

# Public Document Pack

## **Argyll and Bute Council** **Comhairle Earra Ghaidheal agus Bhoid**

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17 June 2013

### **SUPPLEMENTARY PACK 2**

**AUDIT COMMITTEE - COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD on FRIDAY, 21 JUNE 2013 at 11:15 AM**

I enclose herewith appendix in relation to item 5 (**ASSURANCE AND IMPROVEMENT PLAN 2013 - 2016**) which was not included with the agenda pack previously circulated for the above Meeting.

Douglas Hendry  
Executive Director – Customer Services

**5. ASSURANCE AND IMPROVEMENT PLAN 2013 - 2016**  
Appendix (Pages 1 - 20)

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# **Argyll and Bute Council**

## **Assurance and Improvement Plan**

### **Update 2013–16**

# Contents

<b>Introduction</b> .....	<b>3</b>
<b>Summary</b> .....	<b>4</b>
<b>National risks</b> .....	<b>5</b>
<b>Areas that remain ‘no scrutiny required’</b> .....	<b>8</b>
<b>Areas that remain ‘scrutiny or further information required’</b> .....	<b>14</b>
<b>Areas with changed assessments</b> .....	<b>16</b>
<b>Scrutiny plans</b> .....	<b>18</b>
<b>Appendix 1</b> .....	<b>19</b>

# Introduction

1. The first Assurance and Improvement Plan (AIP) for Argyll and Bute Council was published in July 2010. That document set out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a Shared Risk Assessment (SRA) undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies. The aim of the SRA process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The LAN met again in November 2010 and in November 2011 to update the AIP. The last AIP Update was published in May 2012 covering 2012 - 15.
2. This update is the result of the SRA which began in October 2012. The update process drew on evidence from a number of sources, including:
  - The annual report to the Controller of Audit and elected members for 2011/12 from the council's appointed external auditors.
  - The council's own performance data and self-evaluation evidence.
  - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2013 and March 2016 which reflects the revised and updated scrutiny risk assessment is at Appendix 1.
4. Following feedback about the clarity of the SRA process we have amended our criteria to make it clearer what we mean. Our assessment criteria descriptions used last year have changed from 'significant concerns' to 'scrutiny required'; 'no significant concerns' to 'no scrutiny required'; and 'uncertainty' to 'further information required'.

# Summary

5. The LAN has concluded that no risk based scrutiny work is currently required on the council's services or outcome areas. Last year, one significant scrutiny risk was identified with the transport service and roads maintenance performance outcomes. The council has now undertaken a service review of its Roads Operations Service and capital programme which has led to the development of a three year roads Reconstruction Recovery Programme and a longer term strategy and plan for improvement. Additional capital funding has been allocated by the council to road maintenance to address this challenge. Accordingly, the LAN has revised the risk assessment in this area to no scrutiny required.
6. Areas where the LAN will gather further information on service performance relate to the national risk priority area, the protection and welfare of vulnerable people. A joint inspection of services for children is planned for early 2013 which will provide further evidence on this service. In addition, the LAN will gather further information through ongoing monitoring activity in relation to the development of adults and older people's services.
7. No risks were identified with the council's corporate governance framework that requires risk based scrutiny work. However concerns have been raised with Audit Scotland, in relation to the council's dealings with an external company. Whilst audit work will not be done to investigate all of the concerns raised, some targeted work is planned. Work is to be undertaken by the Audit Scotland team in collaboration with colleagues from Best Value and Scrutiny Improvement, to review member to member and member to officer relationships. This has been reflected in an additional risk assessment for leadership and culture in this AIP.
8. Education Scotland will also consider the council's plans for its school estate once the outcome of the Commission on Rural Education, and the Scottish Government's subsequent legislative response is published.

# National risks

9. Local councils are operating within a context of significant change as a result of the challenging financial environment and the public service reform agenda, including the review of community planning, health and social care integration, police and fire reform, college regionalisation, and welfare reform. The Local Government Scrutiny Co-ordination Strategic Group is currently considering how audit and inspection arrangements should collectively respond to these significant strategic developments, recognising the increasing importance of partnerships, place and outcomes for Scotland's public services.

10. A number of core national risk priorities will be applied to all 32 councils. These are:

**The protection and welfare of vulnerable people (children and adults) including access to opportunities: Further information required.**

11. Through the Argyll and Bute Adult Protection and Child Protection Committees, the council and its partners are committed to ensuring that adults and children who need to access support and protection from harm get this in timely, effective and empowering ways.

12. Services to protect children were evaluated by the Care Inspectorate as generally good and satisfactory in 2011 with one evaluation of weak (response to immediate concerns). The recently appointed Head of Children's Services has prioritised improvements and self evaluation of these services. Additional resources have been provided by Strathclyde Police to help support joint assessment and screening of child protection concerns.

13. At the request of Scottish ministers, the Care Inspectorate is developing a model of joint inspection of children's services in Community Planning Partnership (CPP) areas in Scotland, in co-operation with other scrutiny bodies (Education Scotland, Healthcare Improvement Scotland and HMICS). These inspections will focus on how well local public bodies (councils, the NHS, police, etc.) are working together to deliver effective outcomes for children and young people. Development work involving Angus Council took place in April/May 2012. These joint inspections, which will report publicly, began in the autumn 2012. Argyll and Bute Council's joint inspection of services for children is planned for early 2013. Until this joint inspection takes place, the LAN has concluded that further information is required in this area.

14. In addition, the Care Inspectorate is working in co-operation with Healthcare Improvement Scotland to develop an approach to inspecting services providing care and health for adults drawing on its experience of implementing joint inspections of child protection and children's services. Development work involving a number of local authorities is underway and will continue into the early part of 2013. Following this, the Care Inspectorate will implement a programme of these inspections. Further details of the schedule will be confirmed in due course.

15. Subject to ministerial approval, the Care Inspectorate, in partnership with the Association of Directors of Social Work (ADSW) and the Risk Management Authority (RMA), will undertake supported self-evaluation across the 32 local authority criminal justice social work services

during the latter part of 2013. This will look at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This particular approach is one of a number of approaches the Care Inspectorate will use in its current and future scrutiny and improvement work in this area.

16. The SHR plans to carry out a thematic inspection into the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach. SHR will carry out this thematic inspection during the first half of 2013/14. This is likely to involve fieldwork visits to a small sample of local authorities. SHR is currently identifying potential fieldwork sites and will be contacting those councils that it would like to visit in early 2013.

**Assuring public money is being used properly: No scrutiny required.**

17. The annual audit forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council. The council's financial management arrangements are sound. To ensure Best Value in the use of resources, a review of existing improvement processes as been undertaken within the council, and a Corporate Improvement Plan has recently been approved as part of the current Transformation Programme. The LAN will continue to monitor how the council is developing and taking forward its strategies and plans to address the improvement areas identified from all sources.

**How councils are responding to the challenging financial environment: No local scrutiny required other than monitoring of the financial position through the annual audit.**

18. The council moves forward from a sound financial base in terms of reserves and control of expenditure and with plans to maintain financial stability. Building on the three year budget agreed in February 2012 and the previous programme of service reviews, the council has adopted a medium/long term approach to managing its budget by looking at its financial position over a seven year period. This approach is based on a medium/longer term financial outlook for the revenue budget and sets out a proposed approach to managing that by spreading out the savings required over a seven year period. It is subject to annual update and review and comprises a detailed one year budget, summary budgets for years two and three and high level forecasts for years four to seven.
19. The savings required amount to £5.842 million for each year from 2013-14 to 2019-20 and the council is currently preparing options for the 2013-14 savings. Although these will be challenging targets to achieve, the council can demonstrate a good track record of completing service reviews to time, implementing the recommendations that deliver the savings and containing expenditure within budget.
20. Generally, we are satisfied that the council is taking appropriate steps to manage the budget reductions. Recognising the significance of the uncertain financial context within which councils operate, Audit Scotland produced Scotland's Public Finances: Addressing the Challenges in August 2011. Follow up work around the issues raised in the report will be undertaken in each council during 2013/14 to provide the Accounts Commission and the Auditor General for Scotland with evidence on the progress that public bodies are making in



developing a strategic response to these long-term financial challenges. In addition, a specific piece of work on Reshaping Scotland's public sector workforce will be undertaken in 2013/14.

21. At the request of Scottish ministers, Audit Scotland has piloted an approach to auditing CPP and the delivery of local outcomes. The CPP audit model was tested during 2012/13 in three council areas (Aberdeen City, North Ayrshire and Scottish Borders). Following evaluation of the approach in early 2013, a number of CPPs will be audited during the second half of 2013/14. Audit Scotland will be contacting any likely audit sites in spring 2013.
22. The EHRC has commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of section 149 of the Equality Act 2010 during 2013. Analysis of public authorities compliance with the duty to publish equality outcomes and employment information will be available later in 2013. The results of this activity will be reflected in future SRA work.
23. The LAN is committed to maintaining its engagement with the council between now and the next SRA cycle so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face.

# Areas that remain 'no scrutiny required'

24. This update focuses predominantly on those areas assessed as 'scrutiny required' and 'further information required'. However, in the interest of providing a broader view of the council's overall risk assessment, it is important to highlight those areas that were previously assessed as requiring no scrutiny which continue to be so. The LAN identified no scrutiny is required in the following areas. Outcome areas have been updated to reflect the current corporate plan.

Area	Update
<b>Service Areas</b>	
Education	Schools have continued to perform well in SQA examinations. Despite decreases in S5, the authority remains above or equal to the national and 'family' averages in most measures. During 2011/12 there were positive Education Scotland school inspections with 90% of evaluations being graded either good or better.
Housing	The council submitted evidence of improvements to its homeless service to SHR in Q3 2012. This follows the SHR inspection in 2010. It continues to make progress toward Scottish minister's 2012 homelessness target. Other performance indicators show improving trends including speed of assessment, less lost contact with homeless people, reduced use of B&B and no breaches of the UAO.
Regulatory Services	Performance information for this service continues to be strong.
Cultural Services	Although a mixed picture of performance is reported, no further scrutiny is required.
<b>Outcome Areas</b>	
More new businesses operating in the area, creating more jobs.	The number of business start-ups in 2011/12 exceeded target.
Children are protected and nurtured so that	Strong performance is reported in this area

Area	Update
they can achieve their potential.	with positive Early Years HMIE and Care Inspectorate inspections indicating improving standards of early learning and childcare.
We work with our partners to tackle discrimination.	The council remains committed to promoting Equalities. (Refer to the Equalities area below.)
Skilled and competitive workforce capable of attracting employment to Argyll and Bute.	The council has a Human Resources Strategy which aims to ensure that the council has the right people with the right skills in the right place and the right time to deliver excellent services.  Good/fair performance for the Wealthier and Fairer related outcomes.
Our young people have the skills, attitudes and achievements to succeed throughout their lives.	See Education above.
Our partners and communities are able to be fully engaged in the way our services are delivered.	Community engagement continues to be a core part of community planning where there is a combined Community Plan and Single Outcome agreement.
The impact of alcohol and drugs on our communities and on the mental health of individuals is reduced.	Scrutiny partners were satisfied with the council's progress in addressing this outcome through both the Argyll and Bute Alcohol and Drugs Partnership And the Argyll and Bute Addiction Team.  None of the healthier indicators are in the worst performing quartile with 7 out of 12 indicators having improving long term trends.
We have contributed to an environment where existing and new businesses can succeed.	Ongoing successful delivery of the Economic Development Action Plan and the CHORD project. Also, strong performance from Business Gateway in supporting new and existing businesses.
The places where we live, work and visit are well planned, safer and successful, meeting the needs of our communities.	Scrutiny partners acknowledged that the council remains committed to creating and supporting safer communities and tackling anti-social behaviour. The Community Safety Partnership seems to be working well.

Area	Update
We contribute to a sustainable environment.	Re-cycling and composting waste performance continues to improve and there is ongoing delivery of the Renewable Energy Action Plan.
The full potential of our outstanding built and natural environment is realised through partnership working.	Re-cycling and composting waste performance continues to improve. Ongoing successful delivery of the Renewable Energy Action Plan, the Economic Development Action Plan and the Woodlands and Forestry Strategy.
We engage with our partners, our communities and our customers to deliver high quality, continually improving, efficient and responsive services.	There is a well established and developed community planning partnership. A refreshed Corporate Improvement Plan is in place to develop and take forward the council's strategies and plans to address continuous improvement.
Our employees have the skills and attitudes to deliver efficient and effective services.	The council has a Human Resources Strategy and a Performance Review and Development (PRD) system in place. An agreed Competency Framework is used to assess areas in greatest need of development and to identify ways in which employees can best improve. The number of PRD targets met across the council was below target for 2011/12 at 77% however implementation and training for the PRD system is ongoing.
Our customers have accurate, accessible and up to date information on our organisation and the services that we provide.	Accurate and up to date information is accessible from the council's website which has gained a four star rating from Socitm.
<b>Corporate Assessment Areas</b>	
Vision and Strategic Direction	The Corporate Plan and Community Plan both have the same vision "Realising our potential together". Organisational Development Framework is in place reflecting core competencies and Vision. Corporate, service, workforce and financial plans are aligned.
Leadership and Culture - Structures	Two years ago the council completed a significant restructuring replacing the 4

Area	Update
	<p>strategic directors with 3 executive directors. A realignment of services resulted in the creation of 12 new head of service posts to replace the previous 15. This revised officer structure seems to be working well.</p> <p>Following the elections members voted to change the elected members' decision making structures. Powers previously delegated to the Executive Committee have now reverted to the council.</p> <p>The LAN will monitor the effectiveness of these arrangements.</p>
Planning and Resource Alignment	Scrutiny partners concluded that there are good links between the Corporate Plan, the Community Plan and service plans.
Partnership Working and Community Leadership	There is a well established and developed community planning partnership with a combined Community Plan and Single Outcome Agreement. Focus continues to be made on the four main themes of Economy, Social Affairs, Environment and Communities and the Third sector.
Community Engagement	A Community Engagement Strategy was agreed and adopted by the CPP in May 2009.
Governance and Accountability	<p>The council continues to demonstrate sound corporate governance arrangements.</p> <p>Following the May 2012 elections members voted to discontinue the Executive Committee with all previously delegated powers reverting to the council. The LAN will monitor arrangements to ensure that the revised arrangements are effective. The LAN will also monitor the effectiveness of the recently established Performance Review and Scrutiny Committee.</p>
Performance Management	The councils' planning and performance management framework is a core component of the improvement process for the council, which should help to ensure delivery of the

Area	Update
	Improvement Plan.
Challenge and Improvement	A Corporate Improvement Plan is in place to develop and take forward the council's strategies and plans to address the improvement areas identified from all sources.
Customer Focus and Responsiveness	The council uses a Citizens' Panel of 1,250 people, independent mystery shopping benchmarking and service led surveys to track customer satisfaction and performance against its Customer Charter Standards. It also undertakes corporate and service led consultations to ensure customer input to policy and service delivery design e.g. the annual corporate budget consultation.
Risk Management	Risk management arrangements are well embedded across the council.
ICT	The overall conclusion from the 2011/12 ICT service review was that the controls surrounding the management of the ICT service within the council are sound. ICT arrangements will continue to be reviewed as part of normal audit activity.
Use of Resources - Competitiveness	The service review programme required benchmarking to be undertaken as a key stage in each service review. The council acknowledge that there is scope to develop a more coordinated approach to benchmarking and to demonstrate benchmarking is being carried out on a comprehensive basis across all services and that it is being used to improve performance. This action is being taken forward under the Corporate Improvement Plan.
Use of Resources - Financial Management	The council continues to demonstrate sound financial management arrangements.
Use of Resources - Efficiency	Continuing to deliver vital public services with a reducing budget will be a significant challenge for the council. See the national risk

Area	Update
	priorities assessment reported above for how councils are responding to the challenging financial environment.
Use of Resources - Asset Management	The council has a corporate asset management programme in place.
Use of Resources - Managing People	The council has a workforce planning framework in place which informs a 5 year workforce planning strategy.
Use of Resources - Procurement	Area of continued improvement evidenced by improving Procurement Capability Assessment scores.
Sustainability	The council has clear plans to maintain financial stability. In addition, a number of ongoing projects and associated strategies are being progressed to provide a long term positive environmental impact
Equalities	Equality is a core value for Argyll and Bute Council. An Equality and Diversity Scheme, underpinned by 5 key principles is in place. The Equalities and Human Rights Commission have commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of section 149 of the Equality Act 2010 during 2013. The results of this activity will be reflected in future Shared Risk Assessment work.

# Areas that remain 'scrutiny or further information required'

25. The LAN identified that, in common with the SRA last year, scrutiny or further information is required in the following areas:

Area	Assessment	Update
Asset Management: Management of the School Estate	Further information required	The council awaits the outcome of the Commission on Rural Education, and the Scottish Government's subsequent legislative response before the future of the schools estate is reviewed.
Our older people are supported to live more active, healthier and independent lives.	Further information required	<p>There is continued movement towards care at home for older people as an alternative to residential care and continued improvement in provision of home care services both in total and flexibility during evenings, weekends and overnight care.</p> <p>The majority of care at home services are now delivered by the independent sector. Proposals for integration of health and social care systems may change how services are delivered and the challenge of identifying resources to support development of older people services remains.</p> <p>Plans to re-shape services to</p>



Area	Assessment	Update
		<p>people with learning disabilities have been subject to extensive consultation and the services will now have to decide how they manage and support planned changes.</p> <p>This remains an area of uncertainty and the care inspectorate will gather further information through ongoing monitoring activity in relation to the development of older people's services.</p>
<p>Vulnerable adults, children and families are protected and are supported in sustainable ways within their communities.</p>	<p>Further information required</p>	<p>See the national risk priorities assessment reported above.</p>

# Areas with changed assessments

26. The following table relates to assessments of scrutiny risk that have been changed from the 2012/13 update.

Area	2012/13 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Transport Infrastructure	Significant risk	No scrutiny required	In October 2012 the council approved its Roads Maintenance and Management Strategy. This takes cognisance of Audit Scotland's 2004 report - <i>Maintaining Scotland's Roads</i> and the 2011 follow up report and should ensure that its limited funding is spent wisely on roads upgrade and maintenance. Progress will be monitored as part of the annual audit, no further scrutiny is planned.
Leadership and Culture - Member to member and member to officer relationships	No scrutiny required	Scrutiny required	Concerns have been raised with Audit Scotland, in relation to the council's dealings with an external company. Whilst audit work will not be done to investigate all of the concerns raised, this has highlighted possible issues with

Area	2012/13 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>member to member and member to officer relationships. Some targeted work is now planned in this area by Audit Scotland</p> <p>The council's response to all of the concerns raised on this issue will also be reviewed by Audit Scotland.</p>

# Scrutiny plans

27. The scrutiny plan at Appendix 1 reflects the risk based local scrutiny to be carried out at the council.
28. Education Scotland were invited by the council to carry out a Validated Self-evaluation working with education services. This work is currently being carried out and will lead to a published report by March 2013.
29. Audit Scotland will be carrying out a follow up of Scotland's public finances: addressing the challenges (published August 2011), to provide the Accounts Commission and the Auditor General for Scotland with evidence on the progress that public bodies are making in developing a strategic response to these long-term financial challenges.
30. In addition, as reported in the national risk priorities section of this report, a programme of national scrutiny work and joint inspections is being developed for the Care Inspectorate, Education Scotland, Healthcare Improvement Scotland and HMICS and SHR plans to carry out a thematic inspection in a sample of councils.
31. Argyll and Bute Council has been scheduled for a Joint Inspection of Children's Services inspection in early 2013.
32. Further audit work will be undertaken by the Audit Scotland audit team in collaboration with colleagues from Best Value and Scrutiny Improvement in 2013 to review member to member and member to officer relationships. The timing of this work will be discussed with the council.

# Appendix 1

National scrutiny activity does not result from the shared risk assessment but is either at the request of the council eg supported self-evaluation work or national activity eg national follow-up work or work requested by ministers.

ARGYLL AND BUTE COUNCIL 2013-14												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No scrutiny planned												
<b>National or supported self-evaluation work year 1</b>												
Children's services joint inspection	X											
Scotland's public finances - Follow-up of National Report			X									
Audit Scotland - Reshaping Scotland's public sector workforce	X											
Supported Self Evaluation of the impact on quality of the newly introduced national assessment and care planning instrument (LSCMI) in local criminal justice social work services.												
Audit Scotland- targeted work to review member to member and member to officer relationships			X									

ARGYLL AND BUTE COUNCIL		2014-15											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
<b>National or supported self evaluation work year 2</b>													
Housing Benefit performance audit	X												

ARGYLL AND BUTE COUNCIL		2015-16	
Indicative scrutiny activity for rolling third year			Potential scrutiny bodies involved

**Footnotes:**

The focus of the AIP Update is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. Education Scotland, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate. The Care Inspectorate will continue to regulate care services and inspect social work services in accordance their responsibilities under the Public Services Reform (Scotland) Act 2010.