East Lothian Council

COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director Resources
REPORT TITLE:	Transformation Annual Report
REPORT STATUS:	Public

1 PURPOSE OF REPORT

1.1 To update members on the delivery of the Council's Transformation Strategy and Action Plan.

1.2 To provide a high-level overview of the transformation progress, key achievements and strategic direction.

2 RECOMMENDATIONS

Members are recommended to:

2.1 Note progress, key achievements and strategic direction.

2.2 Note the plans for development of future transformational change within the Council; and

2.3 Note the management information provided in Annex 1-5.

2.4 Agree that future Annual Reports and progress updates will be recorded in the Members Library.

3 BACKGROUND

3.1 On 27 August 2024, the Council approved the East Lothian Council's Transformation Strategy 2024-2029.

3.2 The Council continues to operate in a challenging environment with increases in demand for services within ongoing financial constraints.

3.3 East Lothian Council's Transformation Strategy 2024-2029 supports the councils response to these challenges by:

- Acknowledging the need for transformation to meet financial and service demand challenges.

- Prioritising building workforce capacity and skills to match the ambition and pace needed for transformation.

- Strengthening monitoring and reporting of financial and non-financial benefits and performance indicators.

- Committing to sustaining momentum and clarifying actions needed for successful delivery, including timescales, costs, resources, outcomes, and impacts.

3.4 This report highlights the following:

- Progress made against the Council's Transformation Strategy (2024–2029): Enablers, Strategic Objectives and Actions.

- Alignment with Audit Scotland's five Transformation principles

- The Councils management response to the Commission's expectations and recommendations outlined in Controller of Audit's report on Best Value in East Lothian Council, and Best Value thematic work: East Lothian Council Transformation: *how councils are redesigning and delivering more efficient services to achieve planned outcomes.*

4 POLICY IMPLICATIONS

4.1 There are no policy implications arising from this report.

5 RESOURCE AND OTHER IMPLICATIONS

5.1 <u>Finance</u>: None

5.2 <u>Human Resources</u>: None

5.3 <u>Other (e.g. Legal/IT)</u>: None

5.4 <u>Risk</u>: None

6 INTEGRATED IMPACT ASSESSMENT

6.1

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a

| X |

corporate parent; or the storage/collection of personal data.

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[*Enter information on impacts that have been identified*]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7   APPENDICES

3.5   Appendix 1 – Transformation Annual Report 2025

8   BACKGROUND PAPERS

8.1   Item 08 East Lothian Council Transformation Strategy 2024-2029
        https://www.eastlothian.gov.uk/meetings/meeting/17330/east_lothian_council

8.2   Item 09 Best Value Thematic Report
        https://www.eastlothian.gov.uk/meetings/meeting/17308/audit_and_governance_committee

9   AUTHOR AND APPROVAL DETAILS

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Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	12/08/2025

Transformation Annual Report August 2025

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Introduction

Transformation plays a key role in enabling East Lothian Council to deliver its strategic objectives within the constraints of available resources. The Council's Transformation Strategy 2024–2029 sets out a clear vision:

To deliver a portfolio of change over a five-year period that supports financial sustainability and aligns with the Council Plan and Corporate Priorities.

This strategy is underpinned by four key **Enablers**—Portfolio Maturity, Transformation Capability, Engagement, and Collaboration—and seven **Strategic Objectives**, including the design of sustainable services, digital-by-default customer experiences, and a more commercial and intelligent council.

This Annual Report provides an overview of transformation activity undertaken during the first year of strategy implementation, following Council approval on 27 August 2024. It outlines progress against enablers and strategic objectives, highlights key projects and planned benefits, and reflects on external audit findings and recommendations. The report also sets out management's response to these recommendations.

Executive Summary

2024/25 marked a significant year in East Lothian Council's transformation journey. Guided by the Transformation Strategy 2024–2029, the Council made substantial progress in modernising services, enhancing digital capabilities, and improving outcomes for communities.

Key achievements include:

- Establishment of a Portfolio Management Framework and PMO to strengthen governance and delivery.

- Completion of foundational projects such as the Data Maturity Report, Enterprise Systems Strategy, and Manual Effort Analysis.

- Progress on major digital initiatives including the Finance System Replacement, Website Redesign, and M365 Rollout.

- Targeting delivery of financial benefits, with further efficiencies and cost avoidance underway.

- Implementation of new tools and processes to track non-financial benefits, including customer satisfaction, transparency, and resource release.

The Council's transformation activities are aligned with Audit Scotland's five principles—Vision, Planning, Governance, Collaboration, and Innovation—and respond directly to recommendations from the Best Value thematic audit. While challenges remain, particularly around capacity, the Council is committed to accelerating delivery, improving reporting, and embedding transformation across all services.

This report serves as the first annual update on transformation progress and demonstrates East Lothian Council's commitment to continuous improvement, financial sustainability, and service delivery.

Transformation Strategy Context

East Lothian Council Plan sets out the vision and priorities for the Council over the period 2022-2027. This Plan strategically aligned with the Scottish Government's public sector reform initiatives.

In recognition of the financial challenges and the changing world in which the Council is operating, there is an ongoing need to continue to modernise how we deliver services. The aim of the ELC Transformation Strategy 2024-2029 is:

- To align change with the councils' strategic goals
- To provide clear vision and direction for change
- To coordinate and prioritise change activities around its strategic objectives and enablers
- To enable cultural and operational change, with a focus on digital services, commercial culture, and business intelligence
- To support financial sustainability by prioritising savings, cost avoidance, and 'invest to save' initiatives
- To improve accountability and governance by introducing new project reporting and boards and establishing a Stage Gate review process
- To build capacity and resilience through an emphasis on workforce planning, leadership development and enhancing out digital transformation capacity

Best Value

In 2023, Audit Scotland began a new approach to auditing Best Value in Scottish councils. The new approach continues to audit against the statutory duty but is now fully integrated with the annual audit at each council. It also includes detailed work each year, focusing on a theme across all the councils, which will be collated into a national report.

Each year, the Commission identifies a theme for Best Value thematic work. The theme for 2024-25 was transformation (how councils are redesigning services to maintain outcomes and deliver services more efficiently).

In June 2025, Best Value auditors reported their findings on the Accounts Commission's requested thematic work on transformation to our Audit and Governance committee. The focus of the audit was the following four areas:

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

There was also reference to the Transformation Principles (Vision, Planning, Governance, Collaboration & Innovation). The table below maps East Lothian Councils Transformation Strategy to Audit Scotland Principles.

Audit Scotland Principle	Strategy Elements
Vision	Clear transformation vision aligned with Council Plan 2022–2027 and Financial Strategy 2024–2029. Focus on financial sustainability and service innovation.
Planning	Seven strategic objectives and four enablers guide transformation delivery. Integrated with Council Improvement Plan and national reform priorities.
Governance	Transformation Portfolio Board oversees portfolio delivery. Governance aligned with audit recommendations and performance reporting.
Collaboration	Emphasis on stakeholder engagement, regional partnerships, and community involvement through Participation & Engagement Strategy.
Innovation	Digital-by-default services, Online Customer Platform, and investment in digital transformation capacity.

The report presented to Audit and Governance committee on 17th June 2025 concluded that East Lothian Council has a clear transformation strategy aimed at delivering a portfolio of change over five years to support financial sustainability but faces a significant funding gap over the medium term. While the strategy includes fifteen defined projects and earmarked reserves to support delivery, to date only £6.1 million in recurring savings has been identified, which will not be sufficient to close the projected budget gap. This highlights the need for more ambitious and wide-reaching change. Governance and reporting structures are in place but staffing constraints and limited visibility of all transformation activity pose risks. The council is beginning to engage more with communities and partners and has introduced a new framework in 2024 to better monitor and report transformation benefits. Future transformation annual reports and quarterly financial reports will capture progress against planned benefits.

Details of the specific recommendations and the Councils response (agreed management action/timing) are shown in Annex 4 - Best Value thematic work: East Lothian Council Transformation Recommendations. Updates since June are highlighted in green.

A Controller of Audit Report will be presented to Council on 26th August 2025. The function of the Controller of Audit is to report to the Commission on the accounts of local authorities, matters arising from the audits of local authorities, and the performance by authorities of their best value and community planning duties. Key Actions related to Transformation are:

Finding	Action	Responsible	Target Completion Date
1	Continue to progress the delivery of the council's financial strategy and work towards the development of a balanced budgets for 2026/27 onwards.	Executive Director / Head of Finance	February 2026 & ongoing
2	Finalise and implement review of performance reporting	Transformation and Digital Portfolio Manager	June 2026
2 & 4	Finalise review of workforce plan	Head of Corporate Support	December 2025
2	Complete review of Council Plan Action Plan to refocus actions and present to Council	Service Manager - Communications	August 2025
3	Implement and develop new finance system	Exec Director / Head of Finance	November 2025 (phase 1)

Progress against Enablers and Strategic Objectives

Following approval of the Transformation Strategy 2024-2029, a detailed Action Plan was developed to track progress against delivery of the enablers and strategic objectives. Highlights of progress to date are shown below, with full details available in Annex 1 – Action Plan Progress Update.

This pie chart illustrates the proportion of actions planned for Short-term (2024–25), Medium-term (2025–26), and Long-term (2026+).

Timeline Distribution of Actions

Long-term (2026+)

22.2%

33.3%   Medium-term (2025–26)

44.4%
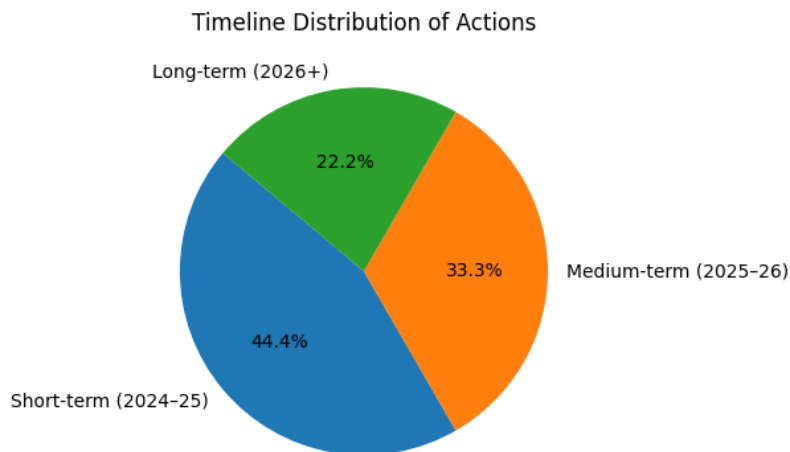
Short-term (2024–25)

Progress against Enablers

Portfolio, Programme, and Project Management Maturity

All short-term (2024–25) and medium-term (2025–26) actions are marked as Closed. Achievements include:

- Implementation of P3M3 recommendations.
- Establishment of a new Portfolio Framework.
- Introduction of Stage Gate processes and governance.
- Business case templates and approval processes rolled out.

Transformation Capability

All short-term actions are Closed, medium-term actions (2025–26) are On Target. Key developments:

- PMO established.
- OD function provided.
- Professional development planning underway.
- PSIF self-assessment rolled out in two services.

Engagement

Majority of actions are Closed or On Target. However, three actions are Delayed (communications strategy, online toolkits). Achievements include:

- "Shaping our Future" suggestions approach launched.
- Annual and quarterly reporting mechanisms established.
- Leadership training and satisfaction surveys implemented.

Collaboration

All initial actions Closed and are embedded as business-as-usual activities, reflecting the East Lothian Way Values and Behaviours and our on-going collaboration via networks like Solace, Improvement Service, and Digital Leaders. Collaboration and engagement with our communities will also be key in co-designing services that reflect local needs and aspirations, for relevant transformation projects.

Progress against Strategic Objectives

Sustainable Council Services

One action is Delayed, others are Closed or On Target. There is a focus on:
- Service reviews using Scottish Approach to Service Design (SatSD) and Lean Process Improvement.
- Cost-benefit analysis of services.
- Reducing agency costs.

Digital by Default Customer Services

All short-term actions are Closed. Medium-term actions On Target. Key projects are:
- Website and Finance System replacements.
- M365 rollout.
- Enterprise systems roadmap created.

Efficiencies and Value for Money

Short-term action is Closed, Medium-term action is On Target.
- Manual effort and forms project prioritised.

Commercial Culture & Income Generation

Short-term action is Closed, Medium-term actions are On Target. Projects include:
- Sponsorship and advertising.
- Commercial strategy development.

Becoming an 'Intelligent Council'

One action is Closed, others are On Target. There is a focus on:
- Power BI environment.
- Data maturity and strategy.
- Employee survey redesign.

Climate & Ecological Emergency

Most actions are Closed for 2025/26, others are On Target. Projects include:
- Solar PV at Carberry site.
- Carbon literacy training.
- Carbon budgeting methodology.

Place Making & Asset Use

Short-term action is Closed, Long-term action is On Target. Key projects are:
- Corporate Asset Review
- Place Making Asset Management
- Lets and bookings project / cost recovery

The overall breakdown of action statuses across all strategic areas.
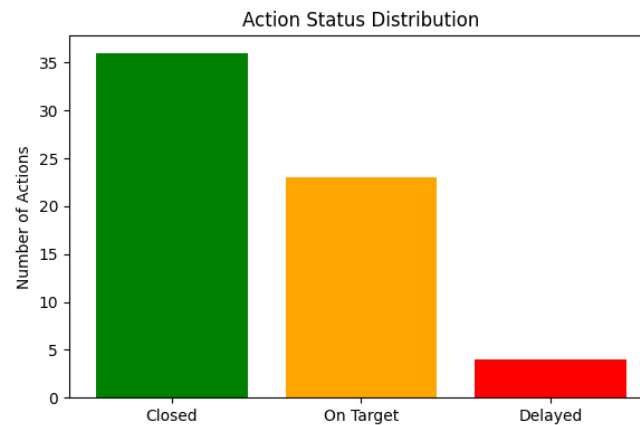
The above information provides highlights of progress against specific actions listed in the Action Plan that was developed in 2024. It should be noted that activities will continue against the Enablers and Strategic Objectives throughout the life of the strategy, with any ongoing or new actions captured in annual updates to the Action Plan.

Project highlights

The current portfolio of transformation projects delivery is planned to deliver by 2027. It includes a diverse range of initiatives, each at various stages of development, reflecting a dynamic and evolving portfolio.

A number of strategic and enabling projects were completed during the 2024/25 period. These include the Data Maturity Report, Enterprise Systems Strategy & Roadmap Report, BI Capability in ELC, and the Shaping our Future (SoF) Manual Effort Report. These initiatives have provided valuable insights and frameworks to support broader transformation efforts. Several projects are scheduled to conclude in the coming year (2025/26).

Meanwhile, new initiatives such as the Website Replacement, SoF Improvement – Forms, and others are in initial stages, ensuring a continued pipeline of innovation and improvement beyond 2026.

Key Achievements Across the Portfolio

- Several projects have completed major phases, for example: Corporate Asset Review Phase 1 and 2; Finance System Test Cycle 1; Web Replacement base site build.
- Sponsorship & Advertising is progressing toward contract finalisation.
- Place Making Asset Review and Parking Management projects have completed extensive public engagement and consultation phases.
- Web Replacement has used research outputs to inform design and architecture.
- Finance System Replacement and HMS have made progress in testing environments, data validation, and stakeholder demos. Note: A report to Council on 29 April 2025, noted delays and a revised date for HMS implementation - this remains under review https://www.eastlothian.gov.uk/download/meetings/id/25722/06_housing_management_it_system_and_rent_review_update.
- M365 Rollout has completed foundational work and is now progressing SharePoint pilot, user engagement and platform adoption
- Many projects (e.g. M365, Finance System, Web Replacement) highlight collaboration between IT, Transformation, and service areas.

Current Transformation Portfolio of Projects: Status Report as of 5 August 2025

NAME	PROJECT PURPOSE	CURRENT PERIOD	PORTFOLIO RAG
Energy Transformation	- Carberry / Macmerry renewable energy feasibility studies - Council Assets Energy Assessment	GREEN	AMBER
Sponsorship & Advertising	Generate income by selling advertising and sponsorship opportunities across council assets and services.	GREEN	
Corporate Asset Review	Align council assets with service needs by improving utilisation, reducing emissions, and exploring innovative delivery models.	AMBER/GREEN	
Place Making Asset Review	Create a community-focused service model by optimising shared property use and enabling asset rationalisation and savings.	AMBER/GREEN	
Housing Management System	Replace legacy housing systems with a modern, integrated solution to improve efficiency, service delivery, and digital alignment.	AMBER/RED	
Lets & Bookings	Implement a new corporate booking system with automated processes and standardised charges to improve efficiency and consistency.	AMBER/RED	
Finance System Replace	Modernise financial systems with a cloud-based solution to streamline processes, improve data, and support digital transformation.	AMBER	
LTS Parking Strategy	Review and modernise parking management to align with policy goals and support climate, economic, and accessibility objectives.	AMBER/GREEN	
Portfolio Management Office	Establish a PMO to standardise project governance, improve delivery, and align initiatives with corporate priorities.	GREEN	
Website Replacement	Deliver a new CMS for the council's website and intranet to improve user experience, accessibility, and digital service delivery.	AMBER/GREEN	
M365 Roll Out	Deploy Microsoft 365 across the council to enhance collaboration, records management, and digital working practices.	AMBER/GREEN	
SoF Improvement - Forms	Optimise internal and external forms using automation and workflow tools to improve efficiency and reduce manual processing.	GREEN	

Notes:

- The highest levels of investment relate to Assets, Parking, and digital projects.
- Regular review of Risks, Issues, Assumptions and Dependencies (RAID) indicate that there is improved control and resolution, reduced delivery risk exposure and stronger governance and RAID management maturity.

Service-led Transformational Projects

There are significant projects being progressed across the council that are ambitious and will deliver wide-reaching change. Projects that align with the transformation principles (Vision, Planning, Governance, Collaboration & Innovation) are:

- Energy Transformation: - Carberry / Macmerry renewable energy feasibility studies and Council Assets Energy Assessment.
- Community-based master planning: The former Cockenzie power station site acquired by the council in 2018 to support ambitions to promote economic growth and create employment opportunities. The Council was successful in its £11.3M bid for economic regeneration funding (formerly known as Levelling Up).

These projects involve significant partnerships and complexities and are managed outside of the Portfolio Management Framework. *Officers have considered options for incorporating service led transformation activity within future reporting and are committed to capturing resource commitment and planned benefits, from April 2026.*

Budgeted Savings

In addition, service-led projects to deliver budgeted savings (financial benefits) will continue to be monitored and reported via quarterly financial reports.

Benefits Realisation

Financial Benefits tracking now includes metrics such as cost savings, increased income, debt recovery and costs avoided.

Key Projects Delivering Financial Benefit

- Corporate Asset Review
- M365 Rollout
- Sponsorship & Advertising
- Website Replacement

These projects are anticipated to deliver combined revenue savings and cost avoidance in excess of £6m, and capital receipts of £20 million.

Validating financial benefits remains a priority for the Portfolio Management Office; collaboration with Finance is ongoing.

Non-Financial Benefits

The information below shows a summary of target benefits per project (see Annex 2 for further details). Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.

Sponsorship & Advertising
- **Key Benefits**: Enhanced customer satisfaction, improved citizen engagement, economic development, income generation, and environmental/community impact.
- **Confidence**: High and Medium.

Placemaking
- **Key Benefits**: Improved engagement, data-informed initiatives, customer satisfaction, reduced transaction time, better building utilisation, energy efficiency, and transparency.
- **Confidence**: All benefits - Medium; many are TBC due to the stage of the project.

Housing Management System
- **Key Benefits**: Reduced transaction time, increased transparency, improved data sharing, environmental benefits, customer satisfaction, and access to new tools.
- **Confidence**: High and Medium

Lets & Bookings
- **Key Benefits**: Data-informed improvements, transparency, reduced complaints and transaction time, resource release, building utilisation, energy efficiency, and remote working.
- **Confidence**: Mostly Medium, with some High and Low.

Finance System Replacement
- **Key Benefits**: Increased transparency, reduced transaction, resource release, improved budget control, and automation.
- **Confidence**: High.

LTS Parking Strategy
- **Key Benefits**: Environmental and community improvements, carbon savings, customer satisfaction, energy subsidy, transparency, and reduced failure rates.
- **Confidence**: Mostly Medium, with some High and Low.

Website Replacement
- **Key Benefits**: Reduced transaction time and failure rates, improved customer satisfaction, resource release, citizen engagement, and performance KPIs.
- **Confidence**: High and Medium.

M365 Rollout
- **Key Benefits**: Resource release, reduced manual processes, remote working, improved collaboration, data governance, and reduced failure rates.
- **Confidence**: High and Medium.

Analysis of the non-financial benefits highlights a strong focus on:
- Customer and stakeholder impact
- Organisational capability and culture
- Innovation and learning
- Environmental sustainability

The portfolio demonstrates strong alignment with the Transformation Strategy, particularly in the areas of:
- Efficiencies and value for money
- Sustainable core council services
- Digital by default customer services
- Becoming a more 'Intelligent Council'

This reflects a clear focus on modernising operations, improving service delivery, and enabling data-driven decision-making. While the benefits are non-financial, many contribute indirectly to Financial Strategy 2024–2029 by:
- Releasing resources
- Reducing transaction time
- Improving transparency and governance

These outcomes support better financial control, reduced operational costs, and improved value for money.

Governance and assurance are embedded through increased transparency and regular monitoring via project boards as well as the Transformation Portfolio Board.

Governance & Reporting

East Lothian Council's Portfolio Management Framework (PMF), led by the Portfolio Management Office (PMO) and based on P3M3 principles, ensures consistent, controlled delivery of transformation projects. It supports governance, business case development, risk, and benefit management, and enforces quality through Stage Gates. All projects must follow standard documentation, reporting, and assurance processes to maintain alignment with strategic goals and ensure successful outcomes.

Originally developed to support delivery of the Transformation portfolio, the templates can be used by all services to help standardise and improve practice - helping the Sponsor, Project Manager, team, or Board steer a formalised and disciplined route through their projects. The PMO team are available to offer advice, guidance, and assistance on all aspects of portfolio and project management. All Guidance and toolkits are available on the Transformation intranet pages.

There are five elements to portfolio governance detailed within the Portfolio Management Framework (PMF), as follows:

1. **Defined Roles and Responsibilities** for Project and Programme Managers, Project Boards & Sponsors, Senior Users, Senior Suppliers, Team Managers and Head of Portfolio.
2. **Stage Gate Process:** Stage gates are control points within the project. Their principal purpose is to ensure that projects remain in control and are on track to realise the intended benefits. Within our project lifecycle there are six stage gates that a project will pass through. (3 for small / medium projects)
3. **Reporting Cycle:** Transformation Portfolio Board (TPB) meets at least Quarterly. Programme Boards / Project Boards meet every 6-8 weeks. Project Managers (PMs) submit Dashboards to PMO (two weeks) in advance of each TPB, highlighting any decisions or risks that need to be escalated. The Portfolio Management Office (PMO) monitor risks escalated from Project to Programme and Programme to Portfolio and include in the overarching Portfolio Dashboard. PMO reviews project Dashboards, supporting PMs through education, training, & coaching. PMO prepares agendas and reports for TPB.
4. **Risk Escalation Process & Routes:** Risks within the Transformation Portfolio are managed through a structured RAID (Risks, Assumptions, Issues, Dependencies) framework embedded at both project and portfolio levels. Project Managers are responsible for maintaining RAID logs, identifying and scoring risks, and escalating high-priority items to Project Boards. Sponsors and Boards provide oversight, approve mitigation strategies, and resolve issues beyond the project team's control. At the portfolio level, the PMO consolidates RAID data to identify trends and systemic risks, while the Transformation Portfolio Board addresses cross-cutting risks and ensures alignment with strategic objectives. This layered approach ensures timely escalation, informed decision-making, and proactive risk mitigation across the portfolio.
5. **Governance Structure:** The existing constitutional arrangements for decision making are unaffected, additional bodies have been put in place to ensure a co-ordinated approach is taken to oversight of the Transformation Portfolio of Programmes. Each project will have its own project board or report to an overarching programme board, reporting through to the TPB. Note there is an ongoing review of operational governance that might result in changes to the existing governance structure

Risks & Challenges

Risks

The Transformation Portfolio continues to operate in a complex and resource-constrained environment, with a high volume of active risks and dependencies. There are over 100 open risks, including 27 rated as very high (score ≥ 20), indicating a significant level of exposure across multiple projects. Recurring themes across the portfolio include:
- Resource and capacity constraints
- Stakeholder engagement and buy-in challenges, including operating in a political
- Benefit realisation risks, where delays, dependencies, or policy constraints may impact the achievement of planned benefits and outcomes

This distribution highlights the need for strengthened oversight, clearer decision-making processes, and improved alignment between strategic intent and operational delivery.

Challenges
- The council's internal capacity can pose a risk to delivery timelines and quality.
- Competing priorities and staff turnover can affect continuity.
- Consents, approvals contract negotiations, and external vendor dependencies can impact progress.
- Issues with system stability and integrations can impact progress of our digital projects, as well as data migration and governance.
- Resourcing Change Management and improving our digital maturity.
- Stakeholder buy-in and engagement are critical to success.

Actions taken to reduce the overall RAID load on the Portfolio
1. Sponsors and Project Managers have carried a thorough RAID review to:
   - Close or reassess longstanding entries
   - Review entries with past target dates to determine if actions have been completed or if risks are no longer relevant.
   - Promote closure of resolved items and escalation of critical risks.
   - Update project RAID log to reflect status.
2. Prioritise Benefits and Resource Risks
   - Focused on resolving risks that directly impact benefit realisation and delivery capacity.
   - Using benefit trackers and resource planning tools to monitor and mitigate these areas.
   - Engage with service leads to validate assumptions and dependencies.
3. Enhance Portfolio-Level Reporting
   - Used aggregated views to highlight risk clusters and cross-cutting themes to support decision-making at the Transformation Portfolio Board

Looking Ahead

In response to the findings of the Best Value thematic audit and the Audit Scotland Annual Report, East Lothian Council will take forward a series of targeted actions to strengthen transformation delivery and ensure alignment with strategic priorities and financial sustainability.

Key Priorities for the next year:

- Prioritise high-impact, cost-saving projects and implement the financial strategy's 'invest to save' commitment.

- Refresh the Digital Strategy and Digital Transformation Board to ensure robust governance, inclusivity, and futureproofing.

- Ensure successful implementation of the new finance system (Phase 1) through collaboration between digital and finance teams.

- Expand staff training and support for commercial approaches to service delivery and income generation.

- Explore new models for revenue generation, cost recovery, and shared services with partners.

- Tackle recruitment and retention challenges through our Workforce Planning Implementation Group

- Implement the Participation and Engagement Strategy to involve communities in shaping services and budgets for relevant transformation projects.

- Focus transformation efforts on efficiency, digital enablement, and improved customer experience.

Longer-term:

- Engage communities in co-designing services that reflect local needs and aspirations, for relevant transformation projects.

- Using data to identify suitable early interventions: designing services to meet the needs of a growing younger and older population, ensuring equity and sustainability.

- Develop business cases for projects that are focussed on delivering priority outcomes using new delivery models.

- Work with the CMT to deliver the councils emerging Target Operating Model (TOM)

Annex 1 – Action Plan Progress Update

Enablers

Portfolio, Programme, and Project Management Maturity

We must deliver improved success from programmes and projects by evolving our maturity in the development of our project, programme, and portfolio management capabilities.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Implement the recommendations of the P3M3 Maturity Assessment	Closed	Portfolio Framework has been established and rolled out to transformation projects and for wider council use.
Short 2024-25	Rationalising framework templates and focusing on what the information will be used for rather than gathering it	Closed	Updated templates designed and rolled out to transformation projects and for wider council use.
Short 2024-25	Developing a set of minimum requirements or standards that set out what is expected from projects (this should link to the development programme)	Closed	Established as part of new Portfolio Framework
Short 2024-25	Separating business justification from project controls	Closed	Established as part of new Portfolio Framework
Short 2024-25	Establishing a Stage Gate process linked to a project lifecycle to improve control and tracking, this will also rationalise the information gathering	Closed	Stage Gate process stablished as part of new Portfolio Framework
Short 2024-25	Reviewing the governance and controls arrangements to enable them to be flexible for different levels of risk and complexity in projects	Closed	Reviewed and updated as part of new Portfolio Framework
Medium 2025-26	Ensuring business cases are developed and approved, prioritising those with a strong financial/economic case	Closed	Business case templates rolled out and approval process established as part of the new Portfolio Framework

Transformation Capability

People are key. We must ensure we are developing transformation professionals. As well as attracting, developing, and retaining new and existing talent.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Ensuring capacity (resource levels) align with council priorities and are within available resources	Closed	Assessed as part of the Service Review which was implemented 3/2/25
Short 2024-25	Ensuring Transformation Team workloads are managed using a consolidated work plan and prioritisation tool to ensure work aligns with council priorities and is within available resources	Closed	
Short 2024-25	Implement a Portfolio Management Office (PMO) that defines and maintains standards for project management within the council	Closed	Portfolio Management Office established
Short 2024-25	Ensure that the Team have or have access to key capabilities	Closed	Working with Transformation Portfolio Board and Project Sponsors to ensure resources are available when required.
Short 2024-25	Provide the Organisational Development function to the council, including Key capabilities	Closed	Provided by the OD Team
Medium 2025-26	Developing a professional development plan to help our staff be even more effective	On Target	Work has commenced to capture role-based development requirements
Medium 2025-26	Ensure that the team have support from Subject Matter Experts (SME's) across council services, including Audit, Communications, Customer Services, Finance, Human Resources, IT and Legal	On Target	Working with Transformation Portfolio Board and Project Sponsors to ensure resources are available when required.
Medium 2025-26	Roll out the Public Service Improvement Framework (PSIF) self-assessment approach to supporting improvement in the Council	On Target	CMT have approved the roll-out of PSIF. Service Planning templates and guidance have been updated. Two Services have completed their PSIF for 2025/26
Medium 2025-26	Undertake the PSIF Corporate Best Value Checklist	Delayed	A review is being undertaken to identify whether this will deliver significant additional benefits beyond the PSIF work identified above.

Engagement:

Having appropriate access to best practice to provide consistency across transformation activities. This will allow for efficient and effective delivery of transformation programmes and projects.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Working with communications team to raise the profile and ensure key transformation / Shaping our Future messages and updates are communicated	Delayed	Developing a communications strategy for the transformation Service and the functions within it.
Short 2024-25	Developing and implementing on-line toolkits to enable staff to manage their own projects	Delayed	All Portfolio Management Office (PMO) templates on the intranet, developing toolkits for Service Design, Process Review and Change Management
Short 2024-25	Reviewing and updating on-line content for Transformation	Closed	Intranet pages launched, regularly reviewed, and updated.
Short 2024-25	Launch on-going Shaping our Future suggestions approach	Closed	Face to face workshops and surveys completed, now live online and reviewed quarterly
Short 2024-25	Publish SoF you-said, we-did/will information on the intranet	Closed	Intranet page updated, Inform article for staff
Medium 2025-26	Ensure highly effective transformative leadership among senior leaders and influence over transformation activity	On Target	Sponsor role-based training and Prosci "leading people through change" training for managers
Medium 2025-26	Annually reviewing and updating Service Plan (Improvement Plan), reporting progress to EMT	Closed	2025/26 Service Plan updated – to be repeated annually
Medium 2025-26	Ensuring that all leaders understand their role in driving and enabling transformation	On Target	Sponsor role-based training and Prosci "leading people through change" training for managers
Medium 2025-26	Undertaking surveys to capture feedback and satisfaction levels from internal customers	Closed	Customer Satisfaction Survey designed and issued. Improvement actions identified for 2024/25. – to be repeated annually
Medium 2025-26	Using post-project lessons learned to improve our portfolio management framework	Closed	Lessons Learned template in use. Key lessons will be captured and shared annually
Medium 2025-26	Producing an annual report capturing performance for each financial year	Closed	Annual Report for 2025 completed.
Medium 2025-26	Annually reviewing and updating our Portfolio Management Framework and templates	Closed	Process in place for updates informed by our Customer Satisfaction survey and advancements in our IT capabilities
Medium 2025-26	Annually reviewing and updating our Service Planning templates & Guidance	Closed	Updates for 2024/2025 include new PSIF and workforce planning sections and guidance.

Medium 2025-26	Produce Quarterly Reports on performance against the Transformation Strategy are presented to members, including known financial benefits targets and progress	Closed	This action has been removed with agreement that updates will be provided in the Annual Report, supplemented by quarterly financial updates

Collaboration:

Collaboration will assist us in achieving our goals. Strengthening collaboration and engagement across the Public Sector Transformation landscape will allow consistent approaches where practical, and facilitate development and sharing of best practice

Timeframe	High Level Actions	Status	Notes
Short 2024-25	On-going analysis of public sector transformation to identify best practice innovation and collaboration opportunities	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc
Short 2024-25	Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors:	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc
Short 2024-25	Identifying and collaborating with our transformation peer group across public sector:	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc
Short 2024-25	Maximise opportunities for innovation and collaboration across the public sector	Closed	Business as usual, via change networks, Improvement Service, Solace, Digital Leaders, etc

Strategic Objectives

To design sustainable (core) council services:

To assist services in identifying cost reductions and better ways of working and support the development of more sustainable budgets and help protect front line service provision.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Develop a consistent methodology to support reviews and re-modelling within services (SAtSD/Process Analysis)	Delayed	Toolkits being introduced by other councils and Digital Office being reviewed to benchmark against and reuse where appropriate
Short 2024-25	Prioritise Shaping our Future Service Reviews, deploying our methodology (capabilities in Process Improvement, Customer Journey Mapping, Lean, and the Scottish Approach to Service Design (SAtSD))	Closed	Concluded discovery stage of organisational manual activity analysis, with recommendations presented to Transformation Portfolio Board on 04 February 2025. First projects underway in line with recommended priorities.
Medium 2025-26	Analysing the cost and benefits of providing our services	On Target	Working to establish what costs are tracked and methodology for verification of all financial information relating to Transformation projects.
Medium 2025-26	Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors	Closed	We have put forward representatives who will participate throughout the programme.
Medium 2025-26	Working with services to look at options to reduce agency costs through the implementation of more sustainable staffing structures	Closed	Included in workforce Planning activities

To design digital by-default customer services

To continue to make better use of technology to deliver smarter, efficient service processes and to deliver a better experience for customers.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress key digital transformation projects (prioritise those with greater financial benefits / cost avoidance, or enable further transformation)	Closed for 2024/25	Projects prioritised for progression include: • Website Replacement underway with go-live planned for summer 2026 • Finance System Replacement – Phased implementation underway with Phase 1 to go live October/November 2025, Phase 2 by 2026 • Housing Management System – Phased implementation delayed – replan is underway. • Microsoft 365 Roll-out. Pilot underway with Legal Services, to inform rollout to wider council for SharePoint.
Short 2024-25	Identify enterprise systems and create roadmap	Closed	Roadmap presented to Digital Transformation Board 10 March 2025. Action Plan to be progressed
Short 2024-25	Progress transformation actions detailed within the Customer Strategy Action Plan	Closed	5 Actions for transformation, three are complete with two now being managed as business as usual. Updates provided to Head of Communities every 6 months.
Medium 2025-26	Consolidate systems development resources	On Target	Digital Transformation Board have approved a phased implementation of this approach. Progress has been made moving Finance System and Lets & Bookings resources into central teams. Further resources will be moved on a system-by-system basis
Medium 2025-26	Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors	Closed	We have put forward representatives who will participate throughout the programme.
Medium 2025-26	Partner with the Digital Office to identify and progress collective and scalable initiatives	On Target	We have put forward representatives who will participate in Digital Leaders forum and take up opportunities as they arise. To date, ELC are participating in the collective M365 licencing agreement and Visitor Levey (once for Scotland).

To deliver efficiencies and value for money

To continue to deliver financial savings through efficiencies or cost reductions and smarter ways of working.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Identify enablers required to reduce manual transactions, e.g. On-line forms solution	Closed	Concluded discovery stage of organisational manual activity analysis, with recommendations presented to Transformation Portfolio Board on 04 February 2025. First projects underway in line with recommended priorities. Currently initiating a review of HR processes, with forms central to the discussions on how we use the Midland system to its greatest capability.
Medium 2025-26	Prioritise and progress key lean / process improvement projects	On-target	Shaping our Future - Manual Effort - Forms project has been prioritised and is now being progressed. Further projects will be progressed in line with agreed priorities.

To develop a more commercial culture and increase income:

To develop a more commercial approach to the delivery of Council services with a view to increasing the level of income and, or debt/cost-recovery.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress key commercial projects	Closed for 2025/2026	Projects in delivery include: • Establishing a partner to manage Sponsorship and Advertising on roads assets • Implement Local Transport Strategy: Parking Strategy. Note: The Council retains the income from penalty charges to finance the ongoing costs of administering the operation, enforcement and adjudication on of the Decriminalised Parking Enforcement regime.
Medium 2025-26	Strengthen the council's contract management practices and identify areas where further improvement may be required	On Target	Working with procurement to provide training and roll-out a new approach for Contract and Supplier Management across the Council
Medium 2025-26	Develop a Commercial Strategy for the council	On Target	Not Started
Medium 2025-26	Exploring all options to recover the costs of service delivery	On Target	Will be implemented as part of service design projects
Medium 2025-26	Integrating commercial awareness with public sector values to help deliver better and more sustainable services for residents	On Target	Suitable training to be identified and used to develop guidance for staff
Medium 2025-26	Providing Learning and Development to increase the level of commercial and financial skills	On Target	Suitable training to be identified and used to develop guidance for staff

To become a more 'Intelligent Council':

To ensure that decisions are based on appropriate data and evidence.

Timeframe	High Level Actions	Status	Notes
Medium 2025-26	Build capability for Business Intelligence to support data-driven decision making/data maturity	Closed	Business case approved by Digital Transformation Board 10 March 2025.
Medium 2025-26	Progress key actions arising from the council's Data Maturity Assessment	On Target	Action Plan being developed and progressed
Medium 2025-27	Revise the Employee Survey process and question set to increase uptake and value for line managers/ELC.	Closed	Proposals for new approach to Employee Survey approved by CMT on 11 June 2025
Long 2026-27	Build the Corporate Power BI environment to fully enable the council and service departments to better understand and analyse their data to help improve business intelligence and decision making	On Target	Business case approved by Digital Transformation Board 10 March 2025. Learning from best practice in other organisations to shape our implementation. This will begin with developing a data strategy and piloting the use of Power Bi for 2-3 use cases in 2025/26. Learning from these pilots will inform improvements before rolling out capabilities in 2026/27.
Long 2026-27	Use performance data to identify and prioritise improvement projects, e.g. Early intervention & prevention	On Target	Business case approved by Digital Transformation Board 10 March 2025. Learning from best practice in other organisations to shape our implementation. This will begin with developing a data strategy and piloting the use of Power Bi for 2-3 use cases in 2025/26. Learning from these pilots will inform improvements before rolling out capabilities in 2026/27.

To support our response to the climate & ecological emergency:

To support the Council in delivering transformational change in support of key decarbonisation and ecological objectives and targets.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress a pipeline of projects for Energy Transformation and Carbon reduction	Closed for 2025/26	The following projects have been prioritised and are being progressed • Carberry site - Solar PV, direct wire to Hamilton Waste: ELC income via % savings / land lease • Council Assets Energy Assessment by Clear Futures partners • Macmerry Industrial Estate renewable energy options
Short 2024-25	Support Council Reporting on progress against public net zero commitment	Closed	Actions agreed as part of development of the Councils Climate Change Strategy 2025-2030. Progress updates will be provided as part of business-as-usual activities
Medium 2025-26	Prioritise and progress key climate and sustainability projects	Closed for 2025/26	The following projects have been prioritised and are being progressed • Carberry site - Solar PV, direct wire to Hamilton Waste: ELC income via % savings / land lease • Council Assets Energy Assessment by Clear Futures partners Macmerry Industrial Estate renewable energy options
Medium 2025-26	Support the roll out a Carbon literacy programme for members	On Target	Training for new members of Transformation staff planned Sep/Oct 25. Working with Climate Change Officer to identify training for members
Medium 2025-26	Work with the councils Sustainability and Climate Change Officer to develop a methodology for carbon budgets & Pilot Carbon budgeting	Closed	Actions agreed as part of development of the Councils Climate Change Strategy 2025-2030. Progress updates will be provided as part of business-as-usual activities

To support place making and best use of our assets:

To exploit the opportunities presented by a move to hybrid working and understanding the wide range of services we deliver, understand how we can deliver them in a more joined up way and take advantage of increasing take up of online and digital engagement to further rationalise the Council's estate and modernise and improve the working environment within the remaining core buildings.

Timeframe	High Level Actions	Status	Notes
Short 2024-25	Prioritise and progress key asset management projects	Closed for 2025/26	Current prioritised projects being implemented are: • Corporate Asset Review (New Ways of Working) • Placemaking are being progressed. Transformation is supporting these service-led projects.
Long 2026-27	Develop a framework to support the implementation of a debt/cost-recovery approach to the use of council assets	On target	Work has commenced as part of the lets and bookings project, which is being progressed

Annex 2 – Benefits Realisation by Project

Project benefits are typically realised after the project has been completed and delivered. Therefore, reporting actual benefits realised will generally follow project closure

Details of planned benefits for the current portfolio of transformation projects are shown in the tables below.

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Sponsorship & Advertising	Improved engagement with citizens	Increased visibility of local businesses	High
Sponsorship & Advertising	Customer Satisfaction	Enhanced perception of the council	High
Sponsorship & Advertising	Customer Satisfaction	Increased use of council assets	High
Sponsorship & Advertising	Customer Satisfaction	Improved control and consistency of advertising in East Lothian	Medium
Sponsorship & Advertising	Environmental and community benefits	Reduced unauthorised signage on roads assets	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Place Making Asset Review	Resources Released	Reduced annual premises costs through smaller estate footprint.	Medium
Place Making Asset Review	Improved engagement with citizens	Greater collaboration and innovation due to co-location and digital enablement.	Medium
Place Making Asset Review	Improvement Initiatives informed by data	Improved staff wellbeing and productivity in modern, collaborative environments.	Medium
Place Making Asset Review	Customer Satisfaction	Improved public perception and internal engagement through modernised Council operations.	Medium
Place Making Asset Review	Customer Satisfaction	Increased citizen satisfaction with service locations/facilities.	Medium
Place Making Asset Review	Customer Satisfaction	Enhanced public trust through more transparent, effective service delivery.	Medium
Place Making Asset Review	Reduced Transaction Time	Enhanced operational efficiency through better-aligned assets.	Medium
Place Making Asset Review	Building utilisation	Better use of buildings	Medium
Place Making Asset Review	Energy consumption / costs / generation	Long-term environmental sustainability through green, efficient hubs.	Medium
Place Making Asset Review	Increased transparency	Improved equity of access to Council services across geography and demographics.	Medium

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Note: Planned benefits may change as a result of on-going replanning activities for this project			
Housing Management System	Reduced Transaction Time	Streamlined Processes: Reduced numbers of applications used in processes & Time saved against current manual process	High
Housing Management System	Increased transparency	Streamlined Processes: Increased numbers of documents created and managed electronically and new integration to CRM	Medium
Housing Management System	Customer Satisfaction	Overall increase through: Additional customer service channels - Annual Residents Survey and New customer sentiment and satisfaction survey capabilities	Medium
Housing Management System	Improvement Initiatives informed by data	Increased security/compliance, New in-system capability for reporting and dashboards and Access to new functionality: home panes	Medium
Housing Management System	Improved engagement with citizens	New 360 view of customers	Medium
Housing Management System	Reduced Transaction Time	Access to new functionality: electronic case management	Medium

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Lets & Bookings	Improvement Initiatives informed by data	Resources released with the introduction of automation and improved scheduled reporting	Medium
Lets & Bookings	Increased transparency	Reduction in abandoned bookings	Medium
Lets & Bookings	Reduced Failure Rate	Simplified Charging structure Increased resilience: cover for staff absence (system support)	Medium
Lets & Bookings	Reduced Transaction Time	Reduction in bookings requiring a subsidy/manual intervention	Medium
Lets & Bookings	Resources Released	Increased automation/reduced manual effort	High
Lets & Bookings	Customer Satisfaction	Improve ratings	Low
Lets & Bookings	Building utilisation	Improved scheduled reporting	High
Lets & Bookings	Department Performance KPI's	To optimise building use and move to full cost recovery for bookings	Low
Lets & Bookings	Customer Satisfaction	Consistency in charging	High

Project Name	Benefit Category	Benefit Description	Delivery Confidence
Finance Replacement	Increased transparency	Strengthening budget management arrangements through improved visibility of financial performance in real time and commitment-based accounting.	High
Finance Replacement	Reduced Transaction Time	Eliminating manual entry of invoices and blue slips	High
Finance Replacement	Increased transparency	Bringing greater uniformity to the purchasing process, ensuring approval before purchase and improved controls.	High
Finance Replacement	Resources Released	Improved management information to inform decision making.	High
Finance Replacement	Resources Released	Use of automation to improve the debt recovery process.	High
Finance Replacement	Resources Released	Efficiencies in the handling of financial data and reporting mechanisms through: • Integration of feeder systems • Automation of key process • Reduction in processing outside of the finance system • Improved reporting mechanisms	High
Finance Replacement	Resources Released	Potential efficiencies within end to end purchasing process	High
Finance Replacement	Increased transparency	Enable budget holders to access real time budget information using CiA	High
Finance Replacement	Reduced Transaction Time	Prompt payment of suppliers.	High
Finance Replacement	Reduced Transaction Time	Enabling budget holders to access real time budget information using CiA.	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
LTS Parking Strategy	Carbon Savings	Year on Year improvements Improved air quality Reduced Carbon Emissions	Medium
LTS Parking Strategy	Carbon Savings	Reduction in car journeys Improved air quality Reduced Carbon Emissions	Medium
LTS Parking Strategy	Customer Satisfaction	Resident permit applications are made through self-service portal	High
LTS Parking Strategy	Energy consumption / costs / generation	Remove revenue burden of parking management from capital investment	Medium
LTS Parking Strategy	Environmental and community benefits	Improved road safety in town centres through improved parking management	Medium
LTS Parking Strategy	Environmental and community benefits	Increased number of environmental projects brought forward as a result of new parking income	Medium
LTS Parking Strategy	Reduced Failure Rate	Increased investment in the maintenance of road network: Improved satisfaction response Road Condition is maintained at a sustainable level	Medium
LTS Parking Strategy	Environmental and community benefits	Support the cultural / behaviour changes to improve the health of the citizens of East Lothian: Improved trends in life expectancy, self-declared health conditions and increased active travel trends	Low
LTS Parking Strategy	Customer Satisfaction	Reduced parking complaints in relation to inconsiderate / dangerous parking behaviours	Medium
LTS Parking Strategy	Customer Satisfaction	More targeted traffic management facilities: Increased accessibility to town centre facilities.	Medium
LTS Parking Strategy	Environmental and community benefits	New jobs created: Additional Parking Attendants Other Headcount to be identified as project goes live across EL	Medium
LTS Parking Strategy	Environmental and community benefits	Increased footfall in ELC High Streets through car parking space turn over	Medium
LTS Parking Strategy	Environmental and community benefits	Reduced number of town centre spaces used for long term parking	High
LTS Parking Strategy	Environmental and community benefits	Regular income to common good funds from parking management	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
Website Replacement	Reduced Transaction Time	See an overall reduction: Average time spent on site / searches	Medium
Website Replacement	Customer Satisfaction	Increase in those Satisfied and Very Satisfied	Medium
Website Replacement	Resources Released	See an overall reduction in content management systems as current contracts end	High
Website Replacement	Improved engagement with citizens	Improved accessibility of our web services (increased Silktide accessibility score)	Medium
Website Replacement	Department Performance KPI's	Maintain ISO27001 accreditation	High
Website Replacement	Resources Released	See an overall reduction in the number of Support Applications, as current contracts end	High
Website Replacement	Improved engagement with citizens	Reduction in number of calls to Contact Centre for services and increase in web usage	Medium
Website Replacement	Department Performance KPI's	High percent of web pages are reviewed and updated because of the expiry reminder: Web content is reviewed and re-published every six months	High
Website Replacement	Improved engagement with citizens	Reduced number of customer searches for information	High
Website Replacement	Reduced Failure Rate	Reduced number of downloadable documents	High

Project Name	Benefit Category	Benefit Description	Benefit Confidence
M365 Roll Out	Resources Released	Staff time released through improved collaboration on documents/use of MS Teams, transcriptions, improved productivity applications and tools, etc.	High
M365 Roll Out	Reduced Transaction Time	Reduction in manual processes and reduced time in completing tasks	Medium
M365 Roll Out	Numbers of staff working remotely on a regular basis	Increase number of staff able to work remotely on a regular basis	High
M365 Roll Out	Customer Satisfaction	Increased user / customer satisfaction with tools for collaboration / communication opportunity for cross-service working	Medium
M365 Roll Out	Department Performance KPI's	Increased utilisation of M365	Medium
M365 Roll Out	Improvement Initiatives informed by data	Improved cross-sector collaboration	High
M365 Roll Out	Improved engagement with citizens	Improved Engagement with Staff / Citizens	Medium
M365 Roll Out	Improvement Initiatives informed by data	Improved data governance and decision making	High
M365 Roll Out	Enhance Cyber Security	Reduced failure rates: e.g. Data breaches & down time & disaster recovery	Medium

Notes:

- Benefits from the Corporate Assets Review will be captured in the Project Close Report.
- Benefits from the Portfolio Management Office project will be captured in the Project Close Report.
- SoF Improvement – Forms: This project is at an early stage; benefits will be captured as work progresses and baselines are established.
- Resource commitment and planned benefits for the Councils wider transformation activity (For example Energy Transformation and Cockenzie) will be captured from April 2026.

Annex 3 - Audit Scotland's five Transformation principles

Transformation principles

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

Vision	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 • improving outcomes for citizens in line with council priorities • taking a whole-system approach to see and realise opportunities both within councils and more widely • meeting the needs of the people who use services and reduce inequalities • focusing on preventative activity, where applicable, to reduce the demand for services and to make them sustainable in the longer term.
Planning	• Be clear on the scale of the change required and ensure transformation plans are sufficiently ambitious to credibly respond to the scale of the challenge. • Commit staff with appropriate skills, time and resources to ensure transformation occurs at the scale and pace required and that there is enough capacity for the changes to be embedded. • Be clear about the timescales, costs, outcomes, and anticipated impacts of transformation projects. • Show urgency and progress projects at pace without compromising appropriate governance on projects.
Governance	• Have a clear process for monitoring, evaluating and reporting progress. • Put in place effective governance and escalation processes so that the transformation activities are well managed in their own right, but also able to be given priority alongside other business-as-usual activities.
Collaboration	• Develop better working relationships with communities and/or partners to achieve a sustainable model of service delivery. • Actively consider the opportunities offered by regional or national sectoral collaboration, or by integrating services locally with partners, or by supporting individuals and communities to achieve desired outcomes in place of an existing service. • Learn from good practice across Scotland and beyond.
Innovation	• 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.

Annex 4 - Best Value thematic work: East Lothian Council Transformation Recommendations

Issue/risk	Recommendation	Agreed management action/timing
1. Ensuring transformation plans are sufficiently ambitious The council faces a projected funding gap of over £17 million for 2025/26, rising to over £79 million by 2029/30. It estimates that the current portfolio of transformation projects will deliver recurring savings of £6.1 million over the five-year period to 2029/30. Whilst we recognise that transformation alone will not offer the full solution to the council's funding gap, the level of financial savings from the council's collective change activity should be commensurate with the scale of its financial challenges.	While we recognise that transformation activity is designed to have wider benefits beyond financial savings, the council should ensure its plans for transformation are sufficiently ambitious to respond to the financial challenges it faces	The Council is prioritising its resources to support a range of projects focused on key enablers of change. It has also prioritised the delivery of transformation as a key council objective. An update will be provided to Council in August 2025. Transformation & Digital Portfolio Manager August 2025 / ongoing This Transformation Annual Report 2025 closes this action.
2. Including all significant transformation activity in transformation strategy Officers have told the audit team about other significant transformation projects that are being taken forward by services that are not included in the current transformation programme.	There are a number of projects, led at service level, that the council consider to be transformational. The council should take the opportunity, when conducting the annual review of its Transformation Strategy (2024-2029), to ensure all significant transformation activity is reflected as well as ensuring that each project meets the objectives set out within its transformation strategy.	Officers will consider options for incorporating service led transformation activity within future reporting, with a view to capturing resource commitment and benefits delivered. Transformation & Digital Portfolio Manger August 2026 Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.

Issue/risk	Recommendation	Agreed management action/timing
3. Reporting on transformation Officers have committed to sharing detailed reporting on the progress of its transformation programme with elected members as part of its annual report, starting from Autumn 2025. Officers have told the audit team about other significant plans for change that are being taken forward by services that are not included in the transformation programme There is a risk that officers and members do not have a full overview of the range of transformation activity taking place within the council.	The council should ensure it delivers on its commitment to report on transformation to elected members. This should include regular reporting on planned and realised financial and non-financial benefits from its transformation work in line with what is set out in the Transformation Strategy. The council should put in place arrangements to report to elected members on the full range of transformation activity being progressed.	A report will be presented to Council in August providing an update on progress made towards delivering the council's transformation strategy. This report will also consider how wider transformation activity can be incorporated into future updates to Council. Transformation & Digital Portfolio Manager August 2025 Details of planned benefits for the current portfolio of transformation projects are shown in Annex 2 of this report. Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.

Issue/risk	Recommendation	Agreed management action/timing
4. Resourcing transformation The demands of the council's business-as-usual activities are limiting the wider organisation's ability to respond to the increased demand for transformation staff resource. These pressures present a risk to the progress of the council's transformation programme	The council should ensure that its workforce has capacity to deliver on its transformation ambitions. This includes balancing workforce planning with the resource needs of wider business groups and recruiting additional roles for transformation if required.	The Council has allocated significant resources within earmarked reserves to support transformation activity, and this will remain under review to ensure that there is sufficient capacity to deliver on our ambitions in the context of acute funding constraints. Transformation & Digital Portfolio Manager December 2025 To support this, work is ongoing to review our change maturity, the Scottish Approach to Change and the Improvement Service Culture self-assessment and how these may help us to deliver the Transformation Strategy and feed into our Workforce Strategy and Action Plan. Any recommendations arising from this work will be brought forward before December 2025.

Issue/risk	Recommendation	Agreed management action/timing
5. Measuring the impact of transformation The council is monitoring and reporting on the financial and non-financial benefits from its transformation projects. It recognises that benefits reporting is an area requiring further work to improve accuracy and consistency.	The council should continue to improve its methodology for measuring financial and non-financial benefits from its transformation projects.	The council recognises the importance of ensuring that the benefits of transformation are captured and reported. While the financial savings delivered are already being reported through regular finance updates, future reporting will also capture the non-financial benefits delivered. Transformation & Digital Portfolio Manager August 2025 Benefits workshops have been undertaken for the current portfolio of transformation projects. Details of planned benefits for the current portfolio of transformation projects are shown in Annex 2 of this report. Resource commitment and planned benefits for the Councils wider transformation activity will be captured from April 2026.

Annex 5 – Commission's expectations and recommendations outlined in Controller of Audit's report on Best Value in East Lothian Council

- Of particular importance is ensuring capacity to deliver its digital transformation projects, which have the potential to shape the workforce of the future and lay the foundations for service transformation.

- new finance system is implemented, so that risks are minimised, and the system's full benefits can be realised, including improved efficiency and more robust internal controls.

- East Lothian faces persistent workforce capacity, recruitment, and retention challenges, so we would encourage it to build on its existing workforce planning foundations and fully implement the auditors' recommendations as a matter of priority

- A high response rate to the council's most recent staff engagement survey is encouraging and we look forward to seeing what more it does in future surveys to encourage and facilitate more front-line, non-office-based staff to complete the survey. The survey identified issues around work-related stress and workloads, so it is important to have a complete picture, allowing appropriate action plans to be developed and implemented.