REPORT TO: SCRUTINY COMMITTEE - 25 JUNE 2025

REPORT ON: AUDIT SCOTLAND - BEST VALUE THEMATIC REVIEW 2024/25

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 202-2025

1   PURPOSE OF REPORT

1.1   To present to Committee Audit Scotland's report on the outcome of their Best Value Thematic Review for 2024/25 on Transformation.

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 Chief Executive's Service Plan.

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 3 of the new approach to Best Value with the Accounts Commission directing auditors to report on Transformation: How councils are redesigning services to deliver services more efficiently. The work undertaken focussed on 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?

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

*   The council is in the sixth phase of its transformation programme. Its plans for transformation are incorporated under the Design a Modern Council priority within its Council Plan.

*   The council reports that it has delivered savings of nearly £70 million since 2010 that are linked to transformation. However, it is not clear how much its current transformation projects will contribute to bridging its projected budget funding gap of nearly £33 million over the next three years.

*   The council has not published information in the public domain about the transformation projects it is currently taking forward.

- The council has robust officer-led governance arrangements in place to monitor transformational activity through its Transformation Board. The council has effective arrangements in place for reporting progress on transformational activities to its Extended Leadership Team, but there is scope to improve the information it provides to elected members and the public.

- The transformation programme is well resourced and there are planned improvements in the development of new transformation projects with clear criteria being set and new monitoring arrangements for them.

- The council has provided good examples of partnership working aimed at improving outcomes and generating savings. The council recognises that there is scope to explore further opportunities for transformational change with partners alongside potential joint funding arrangements.

- The council has consulted with its communities and conducted formal assessments of the impact of planned service changes, where appropriate, for projects within its Transformation Programme. There is evidence changes have been made as a result of this work.

- The impact of the council's current (sixth phase) transformation work is not yet clear as a new approach to defining and measuring benefits is still being implemented. In response to an internal audit report, the council has developed benefits trackers for each transformation project, including estimates of savings, that will enhance reporting in future.

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 Chief Executive's Service Plan 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.

GREGORY COLGAN
CHIEF EXECUTIVE   **9 JUNE 2025**

ANDREA CALDER
HEAD OF CHIEF EXECUTIVE SERVICES

Dundee City Council

Best Value thematic management report 2024/25

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

AUDIT SCOTLAND

Contents

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Key messages

1   The council is in the sixth phase of its transformation programme. Its plans for transformation are incorporated under the Design a Modern Council priority within its Council Plan.

2   The council reports that it has delivered savings of nearly £70 million since 2010 that are linked to transformation. However, it is not clear how much its current transformation projects will contribute to bridging its projected budget funding gap of nearly £33 million over the next three years.

3   The council has not published information in the public domain about the transformation projects it is currently taking forward.

4   The council has robust officer-led governance arrangements in place to monitor transformational activity through its Transformation Board. The council has effective arrangements in place for reporting progress on transformational activities to its Extended Leadership Team, but there is scope to improve the information it provides to elected members and the public.

5   The transformation programme is well resourced and there are planned improvements in the development of new transformation projects with clear criteria being set and new monitoring arrangements for them.

6   The council has provided good examples of partnership working aimed at improving outcomes and generating savings. The council recognises that there is scope to explore further opportunities for transformational change with partners alongside potential joint funding arrangements.

7   The council has consulted with its communities and conducted formal assessments of the impact of planned service changes, where appropriate, for projects within its Transformation Programme. There is evidence changes have been made as a result of this work.

8   The impact of the council's current (sixth phase) transformation work is not yet clear as a new approach to defining and measuring benefits is still being implemented. In response to an internal audit report, the council has

developed benefits trackers for each transformation project, including estimates of savings, that will enhance reporting in future.

Introduction

1. Transformation is about radically changing how councils operate and deliver services to achieve planned outcomes in a financially sustainable way (Transformation in councils, Accounts Commission, October 2024). The 2023 Local Government Overview (LGO) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms.

2. The Accounts Commission's Transformation in councils report recognises that, while work has been ongoing in relation to local government transformation for decades, a step change is required and the pace and scale of transformation must increase significantly. Transformation, through greater collaboration with partners, will be key for councils to deliver more sustainable service models in challenging financial climates.

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

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

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

- To what extent does the council have clear plans for transformation that link to its priorities and support long-term financial sustainability?

- To what extent do the council's programme management arrangements facilitate effective oversight of its transformation plans?

- To what extent are partners and communities involved in the development and delivery of the council's plans for transformation?

- To what extent has the council considered the impact of its transformation activity, including on vulnerable or protected groups?

6. 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.

7. 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 and we have considered the Accounts Commission's transformation principles set out in Transformation in councils.

Principle	
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.

Transformation planning

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

9. In January 2025, the Accounts Commission advised in its Local government in Scotland Financial bulletin 2023/24 that councils need to intensify transformation activity, progressing at scale and pace to ensure their financial sustainability and how councils plan to use their reserves, make savings and transform their services needs to become more transparent.

Findings	Evidence
The council's transformation programme has been ongoing since 2010 and transformation is now embedded in its Council Plan.	• The council's transformation programme has been ongoing since 2010 and is currently in its sixth phase which commenced in 2022. The council estimates that it has delivered savings of around £69.8 million since 2010 which are linked to transformation projects. • The council has embedded transformation in its Council Plan under the priority to Design a Modern Council. • The current phase of transformation consists of five workstreams: Property Rationalisation; Digital; Income Generation; People; and Third-Party Payments review. Each of these workstreams contain multiple projects which are set out on the council's internal Pentana site. • As Design a Modern Council is a key priority in the Council Plan this also feeds into other council plans including the workforce strategy, digital strategy and service plans. There are limited references to transformation in the council's financial strategies.
Details of the transformation workstreams are available to staff but there is a lack of information in the public domain.	• The key areas of focus under the Design a Modern Council priority are publicised on the website and each area has a high-level description of what the council aims to achieve. • The council has recently developed a transformation SharePoint site which enables all members of staff to access more information about the ongoing work. The site

Findings	Evidence
	sets out the overall transformation vision and a high-level overview of each area of the transformation programme (e.g. property rationalisation). Project-specific information is restricted to staff on the project teams due to confidential and/or sensitive information.
	• Staff are encouraged to suggest ideas for transformation projects through various mechanisms. The Chief Executive asked for ideas via a vlog in December 2024 and ideas were also requested at a staff event in 2024. Members of staff can do this by completing an online form on the council's transformation SharePoint site. Suggestions can also be made either through the service the individual works in or made directly to the Chief Executive. When ideas are brought forward the Transformation Programme Manager will discuss these with services to establish if they are transformation projects or if these improvements could be made within the service. The Transformation Board is kept updated on ideas which have been brought forward so they can consider these.
	• The previous phase of transformation, Changing for the Future, clearly set out the key transformation projects which were being taken forward as part of the programme in the public domain.
The council has estimated a budget funding gap of nearly £33 million over the next three years. The extent to which planned savings from transformation will contribute to addressing this is not clear.	• The council's revenue budget and council tax 2025/26 paper from February 2025 notes the council's projected budget funding gap of £9.5 million in 2025/26, of nearly £33 million in the three years to 2027/28 and of over £80 million over the next ten years.
	• In the Controller of Audit report issued in November 2023 it was noted that officers are currently working up realistic estimates of the savings that can be achieved on the various projects within the transformation programme, which will feed into future budgets and longer-term financial plans.
	• The council's internal audit report published in June 2024 notes that 'Projects do not explain in their initiation documentation how the benefits that form the basis of their business case have been estimated or can be subsequently measured to confirm that the project has achieved its objectives'.
	• As at February 2025 the audit team were advised by the council that individual projects in phase six did not have specific benefits attached to them and that it was working on benefits trackers for each project. Following an example benefits tracker being presented to the March 2025

Findings	Evidence
	Transformation Board, trackers have since been implemented for all live projects.
	• The council operates a change fund to help services make a large-scale, long-term, positive change and deliver benefits at a faster pace. The Change Fund is regularly reported to the Transformation Board and the balance reviewed on an ongoing basis to ensure that sufficient funds are available. There are no plans to increase the existing fund for 2025/26. The starting balance is projected to be £1.578 million.
	• The budget for 2025/26 does not clearly identify the transformational savings which are to be realised in year.
The council's transformation projects have to comply with a set of criteria to be included in the programme.	• As part of the review undertaken at the start of phase six of the transformation programme, clear definitions were set to differentiate performance improvement, business change and transformational change. These are set out in Exhibit 1. Phase six planned to focus on projects which come under the transformational change banner.
	• A list of considerations for the Transformation Board to use when looking at project proposals was also developed (Exhibit 1). It is too early to comment on the effectiveness of this yet as all the projects included in the current programme had already been decided upon or rolled forward from the previous phase before this was introduced.
	• Criteria have also been set to assess Change Fund bids against. This has resulted in two recent bids for the Change Fund being rejected as they did not demonstrate that the funding would be used for work that falls under the council's definition of transformation.

Exhibit 1
Definitions of different levels of change and improvement set by Dundee City Council

At the start of the current transformation phase, the council wanted to clearly differentiate between different levels of change and improvement across the council so it developed distinct definitions for performance improvements, business change and transformational change alongside how each type of project should be managed:

- **Performance improvement projects** are deemed as business-as-usual activities. Performance improvements are to be led and managed by services, delivering on incremental change and efficiencies, as part of the business-as-usual operation of the services in question.
- **Business change projects** are service-specific savings projects. Business change is also to be led and managed by services. However, services are encouraged to ask the Programme Management Office (PMO) for advice on the appropriate methodology to follow and to ensure alignment to corporate level change initiatives.
- **Transformational change** is defined as large-scale projects involving corporate/cross-service change and intended to deliver significant benefits. Transformational change is to be led by a designated project manager with appropriately assigned resources to support the project as agreed by the Transformation Board. The PMO will offer an enhanced level of support, governance and analysis to support transformational change projects.

Criteria were set for the Transformation Board to consider when prioritising current and new project proposals:

- corporate or council wide
- the project will improve or deliver on City and Council Plan priorities,
- significant savings potential (minimum level >£0.2 million), spend to save initiatives
- enablers for transformation in the other themes, and
- matches the council's risk appetite for transformation.

Source: Dundee City Council

Recommendation 1

The council should ensure that its plans for transformation are sufficiently ambitious to respond to the scale of the financial challenges it faces. It should clearly set out the extent to which savings from transformation will help address its projected budget funding gap.

Recommendation 2

To provide assurance on how it is changing to sustain services in the future, the council should report in more detail to elected members and the public on its plans to transform and how it is progressing with its full transformation programme.

Programme management

10. It is essential that the council has good programme management arrangements in place to ensure it is making sufficient progress against its transformation plans. It is important that the council has the structures and the staffing resource in place to deliver its transformation ambitions. In addition, the council must ensure that both senior officers and elected members have appropriate oversight of progress.

Findings	Evidence
Robust officer-led governance arrangements are in place to facilitate effective oversight of transformational activity.	• The council's governance arrangements were amended following a self-assessment of the transformation programme prior to phase six commencing which identified governance arrangements as an area requiring improvement. This resulted in the creation of a Transformation Board which met for the first time in October 2021. • The Transformation Board consists of all members of the Extended Leadership Team of the council and is chaired by the Chief Executive. This structure enables strong ownership and leadership of transformation at a senior level. • The Transformation Board meets on a monthly basis. An update on the overall transformation programme is prepared in advance of these meetings to inform decision-making. • The Transformation Board is responsible for providing oversight, support and challenge to officers leading projects within the Transformation Programme; monitoring and managing progress, impact and benefits realisation and resolving issues that may compromise delivery of the objectives and agreed benefits; and considering bids and allocating funding where appropriate from the Change Fund.
The council's Programme Management Office is adequately resourced to provide oversight of all transformation activity.	• The council has a permanently resourced Programme Management Office (PMO) which comprises two permanent staff and one temporary member of staff. The PMO function is part of the Chief Executive Services section of the council. The team consists of a Transformation Programme Manager and two Transformation Programme Officers. In most cases service

Findings	Evidence
	staff lead the transformation projects taking place in their area with support from the central PMO function. However, PMO staff can help progress projects where required.
	• The PMO is responsible for programme management to enable the Transformation Board to prioritise, plan and guide the transformation programme. It uses Pentana to develop and maintain a dashboard for reporting of progress to the Transformation Board.
	• The Change Fund is available to help finance additional resource when needed. The temporary PMO officer is currently funded by this. Change Fund bids which have been approved recently include external consultant costs to help with the Leisure and Culture Dundee Review and costs of a temporary surveyor to help with the Property Rationalisation project.
	• The council is planning to develop more secondment opportunities to support transformation projects in order to help resource transformation.
	• During the interviews conducted with the council we were advised that it is looking for opportunities for more people to get involved in transformation and is committed to further developing the training it offers them. This includes training on service redesign and project management. Project management training has been designed around process improvement, facilitation skills and stakeholder identification and mapping.
The council has effective scrutiny arrangements in place for reporting its progress on transformation to its Extended Leadership Team. However, reporting to elected members on how successfully the transformation programme as a whole is being delivered could be improved.	• The Transformation Board comprises senior officers. It receives updates on the overall status of the transformation projects through dashboard summaries. The updates are prepared by the project sponsor and are passed to the PMO to be summarised overall for discussion at the Transformation Board. The dashboard summaries provide information on project status and milestones that have been met as well as a general PMO update on the work it is currently undertaking. The Transformation Board also receives regular updates on the use of the change fund for monitoring purposes.
	• The Transformation Board has recently approved a project life cycle process which details the various approval stages required by the Board. Templates are in place for each stage to ensure there is consistency in the information held for each project going forward and the council has created worked examples of each of these to guide project teams. The use of the templates is to be phased as ongoing projects are not required to retrospectively fill these in.

Findings	Evidence
	• Pentana is used internally to track project progress. The Pentana system enables project staff to mark actions relating to projects as complete, add a description of the purpose of the project and key dates. A progress bar is used to show project completion.
	• At the end of 2024, delivery boards were set up for each of the workstreams that will feed directly into the Transformation Board. Remits have been created for each of these boards.
	• The Transformation SharePoint site and Pentana page are only available to staff and not to elected members or the public.
	• The council reports progress on its transformation programme to elected members through six monthly Council Plan updates. The most recent update makes a brief reference to transformation in the Design a Modern Council section. This is not sufficiently detailed to allow elected members to make judgements on how successfully the transformation programme is being delivered.
	• For high profile projects such as the ongoing work with Leisure and Culture Dundee, the Property Rationalisation project and projects within Children and Families, elected members are given more frequent and detailed updates.

Partnership working and community engagement

11. The [Best Value in Scotland](#) report noted that councils must now rethink how they work together, and with local partners and communities, to provide financially sustainable services. Few councils provide services jointly or share support services across different councils to a great extent. The scale and nature of the challenge, as set out in the [Transformation in councils](#) report, means that it is only by working more collaboratively that councils and their local partners, communities and the third sector will be able to provide sustainable local services.

Findings	Evidence
The examples the council provided of transformation demonstrated good partnership working aimed at improving outcomes and generating savings. The council does not have any joint funding arrangements in place with partners for its current transformation projects. It recognises that there is scope to explore further opportunities for more transformational change with partners.	• The current phase of transformation is mainly council led and all ongoing transformation projects are being funded solely by the council. The council believes that the level of partnership working across Dundee is effective and it is continuing to explore further opportunities. • The council is working with Leisure and Culture Dundee and an external consultant to conduct a review of the services provided due to rising costs. • The council involved a number of partners in its Building Family Support and Internal Foster Care Capacity project. This included working with schools, Police Scotland, NHS Tayside, the third sector and the Scottish Children's Reporters Association and Children's Hearings Scotland. The aim of the project was to build local care capacity and support children and young people locally. This links to the corporate priority to reduce child poverty and inequalities in income, education and health. • The council also worked successfully with Perth and Kinross Council and Angus Council to deliver the Granicus transformation project. This has led to users being able to use the council's website for self-service for areas such as bin collections and council tax. As part of this project a joint procurement exercise was undertaken by the three councils. • The *What Matters to You* work is funded by The Hunter Foundation and BBC Children in Need. *What Matters to You* will have invested over £1 million in its partnership

Findings	Evidence
	with Dundee City Council by the time the work is concluded in 2026.
The council has consulted with its communities and vulnerable groups and conducted formal assessments of the impact of planned service changes, where appropriate, for projects within its transformation programme. There is evidence changes have been made as a result of this work.	• The council provided good examples of it consulting with its communities and assessing the potential impact of its transformation projects on vulnerable and other groups. Examples included related to its community hub project in Kirkton (Exhibit 2), the development of the Drumgeith Community Campus (Exhibit 2) and proposed changes to services provided by Leisure and Culture Dundee.
	• Other examples include the *What Matters to You* project that involves asking communities what they need to support system change in Dundee and the Building Family Support project. Young people were consulted on the design of improved approaches towards adolescents at risk of harm to or from others, leading to the planned development of a co-located multi-agency hub and local communities are being consulted on how services can adapt support to meet their needs and how families can develop their own capacity to mutually provide sustainable support.
	• The council uses its Integrated Impact Assessment (IIA) process to assess planned changes in how services are delivered in relation to equality and diversity, fairness and poverty, environment and corporate risk prior to submission to Committee. Since August 2022, the council has required completed IIAs to be appended to the relevant committee report.
	• Reflecting on initial consultation, the council produced an IIA when rolling out its community hubs model in Kirkton. This model uses schools as community assets, integrating services for children, their families and the local community. It led to the relocation of services within the community of Kirkton to community hubs in two High Schools and the closure of Kirkton Community Centre and Library. The IIA identified the need for improvements in community accessibility to the facilities and that further engagement with existing service users was required to identify and mitigate any impacts as services and activities transition from one location to another.
	• In addition the IIA for the Kirkton Hub model identified learning to inform the development of future Hub models across Dundee noting that there is a need for further details on the operation of the community hub model to explain things such as access to the schools, parking

Findings	Evidence
	arrangements, opening times and safety for both visitors and children during the school day and a clear understanding of the available services and activities. • The 2025/26 budget consultation was significantly expanded to include a range of specific potential savings options put forward by officers. The purposes of this were to gauge the general level of public support for each of the options and to identify any particular impacts relating to protected characteristics. Over 3,500 citizens and organisations took part in the consultation. The council is planning to undertake a review of the consultation process to establish the usefulness of the expanded consultation. Themes explored within the consultation include elements of property rationalisation, digital transformation and other areas related to transformation activity.

Exhibit 2
Property rationalisation - engaging with the community

Due to the pandemic, improved technology to support mobile and hybrid working and an increase in self-service options, the council is aiming to reduce its operational property portfolio to align with its current and projected future need and is looking at opportunities for community asset transfers where this is appropriate.

Recently, in relation to property rationalisation, the council has carried out public consultation exercises for the closure of St Pius RC Primary School and Nursery, the development of the Drumgeith Community Campus project and the exploration of options for Leisure and Culture services.

One example of where community engagement within the property rationalisation project has impacted the outcome relates to Kirkton Community Centre. Following discussions with the community, including those representing local people with disabilities, a partnership between a local charity - Kirkton Community Centre SCIO - and the council has been agreed to develop proposals for a purpose-built facility. Following the demolition of the current ageing Kirkton Community Centre, the charity intends to build and run a new centre on the same site. The community centre will be run and owned by the community of Kirkton for the community of Kirkton. Funds raised through the community centre and other initiatives will go back into community projects.

A consultation was completed on the proposal to re-locate services from existing buildings in Whitfield, Linlathen and Douglas to the new Drumgeith Community Campus including options for the existing buildings, if deemed surplus to requirements. There was also consultation undertaken when designing the new Drumgeith Campus building to ensure it was fit for purpose.

The council expects to deliver over £1 million of savings from the property rationalisation project from a combination of one-off capital receipts, recurring rental income and reduced property overheads.

Source: Dundee City Council

Impact of transformation

12. It is important that the council has success measures in place to demonstrate the impact of its transformational activity on service quality; outcomes for people who use services, inequalities and/or savings.

Findings	Evidence
The council has advised that it has made nearly £70 million savings since 2010 as a direct result of transformation activity.	• The council has advised the audit team that it has delivered savings of around £178 million since 2010, with a significant proportion of these savings, £69.8 million, being achieved via the first five phases of its change programme, 'Changing for the Future'. • The council has not applied a consistent methodology and approach to reporting previous transformation phases. Therefore, what has been achieved overall as a result of the change programme is unclear.
The impact of the council's current transformation work is not yet reported as a new approach to defining and measuring benefits is still being implemented. In response to an internal audit report, the council has developed benefits trackers for each transformation project, including estimates of savings, that will enhance reporting in future.	• Transformation work within the council was the subject of an internal audit report, approved by the Scrutiny Committee in June 2024. At that time it was found that there was not yet a robust approach to defining and measuring the realisation of project benefits, meaning it would be difficult to assess the success of the programme in terms of whether it had achieved its intended outcomes. • The council has been developing benefits trackers to address this recommendation. For each project, information captured includes links to strategic priorities, value, methodology, benefits realisation target date, RAG status and details of actual achievement. These were originally intended to be completed by October 2024. An example tracker was presented to the March 2025 Transformation Board when members were asked for feedback before full implementation. As of June 2025, the template has been rolled out across all live transformation projects.
Together, the three examples of successful transformation projects provided by the council set out a range of financial and non-financial benefits or expected benefits and outcomes.	• The council was asked to provide Audit Scotland with two examples of successful transformation projects. The council decided to provide three examples to illustrate the full range of transformation projects underway. These were Building Family Support and Internal Foster Care Capacity, Granicus (digital project creating self-service solutions for service users) and Property Rationalisation.

Findings	Evidence
	• For each of the examples, the council was asked to provide what success measures were in place to measure the impact of the project, realised or projected cost benefits from the project, realised or projected service quality benefits and to list what impact the project has had, or is it expected to have, on outcomes for people who use services.
	• These ranged from the council realising unspecified cost savings as citizens chose digital channels instead of more expensive channels offered through face to face and the telephone from the digital project to projected capital receipts and recurring rental income or reduced property overheads from the property rationalisation of over £1 million to reduced costs related to looked after children stemming from the Building Family Support project (Exhibit 3).
	• The Granicus project has processed 1.076 million payment transactions which has collected £141.256 million. The volume of citizens seeking face to face or telephone contact has decreased, resulting in faster service times and fewer queues for those remaining on traditional channels.

Exhibit 3
Examples of impact from the Building Family Support and Increased Foster Care Capacity project

The aim of this project is to build local care capacity and support children and young people locally by enhancing support, providing stability and mitigating risks, whilst also reducing costs. This links to the council's corporate priority to reduce child poverty and inequalities in income, education and health. The impact of the project on vulnerable children, young people and parents/carers has been the key focus. Research shows the adverse inter-generational impact of poverty, family breakdown, detachment from local communities and disrupted care arrangements on child development and adult lives.

Data shows that key outcomes relating to school attendance, exclusions, attainment and positive destinations have all improved. There has been increased attendance, lower exclusion rates and higher levels of attainment for care-experienced children as well as a higher percentage of placements in Dundee City postcodes. The service reduced the cost of Looked After Children by 11.5 per cent between 2022/23 and 2023/24 from £29.6m to £26.2m.

Source: Dundee City Council

Recommendation 3

The council should continue to roll out its new approach to benefits tracking and monitoring, ensuring that benefits trackers are compiled at the start of new transformation projects. This will help inform officers and members, from an early stage, of the extent to which transformation projects are delivering their intended benefits.

Appendix – Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
1. Transformation ambition The council has significant budget savings to make over the next three years and beyond. While we recognise that transformation alone will not offer the full solution to bridging the projected budget gaps, the level of financial efficiencies from the council's current phase of transformation should be commensurate with the scale of the financial challenges. The council may not be able to deliver sustainable services if the required savings are not achieved.	The council should ensure that its plans for transformation are sufficiently ambitious to respond to the scale of the financial challenges it faces. It should clearly set out the extent to which savings from transformation will help address its projected budget funding gap. Transformation planning	Reporting of financial savings linked to the transformation programme is being reviewed to more clearly show how the programme supports the budget setting. Executive Director of Corporate Services & Head of Chief Executive's Services December 2025
2. Transparency around transformation plans and progress reporting The council has embedded transformation in its Council Plan. The programme has five main workstreams and information on the main aims of these is publicised on the website but there is no information in the public domain regarding the individual projects included in the programme. Reporting to elected members is mainly project specific and lacks an overarching view of transformational activity. There is a risk that elected members do not have appropriate	To provide assurance on how it is changing to sustain services in the future, the council should report in more detail to elected members and the public on its plans to transform and how it is progressing with its full transformation programme. Transformation planning	The reporting of the Transformation Programme within the Council Plan will be enhanced to provide more detail for elected members and the public. This will include publicly available information on the website Head of Chief Executive's Services December 2025

Issue/risk	Recommendation	Agreed management action/timing
oversight of the overall transformation programme.		
3. Benefits tracking The council has developed benefits trackers for its transformation projects following a recommendation in a report by internal audit published in June 2024. As these have been developed recently they are yet to be embedded in the council's reporting. There is a risk that the council is unaware whether its transformation projects are delivering the intended benefits in the intended timeframe.	The council should continue to roll out its new approach to benefits tracking and monitoring, ensuring that benefits trackers are compiled at the start of new transformation projects. This will help inform officers and members, from an early stage, of the extent to which transformation projects are delivering their intended benefits. Impact of transformation	Benefit trackers have been developed for all live projects and this process will be followed for any new projects going forward. Monitoring arrangements will be put in place and reviewed. Head of Chief Executive's Services March 2026

Dundee City Council

Best Value thematic management report 2024/25

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

AUDIT SCOTLAND

AS.5.0