

Best Value in Dundee City Council

ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
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Controller of Audit Report

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973.
2. This report draws the Commission's attention to the findings set out in the [2022/23 Annual Audit Report \(AAR\) \(Appendix 1\)](#), including the [Best Value thematic report](#), on how effectively Dundee City Council demonstrates Best Value ([Appendix 2](#)) through continuous improvement in how it delivers its strategic priorities. It reflects the new audit approach to Best Value whereby it is fully integrated with the annual audit at each Council and includes detailed work each year focusing on a national theme.
3. The Best Value Assurance Report (BVAR) September 2020 noted that the council had demonstrated a steady pace of improvement since the last Best Value audit in 2010. Since then the council has continued to make progress and has implemented all of the BVAR recommendations.
4. The Chief Executive and leadership team have worked together with elected members to provide effective leadership for the Council over the last 3 years. The overall vision of the Council remains clear. The Council Plan has been revised, in consultation with citizens, community planning partners and staff, and sets out the Council's priorities. Strategic service plans are being updated. The Council had a good communication strategy to raise awareness of the new Plan and clearly set out how the Council Plan links to other key strategies and plans.
5. The Council has an established performance framework which aligns with the Council Plan and its priorities. The Council's first Annual Performance Report on the new plan was issued in June 2023 and presented a fair and balanced assessment of performance. Performance is reported internally, and a clear and accessible summary is available on the Council website. The Council has demonstrated good compliance with the [Statutory Performance Information Direction](#), with clear and focused improvement targets on council priorities, and balanced reporting with easily accessible reports on its website.
6. The council uses the Public Service Improvement Framework on a risk-based approach to drive improvement in specific performance areas. Over the last two years the Council's focus has been on revising its plans and it recognises that self-evaluation exercises have been limited during this time. The Council is reviewing its Performance Management Framework, which it has committed to do by Spring 2024, and will set out its updated approach to self-assessment and improvement.
7. In June 2023, the council reported mixed progress against its first year of the new Council Plan. Performance compared to other councils has improved overall with 41 per cent of indicators in the top two quartiles in 2021/22, but, despite relative improvements, educational attainment measures have remained in the bottom quartile.

8. Community empowerment is strongly reflected within the Council Plan. While the Council has historically progressed community asset transfers, no community asset transfers were completed during 2021/22 or 2022/23. The Council has though supported community groups and charities to take on responsibility for operating council owned assets for the benefit of local residents. **The Council should consider what more can be done to encourage and support increased community ownership.**

9. The Council has a strong focus on community engagement and is working with community groups to support residents struggling with rising living costs and has some good examples of this work. **The council is not yet achieving its participatory budgeting one per cent target and should identify further areas where participatory budgeting can be used effectively.**

10. The new Council Plan and the Community Partnership Plan (City Plan) were both revised in 2022 and share a common vision for the city of Dundee. The Council and its partners know that they need to do more to tackle the high levels of child poverty across the city. Inequality is a clear focus of the City Plan. Local Fairness Initiatives exist to address persistent and enduring issues with inequality, and the Council is working with the DWP and Scottish Government on a child poverty pathfinder project. Dundee is making good progress, with further activity planned to the end of 2024/25. The Dundee Partnership continues to work to address drug deaths. Recent data demonstrates some improvement in this area.

11. The Council has several plans and strategies that are focused on tackling climate change and reaching net zero by 2045. The Council and partners have formed a Climate Leadership Group to coordinate and collaborate on the City's Climate Action Plan. The Council is due to publish a Net Zero Transition plan in 2023 which will outline the Council's organisational approach to emissions reduction. The Capital Plan includes £96 million of projects to help tackle climate change and reach Net Zero.

12. Future financial plans show a cumulative funding gap of £38 million for the period 2024-27. **The Council's long term financial strategy needs to be updated to show how resources will be targeted towards priority areas over the next 10 years.**

13. The Council has reported savings of over £147 million through its transformational programme since 2008. The Council is embarking on the sixth phase of its transformational programme, which is now integrated within the Council Plan as part of the 'Design A Modern Council' priority. This focuses on property rationalisation, digital service provision, service re-design, shared services and payments and income generation. 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 in to future budgets and longer-term financial plans.

14. The Council's capital programme is aligned with the priorities in the Council Plan. However, the Council has reported slippage of 46 per cent against its 2022/23 capital plan. The Council also reported high levels of slippage against its capital programme in 2020/21 and 2021/22. While some of this was Covid

related, some represents over optimism in the capital plan, and the overall level of year-on-year slippage in the capital programme needs to be managed.

Management should continue to monitor the affordability and deliverability of the 5-year capital plan and clearly report to members on emerging overspends, or slippage against key milestones and completion dates.

15. The Council has appropriate and effective governance arrangements in place and operates in an open and transparent manner. The Council has approved a new committee structure to better reflect priorities.

16. Services were often slow to respond to draft internal audit reports during 2022/23. This led to delays in actions to address recommendations for improvement being agreed, and the reports being issued for consideration by elected members. **Management should ensure that draft internal reports are cleared and reported in a timely manner so that recommendations for improvement can also be actioned within an appropriate timescale.**

17. A Strategic Workforce Plan 2023-2028, which sets out the workforce transformation and planning required at a corporate level, was approved in July 2023. A Strategic Asset Management Plan and Digital Strategy are also in place.

18. I look forward to seeing the progress the council makes in taking forward the recommendations from the Best Value thematic report and the recommendations from the annual audit, outlined in Appendix 1 of the AAR, in due course.

Appendix 1: 2022/23 Annual Audit Report

2022/23 Annual Audit Report

This report summarises the findings from the 2022/23 annual audit of Dundee City Council.

This Annual Audit Report comprises:

- significant matters arising from the audit of the council's Annual Accounts.
- conclusions on the council's performance in meeting its Best Value duties.
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - Financial management
 - Financial sustainability
 - Vision, leadership and governance
 - Use of resources to improve outcomes.

Appendix 2: Best Value

[The Local Government in Scotland Act 2003](#) introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Best Value in Dundee City Council

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