

ITEM No ...9.....

REPORT TO: SCRUTINY COMMITTEE - 22 APRIL 2026

REPORT ON: AUDIT SCOTLAND - BEST VALUE THEMATIC REVIEW 2025/26

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 107-2026

1 PURPOSE OF REPORT

1.1 To present to Committee Audit Scotland's report on the outcome of their Best Value Thematic Review for 2025/26 on Asset Management.

2 RECOMMENDATIONS

2.1 It is recommended that Committee:

- (a) notes the findings and recommendations in the report attached as Appendix 1; and
- (b) notes that the actions in the improvement plan will be included in the service plans for City Development and Neighbourhood Services until complete.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from the agreement of this report.

4 BACKGROUND

4.1 This is Year 4 of the new approach to Best Value with the Accounts Commission directing auditors to report on how well councils are managing their assets. In carrying out the work, auditors have considered the following questions:

- To what extent does the council have a clear asset management strategy and plans that are affordable, align with its corporate objectives, new ways of working, the changing needs of its population, and net zero commitments?
- To what extent do the council's governance and accountability arrangements support effective asset management?
- To what extent does the council have a robust approach to working with partners and communities in managing its assets?

4.2 The report by Audit Scotland, attached as Appendix 1, highlights that:

- The council has an up-to-date corporate asset management plan that aligns with its corporate objectives, new ways of working, the changing needs of its population, and clearly sets out the council's ambition to meet net zero commitments. It covers a sufficient period enabling strategic planning, but it does not clearly set out the current occupancy levels of its assets to assist with decision making, or how progress against net zero projects will be measured.
- The council has clearly considered affordability in its capital plan and asset management plans and has established funding sources for the full 2025/26 capital budget. However, there are a number of risks relating to the maintenance of the council's operational estate including ageing buildings, and staffing and budget shortages.
- The council's reporting and monitoring arrangements enable good scrutiny and oversight of progress towards implementing its capital plan. However, the reporting and monitoring

arrangements for asset management plans could be improved. The council's performance with delivering its asset management commitments, and against relevant key performance indicators, is mixed.

- The council has clearly set out its ambition to work collaboratively with partners in managing assets through its Corporate Asset Management Plan and Community Wealth Building Strategy. However, there is insufficient detail about how progress towards achieving this strategy will be monitored and reported. The council has a clear policy, assessment criteria, and approach to supporting Community Asset Transfer requests, but it is not transparent about the outcomes of requests.

4.3 An improvement action plan is included within Audit Scotland's report. This sets out three recommendations, and the council's planned response including responsible officers and dates for implementation. The recommendations will be monitored and reported on through the service plans for City Development and Neighbourhood Services until complete.

5 POLICY IMPLICATIONS

5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6 CONSULTATIONS

6.1 The Council Leadership Team were consulted in the preparation of this report.

7 BACKGROUND PAPERS

7.1 None.

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CHIEF EXECUTIVE

7 APRIL 2026

ANDREA CALDER
HEAD OF CHIEF EXECUTIVE SERVICES

Best Value thematic work – Asset
management

Dundee City Council

How well councils are managing assets to achieve their corporate objectives and respond to challenges around financial sustainability and climate change



Prepared by Audit Scotland
April 2026

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Accessibility

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

Key messages

- 1** The council has an up-to-date corporate asset management plan that aligns with its corporate objectives, new ways of working, the changing needs of its population, and clearly sets out the council's ambition to meet net zero commitments. It covers a sufficient period enabling strategic planning, but it does not clearly set out the current occupancy levels of its assets to assist with decision making, or how progress against net zero projects will be measured.
 - 2** The council has clearly considered affordability in its capital plan and asset management plans and has established funding sources for the full 2025/26 capital budget. However, there are a number of risks relating to the maintenance of the council's operational estate including ageing buildings, and staffing and budget shortages.
 - 3** The council's reporting and monitoring arrangements enable good scrutiny and oversight of progress towards implementing its capital plan. However, the reporting and monitoring arrangements for asset management plans could be improved. The council's performance with delivering its asset management commitments, and against relevant key performance indicators, is mixed.
 - 4** The council has clearly set out its ambition to work collaboratively with partners in managing assets through its Corporate Asset Management Plan and Community Wealth Building Strategy. However, there is insufficient detail about how progress towards achieving this strategy will be monitored and reported. The council has a clear policy, assessment criteria, and approach to supporting Community Asset Transfer requests, but it is not transparent about the outcomes of requests.
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Introduction

1. Asset management directly impacts how councils provide services and achieve their own corporate priorities and longer-term financial sustainability. Limited capital budgets make it challenging for councils to maintain their existing assets and estates, invest in new assets, and achieve net zero targets. Exhibit 1 sets out some principles for effective asset management, informed by CIPFA guidance and the Infrastructure Investment Plan for Scotland.

Exhibit 1 Principles for effective asset management

| Principle | What this looks like in practice |
|--------------------------------------|--|
| Strategic alignment | Councils' asset management strategies align with their corporate objectives, financial plans, new ways of working, population needs, and net zero commitments. |
| Investment hierarchy | To support sustainability and cost-effectiveness, asset management strategies prioritise: <ol style="list-style-type: none"> 1. maintaining and optimising existing assets 2. repurposing or upgrading existing assets to meet the needs of the community 3. new investment only when necessary |
| Monitoring condition and performance | Councils regularly assess the condition, suitability, and performance of their assets, to help inform investment priorities and support continuous improvement. |
| Governance and accountability | Councils have clear roles and responsibilities for asset management, with regular, transparent reporting and senior oversight. |
| Community asset transfers | Councils have transparent and robust processes in place to assess and support requests for community asset transfers. |
| Place-based approaches | Councils collaborate across services and other public and third sector organisations to manage assets as a collective resource across their local area. This has the potential to achieve savings, better align service provision and create opportunities for joint working. |

Source: Audit Scotland

2. The [Code of Audit Practice](#) sets out the requirements for Best Value audit work. This report covers the thematic aspect of the Best Value audit requirements. The Accounts Commission has directed auditors to report on how well councils are managing their assets. In carrying out the work, auditors have considered the following questions:

- Part 1 – To what extent does the council have a clear asset management strategy and plans that are affordable, align with its corporate objectives, the changing needs of its population, and net zero commitments?
- Part 2 – To what extent do the council’s governance and accountability arrangements support effective asset management?
- Part 3 – To what extent does the council have a robust approach to working with partners and communities in managing its assets?

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

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

1. Asset management planning

5. Councils' capital programmes are a necessary component of modernising services to improve outcomes for local communities. Doing this successfully requires good strategic medium to long-term asset management and planning. The Accounts Commission's [Local government budgets 2025/26 briefing](#) reported that capital funding for 2025/26 had increased but remained lower than in 2023/24 and that investing in new buildings and assets is increasingly expensive. Councils are relying on borrowing as the main source of funding for capital projects. In 2025/26, councils intend to borrow £3.13 billion, an increase from £2.67 billion in 2024/25.

Findings and evidence relating to the council's asset management strategic planning arrangements.

| Judgements | Evidence |
|--|---|
| <p>1. The council has an up-to-date corporate asset management plan that sets out its approach and priorities for managing and developing its assets at a high level. It covers a sufficient period enabling strategic planning; however, it does not clearly set out the current occupancy levels of its buildings to assist with decision making.</p> | <ol style="list-style-type: none"> The council published its 2023 to 2028 Corporate Asset Management Plan in June 2023. This plan superseded the council's previous 2011 Corporate Asset Management Strategy. The five-year period the plan covers helps to enable longer-term planning around objectives. The Corporate Asset Management Plan clearly sets out what good asset management looks like. For example: <ul style="list-style-type: none"> A property portfolio which is suitable for the council's needs in terms of size, condition, location, and suitability and based on the premise that property should be in good condition, well maintained, well used and energy and cost efficient. A well-maintained roads network that meets the needs of both residents and visitors and promotes economic growth. An appropriate supply of good quality, energy efficient housing that is well managed and well maintained and meets the Scottish Housing Quality Standard. The Corporate Asset Management Plan is supported by asset management plans for each category of asset comprising Buildings and Property; Roads Infrastructure; Council Housing; Open Space; Vehicle Fleet; and Information and Communications Technology. |

| Judgements | Evidence |
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| | <p>4. The Corporate Asset Management Plan sets out the governance arrangements at a high level. The strategy lacks details of the council's approach to monitoring and reporting on progress, in line with CIPFA guidance. For example:</p> <ul style="list-style-type: none"> • It sets out that the Council Leadership Team is headed by the Chief Executive supported by the council's four Executive Directors together with the Chief Officer of the Dundee Health and Social Care Partnership and the Director of Leisure and Culture Dundee. Collectively they hold responsibility for the delivery of council services and are responsible for the corporate management of all council assets. • The governance structure diagram includes details that the Corporate Asset Management Plan feeds into the Capital Governance Group then Executive and Standing Committees. The diagram also shows that individual asset management plans sit under service plans. However the governance information included does not specify what type of information will be monitored at each level, or the frequency of reporting. <p>5. The Corporate Asset Management Plan includes a high-level overview of each asset class, the main outcomes planned and current issues as well as some information on the condition of property the council owns.</p> <p>6. The Corporate Asset Management Plan does not provide an overview of the occupancy rates of the council's existing buildings. The council would benefit from considering occupancy rates as part of this strategy to enable it to identify underutilised buildings and plan how it can use its properties more efficiently. This would help inform decisions in support of the council's aim to modernise and rationalise its property portfolio. Management advised that the council does not currently centrally hold data to monitor and report on occupancy rates of buildings except the occupancy of the school estate which is monitored in an annual report.</p> |
| <p>2. The council's Corporate Asset Management Plan aligns with its corporate objectives, new ways of working, the changing needs of its population, and clearly sets the council's ambition to meet net zero commitments.</p> | <p>1. There is clear alignment between the Corporate Asset Management Plan and the council's corporate objectives which are set out in the Council Plan 2022 to 2027. For example:</p> <ul style="list-style-type: none"> • The council's ambition to establish a core estate through property rationalisation aligns to the corporate objective 'Design a Modern Council.' |

| Judgements | Evidence |
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| <p>However, it does not clearly define how progress against net zero projects will be measured or funded.</p> | <ul style="list-style-type: none"> • The council’s plans to deliver an appropriate supply of good quality, energy efficient housing that is well managed and well maintained and meets the Scottish Housing Quality Standard aligns to the corporate objectives ‘Tackle climate change and reach net zero emissions by 2045’ and ‘Reduce Child Poverty’. • The council’s intention to have a well-maintained roads network that meets the needs of both residents and visitors and promotes economic growth aligns to the corporate objective ‘Deliver inclusive economic growth.’ <ol style="list-style-type: none"> 2. The Corporate Asset Management Plan outlines that one of the Council Plan 2022 to 2027 priorities is to tackle climate change and achieve net zero by 2045 in line with national and local targets. The Corporate Asset Management Plan includes a section on Climate Change which lists projects the council plans to undertake, such as active travel schemes and modernisation of energy systems in council buildings. However, it does not set out how the council will measure progress against the projects detailed. 3. Management has advised that the council does not have sufficient funding available to achieve net zero by 2045 and that the council will require external funding and grants to achieve this. This is also reflected in the Capital Plan 2025-30. 4. The Capital Plan 2025-30 notes that sustainability is a key focus for the council with the investment of £74 million in tackling climate change to help deliver the council’s net zero ambitions making up nearly a quarter of the Capital Plan. This includes two key projects: <ul style="list-style-type: none"> • the Green Transport Hub and Spokes at Bell Street Multi Storey Car Park • energy efficiency measures in Council Housing. 5. The Corporate Asset Management Plan also sets out the drivers for the changing approach to asset management, such as: <ul style="list-style-type: none"> • birth rates and numbers on school roll projections highlight a requirement to increase primary capacity, this potentially includes new primary schools in both the east and west of the city • changes to the way the council works and interacts with the public post-Covid-19, such as hybrid working and increased need for automated services which can be used at any time. |

| Judgements | Evidence |
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| <p>3. The council has clear asset management plans and capital plan that align with the Corporate Asset Management Plan.</p> <p>However, asset management plans do not include sufficient detail about how progress will be monitored and reported.</p> | <p>6. As part of its transformation plans, the council is undertaking a property rationalisation project which is aligned to the way the council works and the requirement to reduce the running costs of the estate.</p> <hr/> <p>1. The council has a number of asset management plans in place. As part of the audit, we reviewed the Corporate Property Asset Management Plan and the IT Asset Management Plan.</p> <p><u>The Corporate Property Asset Management Plan 2025 to 2030</u></p> <p>2. The Corporate Property Asset Management Plan clearly aligns with the Council Plan priority to ‘Design a Modern Council.’ For example, it includes work on property rationalisation which features throughout the Corporate Property Asset Management Plan. The Corporate Property Asset Management Plan also includes a section on energy management, climate change and carbon reduction which aligns to the council’s priority of tackling climate change and reaching net zero carbon emissions by 2045.</p> <p>3. The Corporate Property Asset Management Plan sets out the council’s plans for carrying out reviews to determine its priorities for its Capital Plan. For example, the property rationalisation programme detailed in the Corporate Property Asset Management Plan features in the Capital Plan 2025-30.</p> <p>4. The Corporate Property Asset Management Plan states that all the Council's operational properties are assessed, routinely monitored, and documented under the following criteria:</p> <ul style="list-style-type: none"> • Suitability and Sufficiency: whether the property is the right size, layout, and location for the function that it must perform. • Condition: the physical condition of the property. • Accessibility: to ensure that the property complies with current accessibility standards • Health and Safety: to ensure that the property complies with current requirements. • Sustainability and Energy: To measure the property against best practice benchmarks and seek to minimise the cost and environmental impact of energy use. <p>5. However, it does not set out where these are reported, or how often.</p> |

| Judgements | Evidence |
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| | <p data-bbox="628 271 1278 309"><u>The IT Asset Management Plan 2024 to 2029</u></p> <ol style="list-style-type: none"> <li data-bbox="584 327 1430 472">6. The IT Asset Management Plan includes a section which explains how it aligns to the council’s strategic priorities. The priority that the plan aligns to is ‘Design a Modern Council.’ <li data-bbox="584 499 1458 931">7. The plan also includes overarching objectives for IT, which contain linkages to other council priorities such as tackling climate change. For example: <ul style="list-style-type: none"> <li data-bbox="624 622 1458 768">• IT assets should meet the needs of those that use them. This includes staff, elected members, pupils, and citizens of Dundee through the different access channels: face to face, telephone and online <li data-bbox="624 786 1382 931">• IT assets should be environmentally sustainable – considering local and global environmental factors, reducing energy consumption and CO2 emissions through the whole life cycle. <li data-bbox="584 954 1458 1178">8. The plan sets out projections for capital expenditure on key projects such as ‘Purchase Computer Equipment’ over the period 2023/24 to 2027/28. The Capital Plan 2025-30 includes updated projections for each of the projects detailed in the IT Asset Management Plan, so these plans are clearly aligned. <li data-bbox="584 1200 1458 1469">9. The IT Asset Management Plan also includes a table containing risks associated with plan and mitigations in place for each of these. The plan sets out key performance measures for the IT service, for example system availability and security compliance, along with performance targets for these measures. However, it does not state where these will be reported or how often. <li data-bbox="584 1491 1458 1637">10. In December 2025, an update on the Corporate Services Plan included progress reporting against the four IT asset management indicators. It reported that the four indicators were on track to be achieved by March 2027. |
| <p data-bbox="124 1711 544 2072">4. The council has clearly considered affordability in its capital plan and asset management plans, and in its most recent capital expenditure update the council has established funding sources for the full 2025/26 capital budget. However, the council does</p> | <ol style="list-style-type: none"> <li data-bbox="584 1711 1458 1861">1. The Capital Plan 2025-30 provides details on the projected capital resources available from various funding sources, including capital grants and contributions and capital receipts from the sale of assets. <li data-bbox="584 1883 1458 2072">2. The Capital Plan also sets out the risks regarding affordability and controls it has put in place, for example the risks around inflation, delays in capital receipts and increasing capital financing costs and how the council plans to monitor/manage these. |

| Judgements | Evidence |
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| <p>not have a clear plan for funding its longer-term net zero commitment.</p> | <ol style="list-style-type: none"> <li data-bbox="576 273 1482 539">3. The Corporate Property Asset Management Plan recognises that the council needs to continue to modernise and rationalise its property portfolio to make it suitable for the needs of the people of Dundee. While this may be evidence of the council following the investment hierarchy approach, this is not clearly set out in the strategy. <li data-bbox="576 555 1482 869">4. The Capital Plan 2025-30 clearly sets out the planned expenditure on each project and the amount of any external funding sources. When the original 2025/26 budget was set, the general fund capital budget was not fully funded. The most recent capital expenditure update provided to the City Governance Committee in January 2026 confirms that funding sources have been established for the full 2025/26 general fund capital budget. <li data-bbox="576 884 1482 1227">5. The Capital Plan 2025-30 recognises that the level of investment required to meet climate change targets is anticipated to exceed current resource levels and notes that officers actively monitor for opportunities to apply to external funding sources to help progress renewable energy solutions. In interviews undertaken during this audit management also emphasised the need for external funding to enable the council to achieve its net zero ambitions. <li data-bbox="576 1243 1482 1509">6. The council sets an operational borrowing limit each year which helps to ensure that the council remains within its authorised limit. The council does this by creating £30 million headroom between its authorised limit and its operational boundary. This helps the council to monitor whether its level of borrowing remains at an affordable level. <li data-bbox="576 1525 1482 1912">7. The Capital Plan report presented to the February 2025 City Governance Committee stated that option appraisal guidelines have been developed to allow services to consider systematically whether individual capital projects provide value for money and that an option appraisal report will be completed for all projects of £1 million or above being considered for inclusion in the council's Capital Plan. In line with our interviews with management, option appraisals must be presented to the Capital Governance Group in the first instance for approval. <li data-bbox="576 1928 1482 2072">8. The Revenue Monitoring report presented to the City Governance Committee in January 2026 illustrates that the council faces high repairs and maintenance costs for properties in both the General Fund and Housing Revenue |

| Judgements | Evidence |
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| | <p>Account. The report notes that an analysis of current and historical property costs has been issued across services to help identify cost savings and opportunities for property rationalisation.</p> |
| <p>5. There are several risks relating to the maintenance of the council's operational estate, including ageing buildings, staffing and budget shortages, and a lack of up-to-date information. The council has plans to improve the information available about its estate, which should enable it to better prioritise preventative maintenance.</p> | <ol style="list-style-type: none"> 1. The Corporate Property Asset Management Plan recognised that many properties are ageing and require significant refurbishment including the removal of asbestos. It also states that all operational properties are routinely assessed and monitored against condition and health and safety criteria. For example, an annual update on the condition of the learning estate presented to the Children and Families Committee in March 2026 set out that at May 2025, eight schools were rated as poor ('C') condition. 2. The council has reported an annual repairs deficit of more than £1.4 million in 2022/23 and 2023/24, and this deficit is projected to rise each year. The Corporate Property Asset Management Plan notes that the lack of planned maintenance creates greater pressure on reactive repairs. It also states that the corporate property revenue budget is insufficient to cover the expected cost of health and safety contracts. This means there is an overspend in each financial year to cover the costs of these contracts and remain compliant with health and safety standards. It is unclear how the council is going to address this budget shortfall. 3. The council's Building Standards department is responsible for ensuring building safety across Dundee, supported by structural engineers who provide expert assessments of properties. However, the Corporate Property Asset Management Plan highlights a shortage in staffing including property officers, fire risk assessors, asbestos advisors and building surveyors. 4. As set out in the Corporate Property Asset Management Plan, the asset management database supports the health and safety regime and maintenance and repair programmes for all council properties including schools. However, management have advised that the current database is out of date and that there is a reliance on spreadsheets as the property and IT teams have not had the staff capacity, time or capital required to update the system. The council has allocated £0.35 million in the Capital Plan over 2025/2026 and 2026/2027 for a replacement asset management system. Management has advised that the council is currently in the process of |

| Judgements | Evidence |
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| | <p>sourcing software. The intended benefits of a new system include the ability to develop a systematic and costed maintenance and capital plan, prioritising planned maintenance over reactive maintenance.</p> <p>5. The council's property portfolio contains a large quantity of reinforced autoclaved aerated concrete (RAAC). It is present in 81 blocks of flats, 293 cottages and two schools. The council is undertaking two pilot projects (Housing RAAC Permanent Support Works and Ardler Primary School – RAAC Remedial Works) to test a cost-efficient approach that could be implemented across all buildings affected by RAAC. The two pilot projects were scheduled to take place between June and October 2025, and consisted of remedial work to RAAC roofs, totalling £0.73 million. The council has not yet reported the outcome of this work but has advised that a report will be presented in late spring 2026 containing a detailed appraisal of the works and next steps.</p> |

Recommendation 1

The council should ensure that the new asset management database system can store and report information on the occupancy of buildings to help inform the council's decisions on property rationalisation and use this information in future property plans.

2. Governance and performance

6. It is essential that councils have effective governance arrangements in place to enable transparency, oversight and scrutiny of progress with implementing their capital programmes and asset management strategies. This enables better-informed decision making and corrective action where needed.

Findings and evidence relating to the council's governance arrangements and performance.

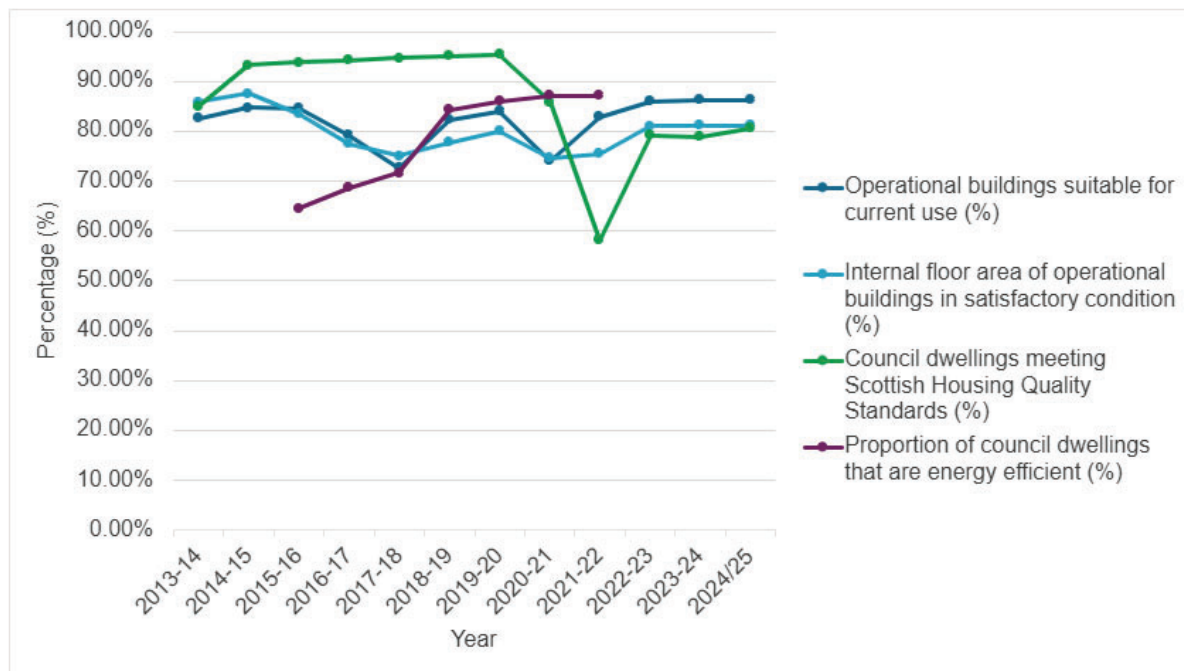
| Judgements | Evidence |
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| <p>6. The council's reporting and monitoring arrangements are clear and enable good scrutiny and oversight of progress towards implementing its capital plan. However, the reporting and monitoring arrangements for asset management plans could be improved.</p> | <ol style="list-style-type: none"> The council has a clear governance structure in place with appropriate leadership arrangements to oversee progress towards its capital plan and asset management plans. The council has established a Capital Governance Group (CGG) to oversee the monitoring of capital projects within the council. The CGG meets monthly and has appropriate senior leadership membership in place. It comprises the council's Executive Directors and relevant Heads of Service who have responsibility for assets. The remit of the CGG includes: <ul style="list-style-type: none"> reviewing all projects expected to cost over £1 million by receiving regular reports from project sponsors monitoring progress against timescales and financial costs taking strategic responsibility for developing the capital programme including reviewing option appraisals, risk assessments, and bids for including major projects linked to council priorities and objectives. In addition to the CGG, the council has established a Transformation Programme Board (TPB), which considers progress of the Property Rationalisation project on a bi-monthly basis. The TPB membership also includes members of Council Leadership Team (CLT) and Heads of Service and therefore has appropriate senior leadership representation. The TPB is supported by the Property Rationalisation Theme Board, the remit and membership of which is outlined in the Corporate Property Asset |

| Judgements | Evidence |
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| | <p>Management Plan. The TPB receives reports every two months on property rationalisation, which set out:</p> <ul style="list-style-type: none"> • achievements against milestones established in the previous period • benefits realised in the reporting period • risk escalation and lessons learned. <p>3. Management advised that CLT oversight of asset management is primarily through the CGG as CLT members sit on this. The CGG does not receive routine performance updates on progress towards achieving the overall aims of the Corporate Asset Management Plan. The council could improve oversight by agreeing a set of KPIs for monitoring the implementation of the strategy across all asset categories and reporting on this regularly.</p> <p>4. The CLT also receives Service Plan updates before the reports are presented to the City Governance Committee. The City Governance Committee receives annual updates on service plans. These updates include some asset related information. For example, the Neighbourhood Services update in August 2025 reports performance on indicators including 'Maintain momentum in energy efficiency and wall insulation programmes to reduce fuel poverty for children and families' and 'Build affordable houses that meet community needs'.</p> <p>5. Service plan updates do not include progress against all asset management plans. For example, the Corporate Property Asset Management Plan sets out that all operational properties are routinely monitored against criteria such as suitability, sufficiency, and accessibility. However, reports do not include KPIs that cover all these criteria.</p> <p>6. The council regularly reports progress on capital expenditure to the City Governance Committee. The capital expenditure monitoring reports give comprehensive updates on progress towards implementing the capital budget and include:</p> <ul style="list-style-type: none"> • financial reporting (spend against budget and projections) • explanations for key variances and reasoning for any delays to the capital plan • whether timescales for capital projects are on track or not and details of any new projected completion dates where projects are not on track. |

| Judgements | Evidence |
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| <p>7. The council regularly reports progress on the delivery of its capital budget. These show that in most cases, the projects are expected to be completed on time and on budget, with slippage reported on a small number of projects.</p> <p>8. Performance against the council's asset management indicators and Local Government Benchmarking Framework indicators is mixed.</p> | <ol style="list-style-type: none"> 1. The Corporate Asset Management Plan has a section on performance, which explains that statutory and KPIs already exist for the majority of service areas. For example, KPIs relating to the council's properties reflect core condition and suitability and these are reflected in individual asset management plans. In addition, the council produces an annual report on its progress towards delivering its Council Plan priorities. 2. The capital expenditure monitoring report presented to the City Governance Committee in January 2026 shows significant expenditure on some key projects, such as the Drumgeith Community Campus. The report also highlights projects that are ahead of target and some projects that have slipped because of delays in works commencing or delays in procurement. The capital expenditure update gives reasoning for any projects that have variances over £0.25 million from the current budget. The budget monitoring report also sets out approved completion dates and projected/actual completion dates. In most cases, the projects are expected to be completed on time and there are no completion date variances reported since the last monitoring report in December 2025. 3. The council's results for four asset management Local Government Benchmarking Framework indicators is detailed in Exhibit 2 below: <ul style="list-style-type: none"> • In 2024/25, the proportion of operational buildings suitable for current use was 86.2 per cent, in line with its Family Group and the national average (86.2 per cent and 85.7 per cent respectively). • The results for the other three measures are in the main below the family group and national averages apart from the 'proportion of council dwellings that are energy efficient' indicator, which is similar to the national average. • The 'council dwellings meeting Scottish Housing Quality Standards' indicator displayed a steep decline during the Covid-19 pandemic and a quick recovery the following year, however it is yet to return to pre-pandemic levels. In 2024/25, 80.6 per cent of council dwellings met Scottish Housing Quality Standards which is significantly below the Family Group average of 85.9 per cent and slightly below the national average of 82.9 per cent. |

Exhibit 2

Trend in performance against Local Government Benchmarking Framework indicators Dundee City Council performance is mixed



Note: Data for the Proportion of council dwellings that are energy efficient (%) indicator has not been collected since 2021/22. Energy efficiency targets for social housing are temporarily on hold pending the development of a new standard that aligns with Scotland's net zero target.

Source: Audit Scotland using Local Government Benchmarking Framework, October 2025

Recommendation 2

The council should review and agree its set of KPIs for monitoring the implementation of the Corporate Asset Management Plan across all asset categories and reporting on this regularly to increase transparency about progress and assist council officers and elected members' oversight.

3. Partnership working and community engagement

7. It is essential that councils consider how they can collaborate across services and with other public and third sector organisations to manage assets. This has the potential to achieve savings, better align service provision and create opportunities for joint working. Councils should also have transparent and robust processes in place for supporting and assessing community asset transfer requests and engaging with their communities on asset management plans and priorities.

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

| Judgements | Evidence |
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| <p>9. The council has clearly set out its ambition to work collaboratively with partners in managing assets through its Corporate Asset Management Plan and Community Wealth Building Strategy. There are some good examples of the council working with partners to collaboratively manage assets.</p> | <ol style="list-style-type: none"> The council has included its intentions in relation to partnership working within its Corporate Asset Management Plan. For example: <ul style="list-style-type: none"> increased co-location with partner organisations taking a corporate and coordinated approach to managing assets across council services collaboration and partnership with neighbouring authorities to meet the schooling needs of pupils in and around the city boundaries working with partners, such as the NHS, the council will aim to deliver ICT services that enable greater collaboration and joint working such as health and social care integration. Management advised that its approach to working collaboratively with partners is set out in the Community Wealth Building Strategy. This strategy covers more than just assets, but land and property features as one of the five core pillars of community wealth building: 'Growing the social, ecological, financial, and economic value that local communities gain from land and property assets'. The strategy sets out the council's aim to use land and property assets in a way which benefits the local communities who live in and use it. It aims to promote |

| Judgements | Evidence |
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| | <p>more inclusive management and ownership of land and assets. To do this, the council plans to:</p> <ul style="list-style-type: none"> • review its community land and assets transfer strategy to set out the options available • develop an associated monitoring system to better reflect how council land and property is accessed by communities • explore the development of a shared area on the council's website, for Anchor Partners Registers of land and assets • understand current use and where appropriate proposing reuse of vacant and derelict land to reduce its impact on local communities. <p>4. While the strategy sets out some key actions, it does not set out timescales for delivering these or how progress will be reported. The council has provided us with its internal action plan which does include timescales and responsible officers; however, this is not publicly available. It has also advised that reporting arrangements will be through existing plans and service plans, and that a Community Wealth Building update is provided on a quarterly basis to the Strategic Leader Group for Inclusive Economic Growth.</p> <p>5. The council has some good examples of working collaboratively with partners in using assets. For example:</p> <ul style="list-style-type: none"> • Shared service hubs (the Crescent, Whitfield, and Seymour House) across the city. These centres co-locate a range of services provided by a variety of organisations including the council, the NHS and Police Scotland. • Working with charities to provide leases when a full Community Asset Transfer is not possible due to lack of capacity. • The Corporate Property Asset Management Plan notes that two floors in Dundee House have been leased out to other organisations. |
| <p>10. The council does not have a co-ordinated and strategic approach to engaging with the community to inform its strategic priorities for asset management. There examples of the council using community feedback</p> | <p>1. The council lacks a co-ordinated and strategic approach to engaging with communities on setting asset management priorities. There are examples of the council seeking the community's views on assets at a local level. For example, in 2021 the council used feedback from its Engage Dundee consultation to inform Local Community Plans 2022-27. This included seeking views on the availability of community facilities and open spaces.</p> |

| Judgements | Evidence |
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| <p>to inform decisions, but it has faced challenges related to its proposed closures of a school.</p> | <ol style="list-style-type: none"> <li data-bbox="584 271 1481 651">2. In May 2024, the council carried out three separate consultations on the proposal to cease three services operated by Leisure and Culture Dundee. The consultation ran for six weeks, both online and through paper copies in affected facilities and libraries. There were 2,432 responses across the three consultations. A high proportion of respondents to each consultation indicated that closing each facility would negatively impact them. The council concluded that two facilities would remain open and one would cease operations in 2025. <li data-bbox="584 674 1481 1435">3. The council has demonstrated that it used community feedback to inform decisions about relocating services into the new Drumgeith community campus. In November 2024, the council started a six-week consultation involving online and paper surveys, and 14 public drop-in sessions across affected facilities. There were over 1,300 responses and the consultation was widely promoted. The purpose of the consultation was to identify any impact that service relocations may have on the community, to consider potential mitigations and explore future uses for community buildings. A high proportion of respondents indicated that relocating one of the facilities, Douglas Community Centre and Library, would negatively impact them. Therefore, the council committed to ensuring services offered in the community centre and library and the new community campus are not duplicated, and to working with local partners to decide which services will remain in the current facility. The council has also deferred a decision on relocating Douglas Sports Centre as there was also a high response rate against closing this facility. <li data-bbox="584 1458 1481 1995">4. The council engaged with the community in February 2025 regarding the closure of St Pius X Roman Catholic Primary School and Nursery. However, Scottish Ministers and a School Closure Review Panel, which took place in December 2025, refused the closure stating that the council did not fulfil its consultation obligations under the Schools (Consultations) (Scotland) Act 2010. Scottish Ministers concluded that the proposal presented during the consultation period did not include sufficient details about the educational benefits of closing the nursery nor did it provide adequate information about the availability and accessibility of alternative early learning and childcare provision. The council did not appeal the decision and the school remains open. <li data-bbox="584 2018 1481 2085">5. In 2022 the council engaged with residents in Linlathen who raised concerns about safety, dampness, cold |

| Judgements | Evidence |
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| | <p>homes, health impacts, and fuel poverty. The Linlathen retrofit project involves upgrading the energy efficiency of housing stock and was approved after 12 in-depth interviews took place. The project, expected to start in early 2026, includes replacing windows and doors, roof insulation and floor insulation that will meet the Scottish Government's energy efficiency standards and improve housing standards for the residents.</p> |
| <p>11. The council has a clear policy, assessment criteria, and approach to supporting Community Asset Transfer requests. However, the council is not transparent enough about how requests have been assessed and does not publish decision notices, as required by Scottish Government guidance.</p> | <p>1. In March 2026, the council published updated Community Asset Transfer (CAT) guidance. The guidance covers Community Asset Transfer Requests under the Community Empowerment (Scotland) Act 2015, as well as a voluntary scheme which widens the eligibility criteria for who can apply for a Community Asset Transfer or lease. The guidance includes key considerations before applying, including community need, financial sustainability, and community benefits. Of 11 asset transfer requests made to date, the council approved four transfers or leases, three were withdrawn by the applicant, two are no longer live, one is in progress and one was rejected.</p> |
| <p>12. The council's approach to Community Asset Transfers provides a broader range of groups with the opportunity to make use of the council's assets, increasing inclusivity for those who would otherwise not be eligible for Community Asset Transfers.</p> | <p>2. The Community Asset Transfer Group set up in August 2020 comprises officers from Communities, City Development, Environment, Finance and Legal. The group assesses applications against criteria using a scoring system across three categories – viability; benefits and impact; and community support and non-financial benefits. The group is responsible for making recommendations to elected members.</p> <p>3. The council publishes asset transfer request applications and supporting documents on the council's website until a decision is made. However, the council has not published the decision notices online as set out in the Scottish Government guidance for relevant authorities. In addition, the council is not transparent enough about how requests have been assessed. The council has provided us with a CAT scoring matrix for two requests that it approved, but this information is not publicly available. As required, the council prepares a Community Empowerment Report annually which provides updates on Community Asset Transfer applications and publishes this report on its website.</p> <p>4. In its Community Wealth Building Strategy 2025-2030, the council has committed to review its Community Land and Assets Transfer strategy. It aims to provide details about the variety of options open to groups relating to making</p> |

| Judgements | Evidence |
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| | <p>use of the council's assets, whether through a formal CAT or other method, such as a lease. This approach provides opportunities for a wider range of groups and organisations to take on responsibility for underused council buildings, helping enable community buildings to remain open. However, it does increase the risk that the council is not able to fully divest from costs associated with, for example, maintaining ageing or costly properties. Examples of alternative methods of transfer include:</p> <ul style="list-style-type: none"> • the council transferring Rainbow House to the Yard charity after a period of leasing • the council committing to a partnership with Street Soccer and Leisure and Culture Dundee which included a 20-year lease between Dundee City Council and Street Soccer for the Change Centre (formally Lynch Centre) which commenced on 1 April 2021. |

Recommendation 3

The council should ensure community asset transfer request assessments are transparent and publish decision notices for all community asset transfer requests.

Appendix

Improvement action plan

| Issue/risk | Recommendation | Agreed management action/timing |
|--|---|--|
| <p>1. Asset Management Database</p> <p>The council's Corporate Asset Management Plan does not provide an overview of the occupancy rates of the council's existing buildings. The council recognises that it does not currently have the data required to monitor the occupancy of its buildings except the school estate which is monitored in an annual report.</p> <p>The council has allocated £0.35 million in the Capital Plan over 2025/26 and 2026/27 for a replacement asset management system and management has advised that the council is currently in the process of sourcing software.</p> <p>Without information on the occupancy of buildings, there is a risk that opportunities for property rationalisation and maximising the use of buildings are missed.</p> | <p>The council should ensure that the new asset management database system can store and report information on the occupancy of buildings to help inform the council's decisions on property rationalisation and use this information in future property plans.</p> | <p>The Council is working towards delivery of a new asset management system.</p> <p>Responsible Officer: Property Manager (City Development)</p> <p>1 April 2027</p> |

| Issue/risk | Recommendation | Agreed management action/timing |
|--|---|--|
| <p>2. Asset Management Performance Information</p> <p>The council reports some asset management performance information through Council Plan and Service Plan updates, but the council does not routinely report on progress towards the overarching Corporate Asset Management Plan.</p> <p>There is a risk that insufficient oversight of progress towards achieving the priorities in the Corporate Asset Management Plan could mean that it is more difficult for the council to make effective decisions and direct resources as needed.</p> | <p>The council should review and agree its set of KPIs for monitoring the implementation of the Corporate Asset Management Plan across all asset categories and reporting on this regularly to increase transparency about progress and assist council officers and elected members' oversight.</p> | <p>A review of the KPIs and reporting arrangements will be undertaken to improve information available to the CGG and elected members.</p> <p>Responsible Officer: Executive Directors of City Development and Corporate Services</p> <p>31 March 2027</p> |

| Issue/risk | Recommendation | Agreed management action/timing |
|--|---|--|
| <p>3. Community Asset Transfers</p> <p>Per Scottish Government guidance, public authorities should assess requests transparently against a specified list of criteria and publish decision notices online.</p> <p>The council has assessment criteria in place for assessing community asset transfer requests. However, the council is not transparent enough about how requests have been assessed or the outcome. The council does not publish the completed assessments or decision notices on its website.</p> <p>There is a risk of poorer decision-making, and a lack of accountability around community asset transfer requests. The council also risks breaching its legal duties relating to publishing decision notices.</p> | <p>The council should ensure community asset transfer request assessments are transparent and publish decision notices for all community asset transfer requests.</p> | <p>By 1 October 2026 Dundee City Council will prepare updated guidance for community groups and officers as to how Community Asset Transfers will be dealt with. All Decision Notices under the Act will be published in perpetuity on Dundee City Council's website.</p> <p>Further, also by 1 October 2026, a new section will be added to the Community Asset Transfer webpage for applications made under Dundee City Council's Voluntary Scheme which will contain information about applications made under the voluntary scheme, including notes of decisions, those notes of decisions being published in perpetuity.</p> <p>Responsible Officer: Service Manager - Communities (Neighbourhood Services)</p> <p>1 October 2026</p> |

Dundee City Council

How well councils are managing assets to achieve their corporate objectives and respond to challenges around financial sustainability and climate change



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