

Dumfries and Galloway Council

Best Value thematic management report

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



 **AUDIT SCOTLAND**

Prepared by Audit Scotland
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Key messages

- 1** Transformation is about radically changing how councils operate and deliver services to achieve planned outcomes in a financially sustainable way. In 2024 we reported that the council's leadership demonstrate a collective commitment to continuous improvement. As part of this since 2022, the council has embedded transformation and change within its Council Plan and service plans, to ensure focus on its objectives.
- 2** The council has estimated a budget gap of £35 million over the next three years. The council plans to deliver cumulative savings of £13.134 million between 2025/26 and 2027/28, which includes £7 million of targeted future change and savings programme options to be delivered by 2027/28. These targeted future change and savings options will be developed and agreed by elected members as part of the agreed timetable for the production of the annual budget for 2026/27 and beyond. The council's approach when setting the budgets for 2025/26 to 2027/28 is similar to previous years, in that there is a planned limited use of reserves in each of the three years to allow the targeted future change and savings options to be developed and implemented with the intention of the council returning to financial balance by 2028/29.
- 3** The council's change activity is resourced from within services, with transformation being the responsibility of every employee. The council also has a small Change and Enabling Team in place to support the delivery of its change and improvement activities. It has invested in developing skills in the team in project management and delivering change.
- 4** The Council Management Team receives regular reports on the delivery of the Council Plan, which includes transformation activity. We found limited reporting of progress in relation to costs and estimated benefits. The Council Management Team and Senior Leadership Team receive updates on progress against the delivery of agreed savings as part of the change and savings programme via draft reports that are prepared for the Enabling and Customer Services Committee, as well as the relevant service committees.

- 5** The council has effective arrangements in place for reporting to elected members and there are opportunities for elected members to take part in discussions on transformational activity on a regular basis.
- 6** The council has demonstrated it is working with partners to deliver its transformation plans and there are examples of joint funding arrangements between the council and partners for transformation projects.
- 7** The council has engaged well with its communities, including vulnerable groups, to inform its planned changes to services and ensure unintended consequences are mitigated. We reviewed two full IIAs relating to the potential removal of services and found that these gave thorough consideration of potential impacts, including on vulnerable and protected groups, and outlined action to be taken.
- 8** The council has a range of reporting structures in place to monitor service performance and reports publicly on specific transformation projects to relevant Committees. It is implementing a gateway process for some projects to further improve progress reporting and better demonstrate their impact.

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).
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 councils' 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](#).

Exhibit 1

Transformation principles

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

Principle	
Vision	<p>Have a clear vision that sets out the intended end state of any transformation activity, focused on:</p> <ul style="list-style-type: none"> • delivering large-scale recurring savings or generating income for the council, contributing to its longer-term financial sustainability • improving outcomes for citizens in line with council priorities • taking a whole-system approach to see and realise opportunities both within councils and more widely • meeting the needs of the people who use services and reduce inequalities • focusing on preventative activity, where applicable, to reduce the demand for services and to make them sustainable in the longer term.
Planning	<ul style="list-style-type: none"> • Be clear on the scale of the change required and ensure transformation plans are sufficiently ambitious to credibly respond to the scale of the challenge. • Commit staff with appropriate skills, time, and resources to ensure transformation occurs at the scale and pace required and that there is enough capacity for the changes to be embedded. • Be clear about the timescales, costs, outcomes, and anticipated impacts of transformation projects. • Show urgency and progress projects at pace without compromising appropriate governance on projects.
Governance	<ul style="list-style-type: none"> • Have a clear process for monitoring, evaluating, and reporting progress. • Put in place effective governance and escalation processes so that the transformation activities are well managed in their own right, but also able to be given priority alongside other business-as-usual activities.
Collaboration	<ul style="list-style-type: none"> • Develop better working relationships with communities and/or partners to achieve a sustainable model of service delivery. • Actively consider the opportunities offered by regional or national sectoral collaboration, or by integrating services locally with partners, or by supporting individuals and communities to achieve desired outcomes in place of an existing service. • Learn from good practice across Scotland and beyond.
Innovation	<ul style="list-style-type: none"> • Implement new ways of thinking, including innovation, creativity and a desire, willingness, and action to change and do things in new and different ways that achieve the outcomes needed. • Embed the right culture and behaviours to manage change and help maximise the contribution of all the team.

Source: Accounts Commission

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 2025/26](#) briefing noted that councils' cumulative funding gap to 2027/28 is £997 million. Councils will need to identify and deliver recurring measures such as savings or increased income to be financially sustainable in the short term.

Findings and evidence relating to the council's transformation planning arrangements

Findings	Evidence
<p>Following the completion of the council's previous transformation programme which concluded in 2022, the council has embedded delivery of transformation activity within its Council Plan and service plans, giving services direct responsibility for delivering change.</p>	<ul style="list-style-type: none"> • In our 2023 Best Value report on leadership, we reported that the council's leadership demonstrate a collective commitment to continuous improvement but that it needs to sustain its pace of improvement. • In 2022, under the direction of the current Chief Executive, the council decided to move away from having a separate transformation programme. Transformation is now embedded within the Council Plan and service plans and all staff are expected to deliver transformation as part of their roles. • The Council Plan 2023-2028 sets out themes and strategic outcomes to be achieved. It also includes clear principles which support transformation. These include: <ul style="list-style-type: none"> – Address inequalities: assess the impact of change to ensure inclusivity, accessibility, celebrate diversity and secure social benefits of change – Offer digital services: embrace the opportunities and potential of digital technologies to improve outcomes and services for citizens and staff. – Invest to enable change – encourage and attract inward investment to deliver the ambitions of communities and local people. • The council produces a Council Plan Delivery Plan at the start of each financial year with actions to be taken forward throughout the year to support the delivery of its strategic outcomes. The 2024/25 Delivery Plan includes examples of transformational activity, such as:

Findings	Evidence
	<ul style="list-style-type: none"> – Developing a sustainable model for the school estate and creating an enabling team to progress the work (see Case study 2, page 20). – Developing solutions for community transport with partners and stakeholders and the region’s community transport providers, to ensure the operation of a quality, sustainable and consistent community transport network across the region for those who need it. – Implementing digital service redesign of systems and processes for roads maintenance; leisure and sports booking and membership; revenues and benefits; and internal recruitment, to deliver savings and efficiencies. • All service plans support the delivery of the Council Plan. In addition, all service plans include high-level change and improvement activities to be taken forward by services. Some of the actions have an internal focus on improving the council’s systems and processes. For example, implementing a corporate transition to Windows 11 and an asset management system for grounds and trees. Other activities relate to customer-facing services, for example implementing online services for revenues and benefits and a garden waste collection service. • The council has an annual change and savings programme as part of its budget proposals. This is aimed at delivering new service operating models within reduced resources to generate savings. • Through the change and savings programme, services are expected to identify and deliver change options based on the following approaches: <ul style="list-style-type: none"> – Focusing resources on the delivery of Council Plan outcomes. – Managing demand through early intervention and prevention. – Work with communities and other partners to deliver outcomes. – Secure efficiencies in the delivery of services. – Maximise income, underpinned with fairness through targeted concessions. • Change and savings projects include, but are not limited to, reducing the council’s property estate; digital service redesign; and Best Value procurement activity.
<p>The council has estimated a budget gap of £35 million between 2025/26 and 2027/28. It set cumulative</p>	<ul style="list-style-type: none"> • The council’s 2024/25 agreed budget included savings totalling £2.928 million to be delivered through the change and savings programme. The council’s 2024/25 Unaudited Accounts highlight that agreed savings measures of £1.953

Findings	Evidence
<p>savings targets for the change and savings programme over this period, but these fall short of its funding gap. It will therefore be important for the council to continue to explore opportunities for transformation to support bridging the remaining budget gap.</p>	<p>million were delivered during the year. The 2024/25 Accounts note that, while there were challenges associated with the identification and delivery of further targeted savings measures during the year this was addressed within the overall resources available to the Council in 2024/25, and on an ongoing basis as part of the 2025/26 agreed budget.</p> <ul style="list-style-type: none"> • The 2024/25 Revenue Budget Outturn Report presented to the Enabling and Customer Services Committee in June 2025 shows that, due to a shortfall in the savings achieved against target for 2024/25, a contribution of £0.458 million was required from the council's Change Fund which supports investment in the delivery of savings and efficiencies, in line with the agreed approach. • During 2024/25, £3.346 million was used from the council's Change Fund to support various activities as well as the savings shortfall. This included supporting spend to save energy efficiency (£1.919 million) and the Change and Enabling Team (£0.204 million). The Change Fund balance at 31 March 2025 was £5.996 million, with the level of agreed commitments going forward within this balance being £2.017 million. This leaves resources of £3.979 million available to support investment in change and savings in the upcoming period. • The 2024/25 Unaudited Accounts report net expenditure for the year of £455.796 million compared to the outturn budget of £454.423 million, reflecting a net overspend of £1.373 million. In line with the agreed integration scheme, this included the request for the council making a non-recurring payment of £1.819 million to support increased expenditure on services delegated to the Integrated Joint Board (IJB). This additional payment was funded through in-year corporate variances achieved by the council on other areas of the budget, with the council returning net resources of £81k to general fund balances at the end of the year. • The Budget and Council Tax 2025/26 report sets out that the projected funding gap for the period from 2025/26 to 2027/28 is £34.324 million. • In the 2025/26 budget, £2.837 million of savings options were approved for 2025/26, the largest of these being £1.018 million from reduced school rolls. • The council plans to deliver cumulative savings of £13.134 million between 2025/26 and 2027/28, which includes £7 million of targeted future change and savings programme options by 2027/28. These targeted future

Findings	Evidence
	<p>change and savings options will be developed and agreed by elected members as part of the agreed timetable for the production of the annual budget for 2026/27 and beyond. The council's approach when setting the budgets for 2025/26 to 2027/28 is similar to previous years, in that there is a planned limited use of reserves in each of the three years (£1.6 million in 2025/26, £0.666 million in 2026/27 and £1.695 million in 2027/28) to allow the targeted future change and savings options to be developed and implemented with the intention of the council returning to financial balance by 2028/29. These figures are indicative and may change as part of the 2026/27 budget development process. Therefore, the council needs to continue to explore other ways to reduce this gap. The council reports that a range of savings options were not taken forward by elected members as part of the 2025/26 budget and remain available to help address future budget gaps.</p> <ul style="list-style-type: none"> • The council agreed at its Full Council meeting in June 2025 to identify further options for savings, change and efficiency measures and consult with the public during Autumn 2025 on these options to help inform the 2026/27 budget and beyond.
<p>Business cases produced prior to projects starting clearly set out the goals of the project, timescales and consultation to be undertaken.</p>	<ul style="list-style-type: none"> • We reviewed the business cases for garden waste services development and the Dumfries and Galloway Levelling Up Fund transport bid and found that both used a consistent template. This included an executive summary describing the project, a strategic case section to set out linkages with corporate plans/strategies, a financial case setting out costs and financial benefits when known and details of stakeholders involved with the project. The business cases also detail the staff responsible for the projects. • The council has advised that it is revising its approach to business cases and intends to introduce a section within the business case to capture the staffing resources required to complete the project.

Programme management

9. 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 and evidence relating to the council's programme management arrangements

Findings	Evidence
<p>Transformation is delivered at a service level and there are appropriate staffing resources in place across the council.</p>	<ul style="list-style-type: none"> • During the Covid-19 pandemic, the council approved a decision to disband the centralised programme management office as it was deemed more important to have capacity at the service level where transformation is being delivered. The main staffing resource for change projects is provided by services. • As part of the 2023/24 budget, the council approved the establishment of a small Change and Enabling Team, supported by £0.9 million funding for a period of three years. The team was created to support change project development and to provide capacity to support services with delivery. The council has used less of the funding for the team than planned due to recruitment challenges, therefore the funding is due to continue beyond the three-year period. • The council recognised that there may be key areas of specialist resource required to support change. Therefore, the Change and Enabling Team includes officers with expertise in business analysis and finance. The team provides support to services around budget options, service reviews and developing business cases for projects. The council is currently in the process of recruiting HR officers to work alongside the Change and Enabling Team. • Interviews highlighted that the council has invested in skills and capacity for transformation and it has been important to the council to grow its own skills in project management and delivering change. As transformation is embedded

Findings	Evidence
	<p>within roles across the organisation, the organisational development programme includes transformation.</p> <ul style="list-style-type: none"> Interviewees also reported that the 'one council' approach to working is beneficial as it means skills can be used from across the council if appropriate. Budget savings proposals include a section on workforce and staff changes required to deliver the savings and the impact the project will have on resources.
<p>The Council Management Team receives regular reports on the delivery of the Council Plan, which includes transformation activity. We found limited reporting of progress in relation to costs and estimated benefits for these projects.</p>	<ul style="list-style-type: none"> The Senior Leadership Team (SLT) comprises Executive Directors, Assistant Directors and the Chief Financial Officer. The council reports that it meets on a weekly basis and receives updates on key milestones and delivery of projects. The Council Management Team (CMT) comprises members of the SLT and heads of service. In response to performance recommendations in the 2023 Best Value thematic report on leadership, the CMT now oversees a quarterly review of progress against the annual Council Plan Delivery Plan.
<p>The Council Management Team and Senior Leadership Team receive updates on progress against the delivery of agreed savings as part of the change and savings programme via draft reports that are prepared for the Enabling and Customer Services Committee.</p>	<ul style="list-style-type: none"> The council uses Pentana to record information on progress with Council Plan delivery and to generate the quarterly monitoring reports for CMT. It reports that this is also used to report progress to the Leadership Panel and in meetings between the Chief Executive and Directors. We reviewed two Council Plan Delivery Plan reports and found that updates included information on start and due dates, a percentage for progress along with a red, amber or green status, a latest note on progress and information on the responsible officer for the project. There was limited reporting of progress in relation to cost and estimated financial and non-financial benefits for transformational projects identified within the Council Plan Delivery Plan report. CMT receives regular updates on the development of savings options identified by services, as part of the agreed budget setting process. CMT and SLT receive updates on progress against the delivery of agreed savings through the change and savings programme via draft reports that are prepared for the Enabling and Customer Services Committee. The council has advised that Directors will be fully engaged on the delivery of agreed savings as part of reports to their service management teams and service committees. CMT does not receive reports in relation to progress against change and improvement activities set out within

Findings	Evidence
	<p>service plans that are not Council Plan Delivery Plan actions. These are instead reported to service committees as part of service plan reporting.</p> <ul style="list-style-type: none"> • There are project boards in place for a number of projects, such as the Capital Investment Programme Board, the Digital Leadership Board and the Garden Waste project. On a quarterly basis, each directorate produces a report on progress against its directorate plan which is then discussed between the Chief Executive and Director.
<p>There are effective oversight arrangements in place for elected members.</p> <p>Elected members receive updates and take part in discussions on transformation regularly.</p>	<ul style="list-style-type: none"> • The Budget Panel is made up of political group leader representatives and is attended by the Chief Executive, Executive Directors and Service Directors. It meets on a monthly basis and considers issues such as the Medium-Term Financial Strategy, Budget Model and measures and development of the change and savings programme. The Budget Panel is an informal discussion forum, not a decision-making group. • Leaders Panel is the monthly group for all political group leaders and areas of transformation can be discussed at this group. Previous discussions on transformation projects have included the school estate and waste review projects. • Elected member seminars are held to provide updates and information from officers on specific projects. Examples of seminars held include on the school estate, roads service and social work services. • Quarterly revenue budget monitoring reports are presented to the Enabling and Customer Services Committee. These include information on progress against the delivery of agreed savings, including those which are part of the change and savings programme. • Assessments of service plan performance are presented to relevant service committees every six months. These highlight key achievements against service plan themes, including Council Plan delivery, service delivery and change and improvement activities. Exception reports are also included to provide detailed information on projects or performance measures which are below expected performance. These provide details of planned and actual start and due dates; the current position; key actions for the next quarter; risks in delivery; improvement actions and resource implications. • Reports are also taken to relevant committees on specific transformation projects to provide updates to elected members on progress, such as with the garden waste project and the schools model. These reports mainly provide a high level of update of progress with the project

Findings**Evidence**

and generally do not report progress against time, cost or estimated financial and non-financial benefits.

Recommendation 1

Internal reporting of the council's transformational projects to the Council Management Team through the Council Plan Delivery Plan should be enhanced to include regular reporting of progress on project costs, and progress against estimated benefits.

Partnership working and community engagement

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

Findings	Evidence
<p>The council has demonstrated it is working with partners to deliver its transformation plans.</p>	<ul style="list-style-type: none"> • The council is working with NHS and Police Scotland to progress renovation work on the Dumfries and Galloway Bairns Hoose. Bairns Hoose is a model of holistic child-centred model of support for children who have been a victim, or have witness of abuse, and to children under the age of criminal responsibility whose behaviour has caused harm. • The council worked in partnership with the three Ayrshire councils and Glasgow Caledonian University to develop @SWConnects which supports the digital delivery of courses (Case study 1, page 18). • The council worked with an external supplier, Causeway on its roads system improvements project. Causeway provide the hosted Alloy digital platform and provided project management support as part of the project. • The council has also provided examples of where it is working in partnership with the IJB to enable transformation: <ul style="list-style-type: none"> - There is a roundtable group chaired by council's Chief Executive which looks at health and social care finances given the budget pressures for the current financial year. The group includes the IJB Chief Officer, Chief Social Work Officer and other senior council and NHS staff.

Findings	Evidence
	<ul style="list-style-type: none"> – The council has provided £0.447 million of funding from its Change Fund to support investment in a review of complex care provision. This decision was made to support the urgent progression of work to try to address projected overspending against the budgets delegated by the council to the IJB. The council plans to monitor progress with the review and achievement of savings in a range of ways, including through the monthly roundtable meetings, reports to the council’s Budget Panel and reports to the council’s Social Work Services Committee. – The council is working with the IJB to develop a longer-term vision for adult services as part of the IJB’s transformation. A presentation on the progress of this work was recently given to Senior Leadership Team and political groups. • The council has also provided examples of sharing resources with North Lanarkshire Council for Building Standards staff due to this being a challenging area to recruit staff in.
<p>There are examples of joint funding arrangements between the council and partners for transformation projects.</p>	<ul style="list-style-type: none"> • The council is working with partners within the Community Planning Partnership on the Community Transport Programme. The council has advised that the three partners involved (the council, NHS and SoSE) have each committed £0.015 million each year for 3 years to develop the Dumfries and Galloway Transport model starting in 2024/25. • The @SWConnects project involves joint funding between the four councils involved (East Ayrshire, North Ayrshire, South Ayrshire and Dumfries and Galloway). • The council is involved in the Borderlands Growth Deal work and is the lead partner for some of the projects such as the Stranraer Marina. The council submits grant applications to obtain funding from either the UK or Scottish Government to support the work. For example, the council expects to receive £16 million Borderlands Inclusive Growth Deal Funding to support the investment in Stranraer Marina.
<p>The council has engaged well with its communities, including vulnerable groups, to inform its planned changes to services and ensure</p>	<ul style="list-style-type: none"> • The Council carried out a budget consultation for the 2025/26 budget. The consultation set out a number of savings and income generation proposals on which it sought the public’s opinion. A series of community conversations were held in addition to the online budget consultation.

Findings	Evidence
<p>unintended consequences are mitigated.</p>	<ul style="list-style-type: none"> • At the interviews we held with the council, it reported that it holds community conversations regularly to help gather community views on particular topics which often involves transformational activity. • Extensive consultation has been carried out as part of the School Model project (Case Study 2, page 19) in phases involving pupils, parents, teachers and individuals in the community. The consultation provided an opportunity for communities to influence options for the future of the school estate. • The council reports that vulnerable groups were represented and contributed to the design of the @SWConnects project to ensure accessibility and inclusivity. This involved engagement with disability advocacy groups, ethnic minority representatives and low-income community organisations. As a result of this engagement, the council was able to provide places for quiet study and provide access to appropriate technology. • The council also carries out ward events to discuss local issues affecting communities. Following the events, the council publishes “you said we did” on the website which advises communities of actions taken as a result of the events.

Case study 1

Digital Delivery of Qualifications – @SWConnects

The project is a digital education initiative that enables pupils across four local authorities to access a wider range of Advanced Higher and Higher courses online. It addresses educational inequality, especially in rural and remote schools, by using technology to deliver courses digitally. The project supports council priorities such as education, economic growth, and digital innovation.

The programme was developed collaboratively with other councils and Glasgow Caledonian University, and shaped by community and third-sector input. It ensures inclusivity by providing digital access, quiet study spaces, and teacher training. Over the past two years, 260 pupils have completed courses, with strong pass rates and positive feedback on digital skills and subject choice. Currently pass rates for the first two cohorts sit at over 88 per cent, with roughly a quarter of all those sitting the exam achieving an A pass.

The project has delivered recurring cost savings and improved service quality. The council reports that for every small class a school no longer has to run themselves there is a saving in excess of £10k. Every school in the area can now offer at least ten Advanced Highers annually. It has also increased attainment among pupils from disadvantaged backgrounds, with over 34 per cent of participants from the most deprived areas.

Source: Audit Scotland

Case study 2

School Model – A Basis for Sustainable Schools

This project is aimed at reshaping the region's school estate to ensure long-term sustainability, efficiency, and improved educational outcomes. The project emerged from a comprehensive consultation process involving over 1,700 stakeholders, including pupils, parents, teachers, and community groups. It culminated in the development of ten guiding principles for a sustainable school model. These principles align with the council's broader goals of reducing carbon emissions, improving educational infrastructure, and ensuring schools are fit for purpose and responsive to community needs.

The project supports multiple council priorities, including addressing climate change, promoting equity in education, and enhancing community infrastructure. It emphasises rationalising the school estate by consolidating resources and investing in fewer, better-equipped schools. This approach is expected to reduce operational costs, improve learning environments, and support better educational outcomes. The strategy also includes a phased review of schools based on sustainability scores, with feasibility studies guiding decisions on closures, amalgamations, or upgrades. The council has committed to maintaining transparency and inclusivity throughout the process, ensuring that all decisions are informed by community input and aligned with local development plans.

Although the project is still in its early stages, it is projected to deliver significant long-term benefits. These include recurring and one-off cost savings, improved service delivery, and enhanced educational experiences for pupils. The model aims to create inclusive, accessible, and energy-efficient learning environments.

Source: Audit Scotland

Impact of transformation

11. 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 and evidence relating to the impact of the council's transformation activity

Findings	Evidence
<p>For the three case studies provided, expected benefits to service quality and outcomes were set out as well as explaining, but not quantifying, areas where cost benefits may occur.</p>	<ul style="list-style-type: none"> • The council was asked to provide Audit Scotland with examples of successful transformational projects. The examples provided were roads system improvements; school model – a basis for sustainable schools; and the digital delivery of qualifications through @SWConnects. • The roads system improvements project (Case study 3) will produce recurring savings from smarter asset management and earlier interventions with one-off savings from digitalisation to enable better planning of road works. • School model – a basis for sustainable schools (Case Study 2, page 19) will develop a sustainable school estate strategy and includes projected cost benefits and service quality benefits as the project is still in the early stages. • The digital delivery of qualifications @SWConnects project (Case Study 1, page 18) projects cost benefits including recurring savings from reduced demand on classes/the school estate, alongside one-off savings from streamlining outdated processes and consolidating resources.
<p>The council has a range of reporting structures in place to monitor service performance and reports publicly on specific transformation projects to relevant committees. It is taking steps to implement a gateway process for significant change projects to better demonstrate impact.</p>	<ul style="list-style-type: none"> • The end of year position against the Council Plan Delivery Plan is reported annually to the Full Council. The report includes a summary of progress and red, amber, green or completed status against each of the activities within each Council Plan theme. The report includes case studies showcasing work delivered during the reporting period. These reports are very detailed and have an outcomes-focus. • The council's Best Value Thematic report on leadership included a recommendation to improve performance reporting. The council is currently developing a new framework for measuring the impact of the Council Plan, in

Findings

Evidence

consultation with the Improvement Service, which will include quantitative and qualitative measures alongside case studies. The new approach is due to be used in a mid-term review of the delivery of the Council Plan outcomes reported to the Council meeting in October 2025.

- Relevant committees receive half-year and end of year assessments of service plan reports. These include:
 - Reporting on actions which support the delivery of the Council Plan (including transformational activity) and reporting on change and improvement activity.
 - Exception reporting for any actions that are not meeting targets to provide more detail on performance.
 - Reporting on service performance indicators. These are reported separately and are not specifically linked to transformation activity in a way that demonstrates the impact of specific activities on service quality, outcomes and savings.
 - Individual change projects are reported to relevant committees, such as updates on the school estate being presented to the Education, Skills and Community Wellbeing Committee, residential children's houses being presented to the Social Work Services Committee and the Waste Strategy and garden waste collection updates being presented to the Economy and Infrastructure Committee.
 - The Capital Investment programme introduced a new four-stage gateway review model and process in June 2024, which ensures that business cases are revisited at appropriate milestones during project development in order to provide improved assurance while also aiming to ensure projects progress at appropriate pace (gateways one to three). Gateway four introduces a project closure report which aims to evaluate the success of the programme or project through reporting on outcomes and benefits achieved and record any lessons learned.
 - The council reports that the gateway process has recently been adopted by other projects across the council so it is still in the early stages of being implemented. The council provided a closure report for the garden waste review which included details of benefits, project expenditure and resources, key milestones and lessons learned. It plans to use this approach for capital investment projects and significant change projects. This will help support benefits realisation from projects.
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Findings	Evidence
<p>The council publishes integrated impact assessment (IIA) summaries on its website and alongside committee papers.</p> <p>We reviewed two full IIAs relating to the potential removal of services and found that these gave thorough consideration of potential impacts, including on vulnerable and protected groups, and outlined action to be taken.</p>	<ul style="list-style-type: none"> • There is a dedicated page on the council’s website providing links to integrated impact assessment summaries carried out in the previous six months. The summaries are also provided with relevant committee papers as opposed to full impact assessments. • As part of the 2025/26 budget setting process, the council used a three-stage integrated impact assessment process to consider the level of impact each savings measure would have against the nine protected characteristics. Impact assessments are carried out for savings options prepared by officers. This took place between October and December 2024 as part of the 2025/26 budget setting process. We also saw evidence of child rights and wellbeing impact assessments being carried out for certain budget proposals. • The group budget proposals agenda pack includes an impact assessment statement for each option which sets out details of the impact it will have on groups, including staff. • We reviewed two full integrated impact assessments as part of the audit, both of which were related to the removal of a service as part of the 2025/26 budget proposals. We found that these were thorough in their consideration of the impacts on communities and both identified potential negative impacts. Where negative impacts were identified, actions to be taken were outlined. One of the proposals was evaluated to be justifiable without the need for further consultation and was taken forward by elected members as part of the approved budget for 2025/26. The other proposal highlighted a need to explore options within communities and was not taken forward by elected members within the approved budget for 2025/26.

Case study 3

Roads System Improvements

The council launched a £30 million Roads System Improvements project in 2023 to move from reactive to proactive road maintenance. The initiative includes hiring more staff, building new supply chains, and adopting digital tools like Road Infrastructure Asset Management System and the Causeway Alloy system to improve planning, inspections, and public communication.

The project relies on collaboration across council departments and with external partners like Causeway. These partnerships helped develop digital workflows, streamline procurement, and improve customer service. Community engagement has included press releases, social media updates, and briefings to community councils.

Over 50,000 roads defects were repaired during its focussed road maintenance programme carried out between April and October 2024 and there was a 91 per cent delivery rate of planned maintenance. As the old management system was unable to provide accurate report figures, there are no key performance indicators available and going forward data will be based on 2024/25 information. The new systems have improved efficiency, communication, and asset management. Public-facing improvements include a revamped website, real-time updates, and easier access to services, all contributing to better outcomes and long-term sustainability.

Source: Audit Scotland

Appendix

Improvement action plan

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Reporting on transformational activity</p> <p>The Council Management Team receives regular reports on the delivery of the Council Plan, which includes transformation activity. We found limited reporting of progress in relation to costs and estimated financial and non-financial benefits within the report reviewed.</p> <p>Risk – The Corporate Management Team may not be able to make informed decisions without a complete overview of the status of the projects.</p>	<p>Internal reporting of the council’s transformational projects to the Council Management Team through the Council Plan Delivery Plan should be enhanced to include regular reporting of progress on project costs, and progress against estimated benefits.</p>	<p>This information is available through the quarterly information on budget monitoring. We will use this to include further information on costs, as appropriate, in the quarterly performance monitoring reports on the delivery of the Council Plan going forward.</p> <p>This will be applied to performance reports from Q1 2026/27.</p> <p>Business Intelligence Manager</p> <p>June 2026</p>

Dumfries and Galloway Council

Best Value thematic management report

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



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit.scot
www.audit.scot