All other Elected Members for information only

Dear Councillors

AUDIT AND GOVERNANCE PANEL

You are requested to participate in the above Panel to be held **on Wednesday, 29 January 2025 at 10.00 a.m.** for the purpose of considering the undernoted business.

This meeting will be held in the County Hall County Buildings, Ayr on a hybrid basis for Elected Members, will be live-streamed and available to view at <https://south-ayrshire.public-i.tv/>

Yours sincerely

CATRIONA CAVES
Chief Governance Officer

B U S I N E S S

1. Declarations of Interest.
2. Call-ins from Cabinet.
3. Minutes of previous meeting of 4 December 2024 (copy herewith).
4. Action Log and Work Programme (copy herewith).

External Audit Reports

5. Accounts Commission: Transformation in Councils - Sector-Led Change and Collaboration to Achieve Financial Sustainability – Submit report by the Director of Communities and Transformation (copy herewith).
6. External Audit Reports – Progress to 31 December 2024 – Submit report by the Chief Financial Officer (copy herewith).

For more information on any of the items on this agenda, please telephone June Chapman,
Committee Services on 01292 272015, Wellington Square, Ayr or
e-mail: committeeservices@south-ayrshire.gov.uk www.south-ayrshire.gov.uk

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AUDIT AND GOVERNANCE PANEL.

Minutes of a hybrid webcast meeting on 4 December 2024 at 10.00 a.m.

Present in County Hall: Councillors Julie Dettbarn (Chair), Alan Lamont, Brian McGinley, Cameron Ramsay and George Weir.

Present Remotely: Councillors Kenneth Bell and Chris Cullen.

Apology: Councillor Mary Kilpatrick.

Attending in County Hall: M. Newall, Chief Executive; T. Baulk Chief Financial Officer; W. Carlaw, Service Lead – Democratic Governance; C. McGhee, Chief Internal Auditor; D Urquhart, Senior Investigations Officer; K. Copland, Senior Accountant/Senior Finance Officer; J. McClure, Committee Services Officer; and E. Moore, Clerical Assistant.

Attending Remotely: L. Reid, Assistant Director – Transformation; and K. Sharp, Audit Scotland.

Opening Remarks.

The Chair

- (1) welcomed everyone to the meeting; and
- (2) outlined the procedures for conducting this meeting and advised that this meeting would be broadcast live.

1. Sederunt and Declarations of Interest.

The Chair called the Sederunt for the meeting and, having called the roll, confirmed that there were no declarations of interest by Members in terms of Council Standing Order No. 17 and the Councillors' Code of Conduct.

2. Call-in from Cabinet.

The Panel noted that there were no call-ins from Cabinet of 26 November 2024.

3. Minutes of Previous Meetings.

The Minutes of the meeting of 6 November 2024 (issued) and were submitted and approved.

4. **Action Log and Work Programme.**

There was submitted an update of the Action Log and Work Programme for this Panel (issued).

The Chief Financial Officer advised that there were no outstanding actions and twenty two items on the Work Programme for the following year.

Following a question from a Panel Member on item 5 of the Work Programme, the Chief Financial Officer advised that this report was being submitted to the January meeting of this Panel as a result of a report from Audit Scotland in September and would explain how Transformation was being dealt with by the Council presently and going forward.

The Panel

Decided: to note the current status of the Action Log and Work Programme.

Internal Audit

5. **Audit and Governance Panel – 2024 Annual Self Assessment Outcome.**

There was submitted a joint report (issued) of 25 November 2024 by the Chief Financial Officer and Chief Governance Officer outlining the outcome of the Audit and Governance Panel Self-Assessment for 2024, which was undertaken on 7 October 2024; and seeking agreement of the resulting updated action plan.

The Chief Financial Officer introduced the report and advised

- (1) that this was the second year of the self-assessment being carried out in this format;
- (2) that Appendix 1 laid out the collective views of the Panel Members who took part in the self-assessment;
- (3) that Appendix 2 provided information on individual questions and outlined improvements made since last year, along with a small number of reductions in scores; and
- (4) that Appendix 3 provided the updated Action Plan with three actions for approval.

A Member advised that the process had been easier this year and enquired on timescales for action 2 "reassess Members training needs during 2024 and develop a new training programme as required"; and the Chief Financial Officer advised that this was a financial year and not calendar year and that he would amend the wording to 2024/25; and that training needs would be assessed in the next few months with the training arranged following that.

Following a question from a Panel Member on whether the self-assessments would be carried out annually or bi-annually in future, the Chief Financial Officer advised that this had been discussed at the self-assessment and that he would be happy to arrange this yearly, however, this would be a decision for the Panel dependent on the results of this year's self-assessment.

A Member advised that this was a valuable exercise which helped identify training needs and should therefore be carried out annually due to changes in Panel membership; that, in relation to Action 3 "Question 27 - has the committee evaluated whether and how it is adding value to the organisation", it was important to evaluate this annually how the Panel added value to the Council.

A Panel Member advised that this had been a useful process and had been informative to reflect on the work carried out by the Panel; and enquired if this process would be helpful for other Panels to undertake to highlight training needs for example; and the Chief Financial Officer advised that this Panel had a standard it could apply, however, this was not the case for other Panels and that he would take this suggestion on board and discuss this with the Chief Executive and Chief Governance Officer.

The Chief Financial Officer further advised that the report had previously included feedback from officers who attended this Panel and that this would be included in this year's report; and that this process would be carried out annually if that was the request of the Panel.

The Panel

Decided:

- (a) to note the outcome of the 2024 self-assessment, as set out in 4.1 to 4.6 of the report and related completed checklist in Appendix 1; and
- (b) to approve the updated action plan for improvements per Appendix 3.

External Audit

6. Corporate Fraud Team – Activity Report and National Fraud Initiative Update.

There was submitted a report (issued) of 25 November 2024 by the Chief Internal Auditor advising Members of the Corporate Fraud Team's (CFT) activity from 1 April to 30 September 2024; and providing an update on the National Fraud Initiative (NFI) exercise to date.

The Senior Investigations Officer introduced the report and advised that the report had been updated to reflect additional information on the source and outcomes of referrals to the CFT; a breakdown had been provided of the total financial savings; and that a pro-active exercise had commenced on Non-Domestic Rates and the results would be outlined in the next report to this Panel.

A Panel Member advised that the tables within the report were very helpful, however, it would also be helpful to have comparisons to the previous year's figures; and enquired why figures on Business Rates and Single Person Council Tax Discount were included in this year's report. The Chief Internal Auditor advised that the Business Rates exercise had been carried out later in the year, therefore, the results had not been available for the last report; and that the Council Tax Discount figures had been reported within the body of the last report to Panel and that the Fraud Team had carried out an investigation and this was now included within the table of figures.

A Member advised that this was a good report which outlined the depth of work carried out; and enquired whether comments and complaints from constituents should be passed to the appropriate Council Service or the CFT; and the Senior Investigations Officer advised that, if a complaint was passed to a Council Service, it would subsequently be passed to CFT if investigation was required, therefore any complaints could be passed to the service or to the CFT.

The Chair advised that a meeting had recently taken place where Members discussed complaints from members of the public on Council houses being sub-let by tenants and Council houses being unoccupied for a long period of time while being let and that there could be a good reason for this, therefore this should be reported to the Housing Service in the first instance who could be aware of the reason for the houses being unoccupied or could pass this matter to the CFT for investigation if required.

The Panel, having considered the CFT activity for the six month period to 30 September 2024,

Decided:

- (1) to note the contents of the report and the changes to the format and contents from the previous update reports to provide additional information on the source of the referral and investigation outcomes; and
- (2) to note the conclusion of the 2022/23 exercise, the start of the 2024/25 NFI exercise and that updates on the 2024/25 exercise would be included within future CFT activity reports.

7. Treasury Management and Investment Strategy Mid Year Report 2024/25.

There was submitted a report (issued) of 25 November 2024 by the Chief Financial Officer providing Members with a mid-year treasury management update for the financial year 2024/25.

The Chief Financial Officer introduced the report; referred to Appendix 1 entitled "Economic Update and Interest rates" and Appendix 2 regarding "Treasury Activity"; and advised that, due to the impact of interest rates being higher than expected, there was a significant overspend which was reflected in a report which had been considered at Cabinet on 26 November 2024.

A Member advised that this was a comprehensive assessment and that it was pleasing to note that officers were diligent regarding fluctuating interest rates, however, he would urge officers to be cautious regarding future capital commitments due to the interest rates. The Chief Financial Officer advised that the Director of Housing, Operations and Development was in the process of compiling a report for consideration at a meeting of South Ayrshire Council on "Capital Investment Programme" which was proving challenging in the ever changing financial climate.

Following a question from a Member regarding paragraph 2.1 (2) of Appendix 2 on "the original borrowing requirement for 2024/25 was set at £121m but has been revised to £92.876m. This drop was attributed to increased cost of supplies and re-profiling of capital projects. This has resulted in movement in the current year of the capital programme" and why this borrowing requirement had dropped when prices had increased; the Chief Financial Officer advised that this was a complex piece of work and was a moving target; that, as costs continued to rise, the Council required to borrow more monies; that projects were not progressing as originally intended; and that interest rates were higher than it had been hoped.

A Member referred to recent months when the cost of borrowing had increased, however, returns on savings had gone down; and the Chief Financial Officer agreed that previously the Council would have seen a better return on investments but of late increased borrowing rates were not being matched by increased investment return rates and that this was an issue for the Council, however officers continued to monitor interest rates daily.

The Panel, having scrutinised the contents of the report,

Decided: to remit the report to the Council meeting of 6 March 2025 for approval.

The meeting ended at 10.35 a.m.

Audit and Governance Panel

Agenda Item No. 4

Action Log

| No | Date of Meeting | Issue | Actions | Assigned/ Re-assigned to | Update | Completed |
|----|-----------------|--|---|--------------------------------|--|------------|
| 1 | 04/12/24 | Audit and Governance Panel - 2024 Annual Self-Assessment Outcome | A Panel Member enquired if this process would be helpful for other Panels to undertake to highlight training needs for example; and the Chief Financial Officer advised that this Panel had a standard it could apply, however, this was not the case for other Panels. | Chief Financial Officer | This matter was passed to the Chief Executive and Chief Governance Officer for consideration | YES |

Audit and Governance Panel

Work Programme 2025

| | Issue | Actions | Assigned To | Due Date to Panel | Latest update |
|----|---|-----------------|---|---------------------------|----------------------|
| 1. | External Audit Reports – Progress to 31 December 2024 | Report to Panel | Chief Financial Officer | January 2025 | Report to this Panel |
| 2. | Transformation in Councils - Sector-led Change and Collaboration to Achieve Financial Sustainability | Report to Panel | Depute Chief Executive and Director of Education/ Director of Communities and Transformation | January 2025 | Report to this Panel |
| 3. | Internal Audit – Progress Report Quarter 3 | Report to Panel | Chief Internal Auditor | February 2025 (Quarterly) | Being drafted |
| 4. | Treasury Management and Investment Strategy Quarter 3 Update Report 2024/25 | Report to Panel | Chief Financial Officer | February 2025 (Quarterly) | Being drafted |
| 5. | Best Value Action Plan - Progress Report | Report to Panel | Depute Chief Executive and Director of Education | February 2025 (Quarterly) | Being drafted |
| 6. | Accounting Policy change – IFRS16 implications | Report to Panel | Chief Financial Officer | February 2025 | Being drafted |
| 7. | Annual Audit Plan 2024/25 | Report to Panel | Chief Financial Officer | March 2025 (Annually) | Not yet started |

Audit and Governance Panel

| | Issue | Actions | Assigned To | Due Date to Panel | Latest update |
|-----|---|-----------------|---|--------------------------|----------------------|
| 8. | Proposed Internal Audit Plan 2025/26 (including Annual Review of Internal Audit Charter) | Report to Panel | Chief Internal Auditor | March 2025 (Annually) | Not yet started |
| 9. | Strategic Risk Management | Report to Panel | Chief Governance Officer | March 2025 (Biannually) | Not yet started |
| 10. | Treasury Management and Investment Strategy Mid-Year Update Report 2024/25 | Report to Panel | Chief Financial Officer | March 2025 (Quarterly) | Not yet started |
| 11. | Audit and Governance Panel – 2023/24 Annual Report | Report to Panel | Chief Financial Officer/ Chief Governance Officer | May 2025 (Annually) | Not yet started |
| 12. | Annual Accounts 2023/24 | Report to Panel | Chief Financial Officer | June 2025 (Annually) | Not yet started |
| 13. | Delivering Good Governance – 2023/24 Assessment | Report to Panel | Chief Governance Officer | June 2025 (Annually) | Not yet started |
| 14. | Internal Audit Annual Report 2023/24 | Report to Panel | Chief Internal Auditor | June 2025 (Annually) | Not yet started |
| 15. | Treasury Management Annual Report 2023/24 | Report to Panel | Chief Financial Officer | June 2025 (Annually) | Not yet started |
| 16. | Corporate Lets | Report to Panel | Director of Communities and Transformation | June 2025 (Annually) | Not yet started |
| 17. | Corporate Fraud Team - Activity Report and Update on National Fraud Initiative | Report to Panel | Chief Internal Auditor | June 2025 (Biannually) | Not yet started |

Audit and Governance Panel

| | Issue | Actions | Assigned To | Due Date to Panel | Latest update |
|-----|--|----------------------|---|---------------------------|----------------------|
| 18. | IJB Finance and Performance Report 2024 – Audit Scope | Report to Panel | Chief Financial Officer | September 2025 (Annually) | Not yet Started |
| 19. | Internal Audit – Progress Report Quarter 1 | Report to Panel | Chief Internal Auditor | September 2025 (Annually) | Not yet started |
| 20. | Audit Scotland: Integration Joint Boards – Finance and Performance 2024 | Report to Panel | Chief Internal Auditor | September 2025 (Annually) | Not yet started |
| 21. | South Ayrshire IJB External Annual Audit Report 2024-25 | Report to this Panel | Director of Health & Social Care | November 2025 (Annually) | Not yet started |
| 22. | Audit and Governance Panel – 2024 Annual Self-Assessment Outcome | Report to Panel | Chief Financial Officer/ Chief Governance Officer | December 2024 (Annually) | Not yet started |

South Ayrshire Council

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

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

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](#)

Person to Contact Louise Reid – Assistant Director - Transformation
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Date: 20 January 2025

Transformation in councils

Sector-led change and collaboration to achieve financial sustainability



ACCOUNTS COMMISSION 

Prepared by Audit Scotland
October 2024



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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of: Derek Hoy, Lucy Jones, Lorna Munro, Becki Lancaster and Niamh Pritchard under the direction of Blyth Deans.

Key messages

- 1** As financial and service demand challenges continue to deepen, councils know they urgently need to transform how they deliver services. Transformation in local government has been happening for decades, but a step change is now urgently required. Councils face barriers to transformation and progress has been slow, but reform is vital and must happen at greater pace and scale. Not doing so puts the sustainability of vital public services at risk.
- 2** To meet these challenges, the Society of Local Authority Chief Executives (Solace) and the Improvement Service have put in place a sector-led Transformation Programme. This is focused on developing proposals for a future operating model for councils through short-term transformation projects, dialogue with public sector partners and a forum for developing leadership capabilities. The Transformation Programme is a positive development representing a radical change to how councils work towards transformation. But the work is at an early stage. More clarity is needed on the timescales for achieving outcomes and there are significant risks around workforce capacity and skills to realise ambitions.
- 3** Councils cannot deliver transformation alone and it is essential that the Scottish Government and Community Planning and third sector partners support the transformation of local services through more effective collaboration. Achieving consensus on the longer-term vision for local services is crucial. Faster progress in delivering the aims of the Verity House Agreement (VHA) should also aid the development and delivery of sector-led and local transformation work.

- 4 Public and political support is critical. All elected members must exercise their responsibilities to give clarity on the longer-term vision and ambitions of the councils they represent. A coordinated sector-wide public engagement and communication campaign should be undertaken to help gain backing from communities. To deliver on the change now urgently needed, councils must prioritise both capacity and capability in their workforces to match the ambition and pace needed to transform. This is highly challenging given the significant pressures they face to deliver day-to-day services.
-

Commission expectations

The Commission recognises the challenging situation councils and their public and third sector partners face and welcomes the Transformation Programme. It sees the potential 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. Effective collaboration is needed across the sector to realise that potential. While this work is at an early stage, the Commission urgently calls for the pace to be accelerated.

In the next 12 months we expect:

- the **local government sector**, the **Scottish Government** and councils' **Community Planning and third sector partners** to make significant progress in agreeing a future operating model for councils and how council services can be sustainably delivered according to local circumstances
- the **local government sector** to initiate an effective coordinated public engagement campaign to obtain agreement on the future operating model for councils, how it will be achieved, and the impact this will have on communities
- **Solace and the Improvement Service** to sustain momentum of the Transformation Programme and be clear on the actions needed to successfully deliver across the different workstreams. This includes more clarity on timescales, costs, resources, outcomes, outputs and impact
- the **Convention of Scottish Local Authorities (COSLA)** and the **Scottish Government** to make sustained progress on the commitments within the VHA including to agree a fiscal framework, an accountability and assurance framework and to conclude the Local Governance Review
- **individual councils** to prioritise and urgently progress the delivery of their local transformation ambitions and engage effectively in sector-led transformation activity, securing political backing and committing resources. We will be auditing local transformation work through year three of our Best Value reporting programme that starts in October 2024.

Introduction

1. This report is part of a series of outputs produced by the Accounts Commission that, taken together, provide an independent overview of the local government sector. It provides an insight into how the sector is responding to a key challenge currently facing local government. The report follows on from three other outputs in the series published earlier in 2024: [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.

2. This report looks at the role that transformation and collaboration can play in helping councils to achieve financial sustainability. The work undertaken to date in the series has brought financial sustainability into sharp focus. This report provides an opportunity for the Accounts Commission to assess progress with sector-led approaches to transformation. It will set the scene for the analysis of plans for transformation at an individual council level that will be captured as part of our Best Value thematic focus in the 2024/25 annual audit, with the national Best Value thematic report on transformation scheduled for 2026.

3. Financial sustainability is an issue that extends across the whole public sector. This report complements work planned by the Auditor General for Scotland on the Scottish Government's approach to fiscal sustainability and reform due for publication later this year.



Local government in Scotland: Financial bulletin 2022/23

provides a high-level independent analysis of the financial performance of councils during 2022/23, including funding and expenditure, year end financial position and the financial outlook.



Local government budgets 2024/25

examines the 2024/25 budgets set by councils, including analysis of anticipated budget gaps and actions to set a balanced budget.

1. Councils must transform to become financially sustainable

Councils face significant financial sustainability challenges, placing vital public services at risk

4. We reported last year in our [Local government overview 2023](#) that councils have never faced such a challenging situation, with increasing demand, workforce pressures and council budgets under severe strain. Our audit work over the past year has continued to show the significant financial sustainability challenges councils face, placing vital public services at risk:

- Our most recent assessment of councils' financial position and outlook, in our [Local government in Scotland: Financial bulletin 2022/23](#), was that the financial outlook is extremely challenging and presents real risks for the future.
- Our [Local government budgets 2024/25](#) report found that councils have had to make difficult budget-setting decisions for 2024/25 to bridge a gap of at least £585 million between their anticipated expenditure and the funding and income they expect to receive (the 'budget gap'). The budget gap is estimated to rise to £780 million by 2026/27, which represents five per cent of councils' revenue budget.
- Our [blog on performance reporting](#) included findings from the latest [Local Government Benchmarking Framework annual report](#) that shows the pace of improvement in council services is slowing. 2022/23 is the first year that the rate of decline in indicators has overtaken the rate of improvement.
- Our Best Value work in the last year highlighted the risk to financial sustainability and the need for transformation.






5. The unprecedented financial and service demand pressures mean there is an urgent need for the local government sector to transform how it operates if it is to sustainably maintain services.

6. We recognise that there is no single, concise definition of transformation in a local government context. Transformation means different things for different councils, and individual councils must have the flexibility to transform their service delivery appropriate to the needs of their communities. We have developed some principles ([Exhibit 1, page 8](#)) to help guide all councils around our expectations for transformational activity at a council level, while allowing for the flexibility required. We expect all councils to follow those principles.

Exhibit 1.

Transformation principles

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

| | |
|---|---|
| <p>Vision</p>  | <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. |
| <p>Planning</p>  | <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. |
| <p>Governance</p>  | <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. |
| <p>Collaboration</p>  | <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. |
| <p>Innovation</p>  | <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. |

7. As we stated in our [Local government overview 2023](#), the Accounts Commission recognises how challenging it is for councils to work on three planning horizons: to continue to deliver services here and now, to identify and make improvements in the short term and to plan and implement longer-term radical change.

8. Local government transformation is not a new concept and work in this area has been happening for decades. But a step change is needed, and the scale and pace of transformation must increase significantly. For example, that could be new innovative approaches to service delivery, reconsidering which services could be more effectively delivered by other partners, or identifying how economies of scale could be achieved by sharing services.

9. Evidence from our Best Value reporting work shows that transformation activity across Scotland's 32 councils is varied. Some councils have made very little progress towards transformation. Others have shown some positive examples of innovative activity, but generally the scale and pace of transformation must increase.

10. Councils have generally been effective in identifying and delivering efficiency savings and have continued to deliver services in recent years. But the scale of the challenge is significant and relying on efficiency savings alone to stay within budget is not sustainable. Ring-fenced and directed funding also makes it difficult for councils to identify opportunities to make the level of savings required through efficiencies alone. Overall, there is not enough evidence of truly transformational change taking place at a local level to address the financial sustainability challenges facing councils.

11. Councils must ensure they fully engage in transformation and do all they can to deliver on their transformation ambitions. Our Best Value reporting shows the level of ambition to transform services is varied across Scotland's councils. Where there is a good level of ambition there is, in some cases, a gap between that ambition and the councils' ability to meet it.

12. For example, we reported that Orkney Islands Council needs to show greater urgency in a range of areas, including medium-term financial planning, management of capital projects, and its approach to tackling climate change, if its plans for transformation are to be successful.

13. We also reported that Moray Council must accelerate the pace and ambition of its plans for transformation and show clear, sustained evidence of this transformation. We highlighted the need to set out clear deliverables, deadlines and lines of accountability, and to ensure strong financial management, accurate forecasting and budget monitoring. We also acknowledged long-standing issues with recruiting senior staff, and the impact that has on the council's capacity to deliver its transformation programme.

14. Some councils have made good progress in establishing and delivering against their plans for transformation. Dundee City Council has embarked on a lengthy transformational programme, which is now integrated within the Council Plan and has delivered £147 million in savings. It is focusing on large-scale transformative changes including property rationalisation, digital service provision, service re-design, shared services and payments and income generation. This should align well with the sector-led transformation activity covered in [Part 2](#) of this report.

15. We know there are significant barriers that impact on councils' ability to deliver services efficiently and progress their transformation ambitions ([Exhibit 2, page 11](#)). Some of these barriers are external and not within councils' control. Others are internal or partially internal, and councils have at least some control over how they overcome or remove those barriers and should do all they can to do so.

16. These barriers partly account for the varied progress made so far across Scotland's councils. It is vital that councils show real ambition for transformative change and prioritise the capacity and capability to meet that ambition at the pace and scale required. Elected members must support officers in progressing transformation. Where appropriate, councils should look to other councils, public sector partners and industry for transformation best practices.

17. The scale and nature of the challenge means that councils cannot deliver sustainable services on their own. 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 and deliver a significant programme of national reform to tackle issues such as climate change, child poverty and inequalities. Wider public service reform activities may change the context within which council services are delivered. It is important that councils also consider this within their transformation planning.

18. In our recent [Integration Joint Board \(IJB\) finance and performance overview 2024](#) we highlighted that the Scottish Government, councils, IJBs and health boards all need to work together to deliver sustainable health and social care services. That point applies more widely around sustainable council services, and it is vital that councils' Community Planning and third sector partners support the transformation of local services.

Exhibit 2.

Barriers to transformation



Ring-fenced funding and protected services

Funding allocated to national priorities can limit the decisions councils can make about how funds are used at a local level to meet local need. Funding for children's services, education and adult social care has been protected and increased due to national policy directives. Remaining services have consequently borne a disproportionate level of spending reductions.



Short term-ism

Preventative approaches to reduce the demand for services in the longer-term have not been prioritised due to the focus on meeting the current demand for services.



Willingness and capacity of the council (both officers and elected members) to engage in and properly resource transformative activity.



Cost of Living

Financial hardship is deepening for some people who use council services, evidenced by growing levels of rent arrears and homelessness applications. This places additional pressure on councils' finances.



Demographic changes

Changes in the structure of the population are impacting demand and the type of services needed. For example, an ageing population increases demand on social care services, while some areas are experiencing falling school rolls.



Workforce pressures

Skills gaps, vacancies, absences, an ageing workforce and lack of retention are well known issues that continue to worsen. Workforce gaps are now seen in areas previously not impacted, such as statutory professional roles.



Lack of coordinated decision-making

Public sector bodies can often make decisions in isolation from their partners, which can impact the demand on other public services. There is also tension in relation to policies set by central government but delivered by councils.



Public perception or push back on decisions

Some councils are experiencing significant resistance when seeking to reduce services to balance budgets. Effective public engagement, including timely consultation with communities, is inconsistent and must improve.



Risk appetite

There is a low appetite for risk in some councils, where transformational activity is held back by fear of failure. Not every transformational change will succeed, but not progressing radical transformation is a greater risk.



Increased service demand

Demand for services, such as social care and housing, has increased. This can limit councils' capacity to focus on transformational activity.



Increasing costs

The cost of materials and services has increased, affecting construction projects and social care in particular.

2. Urgent action is required to progress transformation

Solace and the Improvement Service are in the early stages of delivering a Transformation Programme for councils

19. The main sector-led piece of work currently under way to help councils reform how they deliver services is the Transformation Programme launched by Solace and the Improvement Service in September 2023. It is focused on developing proposals for a future operating model for councils and options for the delivery of sustainable council services. The programme builds on the model that was proposed in the [Delivering a future for Scottish Local authorities](#) report published by the Improvement Service in October 2022.

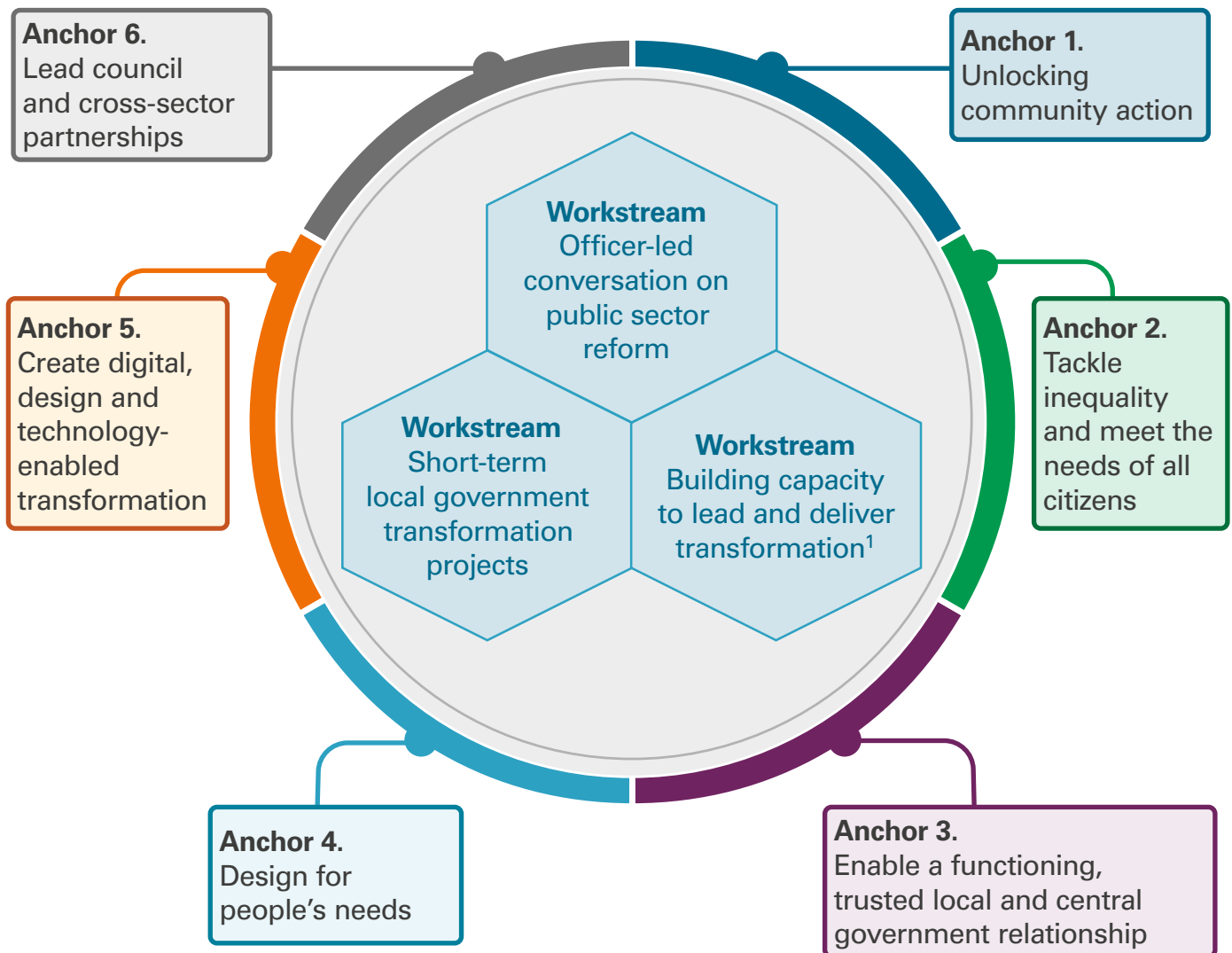
20. The Transformation Programme is structured around the six key anchors identified in that report as the building blocks to transformation. Each anchor is sponsored by a council chief executive. Sitting below the anchors are three workstreams, which contribute to one or more of the anchors ([Exhibit 3, page 13](#)).

21. The Transformation Programme is still in the early stages, but good progress has been made in engaging with most councils and a small number of other public service bodies on the programme.

22. There is a basic outline of, and justification for, the programme on the Improvement Service website. But generally, it is not yet clear how the public will be engaged at a sector level on how council services should be reformed.

23. Financial sustainability is one of the outcomes of the programme, but it is currently unclear what level of contribution the programme will make towards it. We expect that the financial benefits will become clearer as the programme moves from the planning and discovery phase to implementation.

Exhibit 3. Transformation Programme structure



Note 1. Including the Leadership Practitioner Forum.

Source: Audit Scotland

Progress against the Transformation Programme workstreams is at an early stage

Short-term projects

24. Work began on six focused 12-to-18-month projects in January 2024. These are aimed at helping councils achieve savings and identify longer-term solutions and set the foundation for collaboration and joint working across local authorities.

25. The six short-term projects are:

- Collaboration within the local government sector on procurement.
- Analysis of local government's statutory and discretionary services.

- The full implementation of **Crerar** for Local Government.
- Development of a Digital To-Be State for Scottish Local Government.
- Identification of new digital shared services that could be delivered nationally or regionally.
- Repository of examples of active communities/participatory design.

26. These projects are at an early stage of development. Volunteers were identified early and they are progressing through the discovery phase to set goals and engage subject matter experts. Projects leads now need to develop and finalise business cases for each project to provide clarity on timescales, resources needed and impact over the short, medium and long term. Although the projects are short term, it is likely that some could take years to implement and for the benefits to be realised, particularly if legislative changes are required.

Building capacity to lead and deliver transformation

27. Council chief executives have established a Leadership Practitioner Forum aimed at aspiring chief executives, directors and heads of service. It has been set up to facilitate collaboration on the Transformation Programme anchors and workstreams and to develop leadership capabilities for the future.

28. Thirty of the 32 councils have engaged to date. Five meetings have taken place, covering the purpose of the group, key challenges and opportunities, progress on other workstreams, the VHA and budget position, and the local government workforce.

29. The forum is a welcome development and momentum and engagement appear to be strong, but it is too early to see its impact. Councils should be clear on the lifespan of the forum, its intended specific outcomes in relation to developing leadership capabilities, and how success will be measured.

Officer-led conversation on public sector reform

30. This workstream aligns with the VHA and focuses on the need for behaviours and actions to change to collaborate effectively on reform. It has a long-term ambition to implement radical public sector reform over the next three to five years. Twenty-eight of the 32 councils have engaged so far.

31. This workstream organised a round-table discussion in March 2024 on 'Delivering a Roadmap for Public Service Reform in Scotland'. There was representation at chief executive/chief officer level from local government (including COSLA), the Scottish Government, NHS, Scottish Fire and Rescue and the enterprise agencies. A follow up discussion is planned for the autumn.



The Crerar Review, published in 2007, examined the current systems of audit, regulation, inspection and complaint handling of public services in Scotland. It made a number of recommendations around better coordination of scrutiny, more emphasis placed on self assessment and that the number of scrutiny bodies should be reduced.

32. Local authority chief executives have demonstrated a clear desire to work with other public sector agencies and have taken steps to initiate dialogue with partners. It remains unclear how the councils and their partners intend to work collectively with shared ownership to make this happen. There must be clarity on how they will agree a vision and timeline for transformation across the sector.

33. As we state in [paragraph 18](#), it is essential that councils' Community Planning partners support the transformation of local services. There is a role for the Scottish Government, through its commitment in the VHA, to ensure that those public bodies that contribute to Community Planning play their part.

There are risks to the overall delivery of the Transformation Programme

34. There are strategic risks to progressing transformation, which we discuss in [paragraphs 43–49](#). But there are also practical risks to the successful delivery of the Transformation Programme. Programme, workstream and project documentation is in place for most activity but there is not yet sufficient detail on timescales, costs, resources, outcomes, outputs and impact on the overall programme aims. These could provide reassurance and clarity for councils' medium to longer-term planning.

35. The Improvement Service is currently leading the programme, with the expectation that the role of councils develops as work progresses into the implementation phase. The Improvement Service would continue its programme management office function. The resource requirements are so far unquantified, with council staff supporting the programme on top of their day jobs. Councils should consider how to allocate staff resources to best build momentum with the programme and to minimise the risk of missing targets.

36. There are several facilitators of transformation associated with the Transformation Programme that have still to be progressed. There is a need for urgent action on these facilitators to minimise the risk of slow or no progress:

- **Preventative approach** – there is the opportunity for councils to minimise demand through a 'preventative approach' by developing a deeper understanding of lived experience in the community, with the Transformation Programme anchors one, two and four aimed at engaging communities.
- **Innovation culture (Helsinborg Innovation)** – fostering a culture of innovation and improvement, where new ideas are encouraged, tried and evaluated before being rolled out in a timeous manner. This was a key principle identified in the [Delivering a future for Scottish local authorities](#) report. This will need to be embraced and embedded as the Transformation Programme moves beyond the discovery phase if transformational change is to be successfully achieved at pace.

- **Whole public service approach** – delivery of services to ensure demand is supported in the right place at the right time, with a focus on improving the effectiveness of prevention services. Examples include support for affordable sustainable housing through planning processes, supporting public health initiatives and bolstering economic development opportunities and initiatives. Anchor six of the Transformation Programme is aimed at engaging within councils and other public sector partners.

COSLA and the Scottish Government must take action to facilitate sector-wide transformation

Slow progress on the commitments in the Verity House Agreement (VHA) poses a risk to transformation

37. The VHA between COSLA and the Scottish Government was designed as a reset of the relationship between central and local government. It sets out a vision for a more collaborative approach to delivering shared priorities. It also includes commitments to agree a new fiscal framework and an accountability and assurance framework, to minimise ring-fenced funding, to review specific grants to allow for greater local discretion and to conclude the **Local Governance Review** (LGR).

38. In our [Local government in Scotland: Financial bulletin 2022/23](#), published in January 2024, we reviewed early progress on the aims and commitments of the VHA and found key milestones had not been met. The VHA has now been in place for over a year and although discussions have taken place to progress several commitments, tangible progress is still limited:

- **Fiscal framework** – Joint discussions have progressed work and additional exploratory work has been undertaken to look at how a rules-based framework might be established (at the request of COSLA). However, capacity within both COSLA and the Scottish Government has limited sustained progress. We do not yet know what the framework will look like, and no new deadline for agreeing the framework has been set. While it is important to get things right so that the framework endures, we reiterate the recommendation we made in our [Local government in Scotland: Financial bulletin 2022/23](#) for momentum and progress to be accelerated.
- **Accountability and assurance framework** – The VHA set out a commitment to jointly develop simple structures for accountability and assurance. Work is ongoing to unpick some of the complex issues around: where accountability lies for policy priorities, the existing accountability and assurance arrangements in place within local government, how assurance can recognise local difference and how to achieve proportionate reporting. This work goes hand in hand with agreeing a fiscal framework (and specifically reductions to ring-fenced funding) and while discussions are ongoing it is not clear when this will be achieved.



The Local Governance Review

looks at how power, responsibility and resources are shared with local government and different communities and what needs to change to enable public service reform, innovation and collective, whole system improvement.

- **Local governance review** – The review is now in its seventh year. It was paused during the Covid-19 pandemic and restarted in 2023. A report on the outcome of the latest consultation, Democracy Matters 2, was published in September 2024. The pace of work will need to be significantly improved if the commitment to conclude the review by the Scottish Parliament election in 2026 is to be achieved.

39. Several actions, decisions and behaviours have challenged and risked undermining the collaborative vision of the VHA. These include the former First Minister's announcement last October of a Council Tax freeze and the imposition of teacher numbers and learning hours.

40. COSLA and the Scottish Government must urgently take action to deliver on the commitments in the VHA. These are key facilitators to the successful delivery of transformation work and to councils' ability to achieve financial sustainability. Further delay poses a risk to achieving these at the pace required.

COSLA has the potential to facilitate sector-wide transformation and coordinate joint work with the Scottish Government

41. In late 2023, COSLA established the 'Innovating Developing and Transforming' special interest group (SIG) to facilitate collaboration between political leaders, the Scottish Government and other key public sector partners. It aims to create a more coordinated, transparent and efficient local government system that prioritises citizen engagement, financial stability, and transformative change.

42. In April 2024, it agreed it would be the key stakeholder group for political engagement and monitoring progress on transformation work. While it is too early to see the impact of SIG's role in sector-led transformation work, it has potential to be an important mechanism for gaining political consensus on what the future of local government looks like. It also has the potential to facilitate better sector-wide public engagement and better collaboration between local and national government to implement the changes needed at both levels to achieve sustainable services that meet local needs.

Urgency and collaboration are needed across the sector to deliver transformation

43. Councils are trying to deliver transformation in exceptionally difficult circumstances. Most councils, in common with most of the public sector, are finding it challenging just to deliver 'business as usual' services. They struggle to dedicate the time and resources to focus on long-term transformation work. But to deliver tangible progress, councils must commit to and sustain engagement with the Transformation Programme, other sector-led transformation work and their own plans for transformation, at political and officer level.

44. Sector-led transformation work across local government is at an early stage. It is a long-term process, and most of the sector-led workstreams and projects will not deliver outcomes for several years. Councils should not view these programmes of work as solutions to their immediate and short-term financial sustainability issues. Nor should councils rely solely on sector-led approaches to deliver their long-term transformation goals. They should press ahead with their own plans for transformation and do everything they can to deliver them successfully.

45. The sector must also do all it can to ensure sector-led transformation work meets the needs of all councils where possible. There must be shared aims, outcomes and priorities. But there is no one-size-fits-all solution. Any new model for service delivery in councils should be principles-based and not overly prescriptive. It should give councils the flexibility to change how they deliver their services to best meet the needs of their communities efficiently, effectively and sustainably.

46. There are overall risks to the successful delivery of sector-led transformation work. Councils should recognise those risks, take collective ownership of them and work together to overcome them. They must ensure sufficient time and resources are focused on this transformation work, and that effective governance, planning and scrutiny arrangements are in place.

47. Given the scale of the challenge, councils cannot deliver transformation on their own and the Scottish Government and other public bodies need to collaborate with local government on transformation work. Partners from across the sector must urgently come around the table to agree a shared understanding of what local government transformation looks like, how it aligns with wider public sector reform and what it should achieve, how and by when. The Transformation Programme provides a forum for those officer-led discussions to take place, and momentum must be gained so that tangible progress can be seen.

48. There must also be meaningful engagement with the people who use council services to ensure transformation is aligned to their needs. Councils have a responsibility to do this as they implement their own plans for transformation. But a coordinated sector-wide public engagement and communication campaign should help gain acceptance from communities on what sustainable local services could look like in the future and how that will be achieved. There is potential for COSLA, via its 'Innovating Developing and Transforming' special interest group, to help facilitate this sector-wide public engagement.

49. While transformation is a long-term ambition, the need for change, innovation and action is urgent. The longer it takes to create solutions to the financial sustainability challenges facing the sector, the tougher those challenges will become and the more difficult it will be to find solutions.

Transformation in councils

Sector-led change and collaboration to achieve financial sustainability



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South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation Principle | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|--------------------------|--------------------|-----|---|-------------|------------|---------------|---|--|---|
| | | | | | Not adopted | Developing | Fully adopted | | | |
| 1 | Vision | Developing | i) | Have a clear vision that sets out the intended end state of any transformation activity focused on: delivering large-scale recurring savings or generating income for the council, contributing to its longer-term financial sustainability | | X | | The Council has an over-arching vision for transformation 'Shaping Our Future Council' which is a 3 year commitment to transformation that sets out the intended objectives of the transformation activity. Annual budget proposals include the focus on delivery of large-scale recurring savings or income generation for the Council. The Medium Term Financial Plan (MTFP) sets out how transformation will contribute to the Councils financial sustainability. The Council accepts it needs to define how transformation will contribute to its longer-term financial sustainability and this will be built into the ongoing review process and clarified as activity progresses. | The Shaping Our Future Council Vision statement and four priority areas (Our Workforce; Our Technology; Our Assets; Our Delivery Model); strategic descriptors for each priority area identify the proposed end state for each; Portfolio approach adopted with activity in year 1,2 and 3 identified to support delivery of strategic objectives and priority areas; individual Transformation Business Cases in development including income generation and savings proposals; updated MTFP demonstrates how transformation activity will support financial sustainability; transformation cashable benefits are now incorporated within the annual budget setting exercise; new approach to benefits reporting agreed with reporting at Portfolio level anticipated Q1 FY25/26. | Officers are developing a baseline for the current state against the four priority transformation areas. Improvement measures and indicators are being identified for each strategic objective. This will enable the setting of KPI's for the portfolio and support the identification of the desired end state, in terms of the changed model. As Business Cases are progressed including benefits forecasts, the cumulative benefits of transformation activity will become understood and will inform the further identification of longer term requirements to support the financial sustainability of the Council. |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation Principle | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|--------------------------|--------------------|------|--|-------------|------------|---------------|--|--|---|
| | | | | | Not adopted | Developing | Fully adopted | | | |
| | | | ii) | Improving outcomes for citizens in line with council priorities | | X | | Aspects of transformation activity will improve outcomes for citizens in line with Council priorities, however, the Council recognises that due to budget pressures there may be service reduction or removal following the implementation of transformation activity. | Methodology is in place to assess transformation proposals against strategic objectives within the Council Plan and against transformation priorities. Benefits proposals for transformation activity include qualitative and quantitative benefits of delivery. Integrated Impact Assessments (IIA) are considered/required as part of the Business Case development to demonstrate impact on users have been considered. Completed projects have delivered positive and improved outcomes for citizens (such as delivery of an improved public space CCTV system and the Belmont Family First project), however, there is a recognition that the Council may have to do less with less and any disbenefits of transformation will be identified, communicated and managed in the ongoing delivery of transformation activity. | Continue to consider and assess outcomes for citizens in the identification and delivery of activity. Business Cases include any disbenefits and how they will be communicated and managed. IIA's will continue to be developed in tandem with Business Cases to identify and reflect impacts on users. Continue to engage and communicate with stakeholders in line with agreed approach in the Transformation Communications Plan. Continue to report against Council, Service and Transformation delivery. |
| | | | iii) | Taking a whole-system approach to see and realise opportunities both within councils and more widely | | X | | The Council is developing a whole-system approach to transformation. Adoption of a whole system approach varies across Directorates with some areas of good, mature practice identified. | The Council is committed to collaborating with Community Planning Partners and recognise that 'system change' can't be achieved in isolation. The CPP works together at a strategic level on our shared LOIP priorities, collaborating on topics that cut across all partners and our communities. The CPP's Child Poverty Strategy recognises that the current system is complicated, filled with duplication and does not deliver the best outcomes for our residents. It commits to improving the system for those at risk of poverty by enhancing collaboration through radical place leadership. The Council is developing a data driven approach to transformation and putting in place mechanisms to ensure priority activity reflects future challenges and demographics and meets service needs of residents now and in the future. Data Analytics and Data Maturity assessment is in development with the Business Case approved by Transformation Board in November 2024. Data approach being reviewed across the Council. Representation on the Transformation Board of all Council services ensures services are working collaboratively to meet future challenges. There is regular engagement and joint working practice with community partners and third sector (e.g. third sector forum). The Council's delivery on the Care Review and The Promise, is a "Whole System" approach, which has fundamentally driven and supported transformational work, which has resulted in a more efficient delivery of service across stakeholders as well as improving outcomes for Children and Young People, in a way which aligns with The Promise. This is more than Council wide, it is Community Planning Partners wide, and remains one of our LOIP priorities. | Continue to share and learn from best practice both out with and within the Council. Identify and develop a Council-wide approach. Monitor delivery. Work with Scottish Government and other national partners to highlight areas where system change requires national support. |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation Principle | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|--------------------------|--------------------|-----|---|-------------|------------|---------------|---|---|---|
| | | | | | Not adopted | Developing | Fully adopted | | | |
| | | | iv) | Meeting the needs of the people who use services and reduce inequalities | | X | | The Council is working with CPP partners to focus improvement activity and shared resources in Ayr North through the Getting It Right for Ayr North work. This is being further developed to bring together partners through the Radical Place Leadership work supported by Mutual Ventures and Prof Donna Hall, former Chief Executive of Wigan Council. | An initial baseline and vision workshop was held in October 2024 where Community Planning Partners committed to developing Radical Place Leadership in South Ayrshire. A further session was held in December to identify priority areas and to design a new service delivery model. Further work will take place in January with the anticipation of piloting the new model in the Ayr North locality in April 2025. | Continue to work through CPP to deliver on the priority areas of activity starting in Ayr North before spreading to other localities. |
| | | | v) | Focusing on preventative activity, where applicable, to reduce the demand for services and to make them sustainable in the longer term. | | X | | The Council demonstrates a focus on preventative activity to reduce the demand for services and to make them sustainable in the longer term across a number of services and directorates. This includes work with the CPP partners to develop an Ageing Well Strategy which is a sector leading approach to creating places, spaces and communities to enable people to thrive into older age and address the demographic pressures seen in South Ayrshire with one of the oldest populations in Scotland. The delivery on the Promise and the Care Review through the Belmont Family First team as a test for Change model has resulted in the "Family First" model which is across all Eight school clusters, embedding Health and Social Care resources, Thriving Communities and Third Sector providers within Localities to deliver on early intervention, keeping families together and supporting Children and Families to live well together and prevent the need for more expensive and intrusive interventions later on. The Council are committed to rolling out a more preventative approach across all service delivery. | Ageing Well Strategy was published in September 2024 and has been recognised as sector leading through the Scottish Focus on Frailty Collaborative and the International Federation for Integrated Care International Conference. Already there has been a 200 unit housing development built with fully accessible homes for people that are future proofed to enable people to live longer, happier and more independent lives at home with an anticipated reduction in demand for care, equipment, adaptations and house moves. The Benefits tracker for The Promise points to strong evidence of efficiency around "Out with Authority Placement's" reducing by 57% and the cost avoidance that this brings. The use of Whole Family Wellbeing money within Children Services Planning and through the Family First model, is GIRFEC in action, and ensures Children and Families get the right help at the right time from the right person. This is down to working in partnership across the system. There is also evidence of better "customer" experience, with families feeling involved in decision making and feeling that they have the opportunity to come up with their own solutions without "state involvement". | Continue to work as part of CPP to deliver the action plan associated with the Ageing Well Strategy. This is reflected in the Children Services Plan 2023 - 2026 and the Promise plan 2024 to 2030. Continue to develop Mutual Ventures and Radical Place Leadership approach. Pilot and reflect on delivery, with a view to rolling out a model across all Council services. |

| South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles | | | | | | | | | | |
|---|----------------|-----------------------------|-----|---|-------------|-----------|-------|--|---|--|
| Ref. | Transformation | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
| | | | | | Not adopted | Developed | Fully | | | |
| 2 | Planning | Almost fully adopted | i) | 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 | | X | | The Council is clear on the scale of the change required and has good financial, performance and demographic data collection and collation systems in place to report on this. The Council is developing a more ambitious approach to redesigning service delivery and operating models and will provide plans that respond to the scale of the challenge. | Transformation Communications Plan in place incorporating transformation messages and methods of engagement and communication with all stakeholders including staff, trade unions, residents, partners and communities. MTFP sets out medium term financial challenges. Council Plan includes relevant demographics and highlights priority delivery areas. Transformation Reporting and Scrutiny Schedule approved by Cabinet including regular engagement and reporting to elected members and delivery and scrutiny groups. Service Re-design Business Case has been approved and a new Service Redesign Toolkit is in development. Work underway with Wigan Council to develop a new approach to preventative delivery. The commitment to Family First across all eight School clusters, which is based upon a Test of Change "Belmont Family First" and the Children Services plan supported by robust and independent research, data and analysis to support the approach. Has lead to the use of the Whole Family Wellbeing Fund being used to upscale and embed the approach across the whole of the Council School and Localities. There is now also a programme to make this sustainable through developing alternative curriculum approaches for young people who may have required to be educated elsewhere in expensive resource with use of taxi costs to enable this. The delivery on this alternative curriculum will make the Family First approach sustainable at the end of the Whole Family Wellbeing Fund. | Complete production of the Service Re-design Toolkit and commence roll out from January 2025. Continue to input to the Lessons Learned log and develop better practice from reviewing completed/ failed change activity. Continue to monitor the external and funding environment to remain aware of external changes that could impact the Council and transformation requirements. Progress work on a new preventative approach to service delivery. |

| South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles | | | | | | | | | | |
|---|----------------|--------------------|-----|---|-------------|-----------|------|---|--|--|
| Ref. | Transformation | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
| | | | | | Not adopted | Developed | Full | | | |
| | | | ii) | 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. | | | X | <p>The Council recognise lack of sufficient capacity and capability to deliver change is a key reason why change initiatives fail and have put measures in place to mitigate this. The Council have committed dedicated staff with appropriate skills, time and resources to ensure transformation occurs at the scale and pace required. The Council recognise delivering change can create pressures for enabling and other support services. Where change initiatives fail, the Council undertake analysis to identify the cause of failure and put in place remedial actions to ensure change adoption.</p> | <p>New Transformation Service established in May 2024 to drive delivery and management of transformation activity. Resourced by qualified and experienced delivery staff. PMO created. Chief Officer with dedicated remit to support transformation delivery and raise profile of organisational changes required across the Council. Transformation Board has representation from all Chief Officers to ensure services are aware of and can prioritise requirements for delivering change. The Council will engage the services of a Transformation Partner to increase its capability, in specific areas to deliver change. Root cause analysis being carried out for initiatives that have failed to deliver the anticipated breadth or scope of change. Remedial actions being identified. Risk and issues reporting in place with escalation arrangements as appropriate. Funding available via the Transformation Fund includes short-term resource requests for specific project delivery.</p> | <p>Formalise arrangement with Transformation Partner (expected March 2025). Continue to report risks, issues and reasons for change adoption failure. Continue to monitor impact on enabling and support services.</p> |

| South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles | | | | | | | | | | |
|---|-----------------|------------------|------|---|-----------|----------|--------|--|--|---|
| Re f. | Transform ation | Overall asesment | No . | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
| | | | | | Not ado | Dev elop | Full y | | | |
| | | | iii) | Be clear about the timescales, costs, outcomes, and anticipated impacts of transformation projects. | | | X | Clarity is being provided on the timescales, costs, outcomes, and anticipated impacts of transformation projects at a project level. The Council recognises the desire to provide this at a portfolio level, however accuracy on forecasting is important and it takes time to develop and socialise robust evidence based cases for change that clarify the implications of change for staff, residents and stakeholders. | Timescales, costs, outcomes and anticipated impacts of transformation activity are articulated in individual Transformation Business Cases. Business Cases are shared across Council services, with Trade Unions and elected members and Portfolio Holders. The recently approved Transformation Communications Plan sets out methods of communication with all stakeholders. The new Business Case process is robust and based on application of green book and treasury best practice. An emerging Programme Plan has been developed and shared with the Transformation Board. Communication has commenced in a range of forums and mediums with those impacted by proposed changes. | Continue to develop Business Cases to inform cumulative benefits of portfolio delivery. Continue to refine Programme Plan to identify milestones and timing of delivery. Engage with stakeholders at the frequency agreed in the Transformation Communications Plan. Reporting via agreed channels and frequency. |

| South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles | | | | | | | | | | |
|---|-----------------|------------------|------|---|-----------|----------|--------|--|--|--|
| Re f. | Transform ation | Overall asesment | No . | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
| | | | | | Not ado | Dev elop | Full y | | | |
| | | | iv) | Show urgency and progress projects at pace without compromising appropriate governance on projects. | | | X | The Council has proceeded to progress transformation projects at pace under new governance arrangements, without compromising appropriate governance on projects. The Council recognises the majority of projects on the Transformation Portfolio are in Business Case development but are committed to ensuring only robust and tested cases are approved that will deliver the desired benefits. | The Council recognises its previous approach to transformation did not deliver the breadth of change required and the pace of change did not meet expectations. Updated transformation governance processes were approved by Council in March 2024 and are designed to work with overarching Council governance processes to ensure appropriate oversight and monitoring of activity with a balanced approach to risk, with delegated authority given to officers to provide quicker decision making and an improved delivery focus to drive the desired outcomes. A full suite of governance documentation is in place. The updated Business Case template adapts Green Book methodology and principles, the updated IIA process and options analysis ensures cases are robust and the establishment of the Transformation Board, chaired by the Chief Executive ensures approval is only given for projects to proceed based on a confirmed ROI. | Continue to progress proposals to Business Case and implementation with reporting to Panels and scrutiny boards. Review implementation against Programme Plan and update. Report any progression issues. |

| South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles | | | | | | | | | | |
|---|----------------|----------------------|-----|--|--------------------|-----------|---------------|--|---|---|
| Ref. | Transformation | Overall assessment | No. | Descriptors | AC self-assessment | | | Rationale | Evidence | Council actions and next steps |
| | | | | | Not adopted | Developed | Fully adopted | | | |
| 3 | Governance | Fully adopted | i) | Have a clear process for monitoring, evaluating and reporting progress. | | | X | The Council has a clear process in place for monitoring, evaluating and reporting progress. | In October 2024, the Cabinet approved the Transformation Reporting and Scrutiny Schedule which provides detail on the reporting structure, nature and frequency of reporting, including to elected members. | Provide reporting in line at various levels and groups as detailed in the Transformation Reporting and Scrutiny Schedule. |
| | | | ii) | 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. | | | X | Effective governance and escalation processes are in place from bottom to top: from low level delivery on the ground to elected members. Transformation activities are well managed in their own right, but are also able to be given priority alongside other business-as-usual activities. | Transformation projects have their own governance arrangements which vary by activity area. Each project has an SRO, Business Lead and Project Lead in place with responsibilities for managing issues and risks. This reflects general and specific delegations to officers as referenced in the Scheme of Delegation. The Transformation Delivery Group is responsible for the day to day co-ordination, delivery of transformation activity and dependency management and is represented by key Council services and staff. It has escalation arrangements in place to the Transformation Board, chaired by the Chief Executive of the Council and has representation from all Chief Officers with responsibility for service delivery. A quarterly risk and issues log is presented to the Board for discussion and actioning including risks to delivery. The Board also receives a quarterly updated Programme Plan setting out proposed timescales for transformation delivery so stakeholders can understand and plan for any pressures on day to day BAU in implementing change. | Continue to monitor governance and escalation arrangements for effectiveness. |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|----------------|----------------------|-----|---|-----------|-----------|-------|--|--|---|
| | | | | | Not | Developed | Fully | | | |
| 4 | Collaboration | Fully adopted | i) | Develop better working relationships with communities and/or partners to achieve a sustainable model of service delivery. | | | X | The Council has good working relationships with communities and partners and works with partners to achieve a sustainable model of service delivery. | The Council through the CPP has been involved in the development of Teams Around The Locality and CONNECT model, building on strong community engagement that asked services to be more joined up and provide easy access to information. The new Radical Place Leadership model has been developed following consultation with our communities for the Child Poverty Strategy. It was clear that our current system is overly complicated and built around silos of activity and funding. The new model aims to simplify service provision to allow residents to get the help they need based on relationships, not services. Team Around The Locality was launched in March 2024 and CONNECT (shop front, digital and phone line) was launched November 2024. The community engagement and these outputs are recognised as sector leading through National Networks such as Community Led Support (UK wide), Focus on Frailty, Adult Services Senior Officers Group and internationally through the International Foundation for Integrated Care International Conference. | Continue to build on champions boards, LPPs, CONNECT, 3 people-3 questions and generation of locality plans through the development and delivery of place based and population based plans. |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|----------------|--------------------|-----|---|-----------|-----------|-------|---|--|---|
| | | | | | Not | Developed | Fully | | | |
| | | | ii) | 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. | | | X | The Council actively considers the opportunities offered by regional or national sectoral collaboration, by integrating services locally with partners and by supporting individuals and communities to achieve desired outcomes in place of an existing service. | Evidence of regional collaboration and with integrating services locally with partners includes working in collaboration with the Ayrshire councils to develop and implement a regional digital connectivity project; in the ongoing delivery of the Councils roads service via the Ayrshire Roads Alliance; in our work with East and North Ayrshire Council on the adopted Regional Economic Strategy; tourism offer and Ayrshire Growth Deal economic regeneration and transformation ten year programme. The Ayrshire Roads Alliance is a partnership between South and East Ayrshire Councils. The Roads Operating model was recently reviewed to ensure it remains fit for purpose and is delivering the required level of service for the Council. On 21st November 2024, the first Ayrshire Leadership Collaborative session brought together Chief Officers from East, North and South Ayrshire Council and community partners with the Audit Commission and Audit Scotland and Scottish Government to reflect on opportunities for further collaboration and partnership working. The Council is also in discussions with the other Ayrshire Councils to look at opportunities for further sharing of services across geographical boundaries. Further evidence at national level includes membership on the National Visitor Levy Forum and sharing experiences with and reviewing opportunities for national collaboration and delivery. | Continue discussions with partners in East and North Ayrshire to further develop collaborative working. Develop Business Case for 'Shared Services' transformation initiative. Continue to represent and promote SAC at national and regional events e.g. Digital Office. |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| | | | | SAC self- | | | | | | |
|------|----------------|--------------------|------|---|-----|-----------|-------|--|---|---|
| Ref. | Transformation | Overall assessment | No. | Descriptors | Not | Developed | Fully | Rationale | Evidence | Council actions and next steps |
| | | | iii) | Learn from good practice from across Scotland and beyond. | | | X | The Council is actively learning from good practice (and applying it) from across Scotland and beyond. | The Council has been working with the Improvement Service to further develop its approach to self-assessment and evaluation and transformation. It has taken learning from other Councils, such as Angus Council and arranged joint learning sessions for staff and managers to share lessons learned and areas of good practice. The Council is committed to ensuring its approach to transformation reflects best practice and outputs from the developing SOLACE/ Improvement Service national Transformation Programme and the relevant Chief Officer from South Ayrshire will represent the Council as this work develops. The Council is engaging the services of a Transformation Partner who will bring their experience of supporting Councils to deliver transformation activity and ensure financial sustainability. | Continue to engage with the Improvement Service and SOLACE on the national Transformation Programme. Continue to engage and work with other Councils to identify and share areas of good practice. Continue to work with Wigan Council to implement new Mutual Ventures approach to delivery. Confirm appointment of the Transformation Partner c.March 2025. |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation Principle | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|--------------------------|--------------------|-----|---|-------------|------------|---------------|--|--|---|
| | | | | | Not adopted | Developing | Fully adopted | | | |
| 5 | Innovation | Developing | i) | 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. | | X | | <p>The Council is actively working to support staff to identify and implement new ways of thinking and innovative approaches to delivery. Through its senior officers, the Council is encouraging a culture of creativity, change and empowerment. The Council recognises there is some resistance to change and is putting measures in place to address this to instil a willingness and action to change and do things in new and different ways that achieve the outcomes needed.</p> | <p>The recently launched Transformation Fund provides access to seed or start-up funding to resource new transformation projects, accessed upon approval of a Business Case setting including the proposed ROI. The Council has launched its Transformation Network - a single online forum to engage with all staff across the Council and encourage new ideas and ways of thinking. Several sessions for Service Leads have been held to explore transformation and new ways of working, with learning from other Councils. The Transformation Board provides one single governance route for transformation proposals across the Council. Services have begun to establish their own dynamic approach to transforming services, such as the recently established Neighbourhood Services Transformation Board. Officers from the Corporate Leadership team have commenced work with a consultant to review their own practice and identify and resolve barriers to change. Areas of good practice are being highlighted and shared with staff and officers, such as at Service Leads sessions.</p> | <p>Continue to highlight and report on barriers to change. Put in place actions to address and encourage new ways of working. Share understanding that organisational culture can be the biggest barrier to change, but also the greatest enabler. Publish and promote case studies showing areas of good practice and successful change implementation. Continue to develop and disseminate Lessons Learned log.</p> |

South Ayrshire Council - 'Current state' - Audit Scotland Transformation principles

| Ref. | Transformation Principle | Overall assessment | No. | Descriptors | SAC self- | | | Rationale | Evidence | Council actions and next steps |
|------|--------------------------|--------------------|-----|--|-------------|------------|---------------|---|---|---|
| | | | | | Not adopted | Developing | Fully adopted | | | |
| | | | ii) | Embed the right culture and behaviours to manage change and help maximise the contribution of all the team | | X | | There is intent to embed the right culture and behaviours to manage change and help maximise the contribution of all the team, however the Council recognise further activity is required in this area. | Examples of good practice are being shared with staff across services and with Chief Officers to encourage learning. The Council recognises there are some current challenges in terms of positivity towards change and the embedding of a change culture, which is reflected in the Risk Register. Mitigation actions are in place to address this and will be monitored on an ongoing basis with reports going to the Transformation Board and elected members. | Benchmark current attitudes around change and culture. Share information with stakeholders. Set KPI's and implement improvement activity. |

South Ayrshire Council

**Report by Chief Financial Officer
to Audit and Governance Panel
of 29 January 2025**

Subject: External Audit Reports – Progress to 31 December 2024

1. Purpose

1.1 The purpose of this report is to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions.

2. Recommendation

2.1 It is recommended that the Panel scrutinises the progress against the Council’s external audit improvement actions as presented in this report.

3. Background

3.1 The Final Report on the 2022/23 Audit was presented to the Audit and Governance Panel (Special) of 27 September 2023. This report covers progress against the one remaining improvement actions from that report.

3.2 The Final Report on the 2023/24 Audit was presented to the Audit and Governance Panel (Special) of 26 September 2024. This report covers progress against the three recommended improvement actions from that report.

4. Proposals

4.1 Progress to 31 December 2024 is summarised below:

| Status of External Audit Actions as at 31 December 2024 | Completed since 31 May 2024 | On Target | Not on Target | Total |
|---|-----------------------------|-----------|---------------|----------|
| Annual Report on 2022/23 Audit – Sept 23 | 1 | - | - | 1 |
| Annual Report on 2023/24 Audit – Sept 24 | - | - | 3 | 3 |
| Overall | 1 | - | 3 | 4 |

4.2 The final action from the 2022/23 External Audit report has been completed, as noted in [Appendix 1](#).

4.3 During the reporting period, all three actions from the 2023/24 External Audit report were progressed but remain outstanding with required extension noted in [Appendix 1](#).

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 None.

7. Human Resources Implications

7.1 None.

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

10.1 ***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.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

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 the contents of this report reflect any feedback provided.




Background Papers **Report to Audit and Governance Panel of 27 September 2023**
– [Final Report on the 2022/23 Audit](#)


Report to Audit and Governance Panel of 26 September 2024
– [Final Report on the 2023/24 Audit](#)

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Date: 22 January 2025

External Audit Reports – Actions completed + outstanding

| Report Title | Action | Due Date | Managed By | Latest Note | SAC Status | Progress | Agreed Revisions | Completed Date |
|---|--|-------------|-----------------|---|---|----------|------------------|----------------|
| EA2022/23 Final Report on the 2022/23 Audit | <p>Recommendation: The council should ensure formal procedures are in place to validate staff on the payroll.</p> <p>Management Response: An annual rolling programme will be implemented and undertaken by the HR team. Oracle Fusion introduced an automated task for managers to confirm when an employee does not commence employment to ensure they are not set up on the payroll system. Officers will consider if staff validation can be automated via Oracle Fusion.</p> | 31-Mar-2024 | Wendy Wesson | 10-Jan-2025 24/25 exercise now complete. |  | 100% | | 10-Jan-2025 |
| EA2023/24 Final Report on the 2023/24 Audit | <p>Recommendation Where significant fully depreciated assets are still in use they should be revalued and depreciated over their remaining useful economic life. Other assets should be considered for disposal.</p> <p>Management Response A review of fully depreciated assets held in the asset register will be undertaken. Where the asset is continuing, the economic life will be reviewed and extended. Where there is no longer a use for the asset it will be considered for disposal or derecognition</p> | 31-Dec-2024 | Kevin Braidwood | 10-Jan-2025 A review of fully depreciated assets held in the asset register has been completed to identify relevant changes that require to be made. Further discussions with Asset Management and Finance colleagues are planned to take place in January 2025 in order to update the Asset Register prior to the current financial year-end. - request revised due date of 31 March 2025. |  | 75% | | |
| EA2023/24 Final Report on the 2023/24 Audit | <p>Recommendation All rental agreements and support service agreements should be reviewed and updated as required.</p> <p>Management Response A paper reviewing the service and rental agreements between the council and the Common Good is</p> | 31-Dec-2024 | Kevin Braidwood | 08-Jan-2025 A paper will be put to Council in the last quarter of Financial Year 2024/25 which will review Common Good property arrangements - request due date revised to 31 March 2025. |  | 75% | | |

| Report Title | Action | Due Date | Managed By | Latest Note | SAC Status | Progress | Agreed Revisions | Completed Date |
|---|--|-------------|-----------------|--|---|----------|------------------|----------------|
| | currently being prepared and will be submitted to Members for formal consideration and approval later this year. | | | | | | | |
| EA2023/24 Final Report on the 2023/24 Audit | <p>Recommendation To comply with the council's capital management processes, a revised business case to support the expenditure on the refurbishment of the Ayr Citadel Leisure Centre should be reported. The council should ensure that all projects in its capital programme are supported by up-to-date business cases, that comply with the good practice set out in Audit Scotland's report on major capital investment in councils.</p> <p>Management Response A revised business case has been completed for the Citadel Refurbishment and will be submitted to Members for formal consideration and approval later this year.</p> | 31-Dec-2024 | Kevin Braidwood | 08-Jan-2025 The Citadel Business Case paper was postponed from the December 2024 Council meeting and will now be taken to Council in March 2025. – request revised date of 31 March 2025 |  | 75% | | |