Shared risk assessment: Assurance and improvement plan 2010–13

Argyll & Bute Council

social work inspection agency

THE SCOTTISH HOUSING REGULATOR

care commission

HMIe
improving Scottish education
leasachadh foghlam na h-Alba

AUDIT SCOTLAND

Grant Thornton

Contents

1. Introduction

1. The Assurance and Improvement Plan (AIP) sets out planned scrutiny activity for Argyll and Bute Council for the period April 2010 to March 2013. It explains the basis of our risk assessment of the council, and outlines the scrutiny response. The scrutiny activity is proportionate, based on the assessed risks. Other scrutiny, arising from national scrutiny programmes, is also highlighted where relevant.

2. This AIP is the product of a collaborative approach adopted by the following scrutiny bodies operating in Argyll and Bute council:

    - Audit Scotland

    - Care Commission

    - HM Inspectorate of Education (HMIE)

    - Scottish Housing Regulator (SHR)

    - Social Work Inspection Agency (SWIA)

    - Grant Thornton, local appointed auditor.

3. The overall objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the council. This will be achieved by:

    - Coordinating the timing and approach of our risk assessment work.

    - Helping to identify and monitor key risks through the sharing of intelligence and information.

    - Building on each other's work to maximise its value.

    - Drawing on, and taking account of each other's work.

    - Avoiding duplication of effort.

4. The AIP draws on a number of sources of information, including:

    - The audit of Best Value and Community Planning in Argyll and Bute Council.

    - The annual audit report to the Controller of Audit and elected members for 2008-09.

    - The council's own self evaluation and supporting evidence.

    - Reports and data from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).

    Full details of the shared risk assessment are included in Appendix 1 and 2.

What do we mean by a shared risk assessment?

5. All local government scrutiny bodies have agreed the definition of shared risk assessment as:

> *'A joint approach using key information about local government to plan scrutiny activity that is proportionate and based on risk'*

6. When we determine 'risk' we mean risk that will trigger scrutiny work and not inherent risk - for example, as in the risk of harm to an individual. We define risk as:

   • Red, where there are significant concerns which would indicate that we would need to undertake some scrutiny activity in order to provide public assurance.

   • Amber, where there are areas of uncertainty or gaps in the information available to us to determine whether or not we need to undertake some scrutiny activity.

   • Green, where we have no significant concerns.

7. We recognise that risk levels will change as significant events occur and as councils take action to address identified risks. Scrutiny bodies, through local area network (LAN) contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the LAN lead, in consultation with other LAN members will update the AIP as appropriate. LAN members will draw any significant matters to the attention of the LAN lead as they arise. The LAN lead will determine what action should be taken in terms of initiating contact with other LAN members.

8. The council is expected to initiate contact with the LAN lead where significant events occur that are likely to influence scrutiny activity. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.

What does proportionate scrutiny mean?

9. When considering the appropriate level of scrutiny activity for each council we consider the following points to ensure that is proportionate:

   • Is scrutiny activity the best driver for improvement?

   • If so, how can we tailor that activity to the areas where it will have the most impact?

   • How can we tailor that activity in terms of its frequency, intensity and scope?

   • What is the minimum level of scrutiny required to provide assurance to the public?

   • How can we work together to minimise the impact of the scrutiny activity on the council?

10. The overall objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the council. This will be achieved by:

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   • Building on each other's work to maximise its value.

   • Drawing on, and taking account of each other's work.

- Avoiding duplication of effort.

Baseline scrutiny activity

11.   The focus of the AIP 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.

2. Summary

It is difficult to assess progress overall on the outcome areas agreed by the council and its partners, due to a lack of performance information. However, there is evidence that the council is making progress in revising its corporate planning, strategic and performance management arrangements, and the performance information available to assess the outcomes of the council and its partners is improving.

Using the information available, we have concluded that the majority of outcome areas do not present significant areas of risk. We have identified several areas of uncertainty, and in some cases have identified some areas of concern. For example, transport links, vital to the economic and social sustainability of the region, has been assessed as an area of significant risk.

Council services are generally performing satisfactorily and where performance is less good, the council is putting in place plans to address these. The corporate risk assessment has not identified any significant risks, although there are areas of uncertainty amidst a generally improving picture Scrutiny activity will be targeted in some of the areas of concern and in those areas assessed as higher risk and these are set out in the remainder of this AIP.

National risk priorities

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

- The protection and welfare of vulnerable people, including access to opportunities for children, adults in need of support and protection and older people. This is encapsulated within the council's 'social change' strategic objective. The shared risk assessment has identified some areas of concern, although there are indications that performance is improving. Pre-school centres inspected during the last three years provided good or very good experiences for children. Generally, people using social work services achieve adequate outcomes. The council aims to shift the balance of care for adults, ensuring that more people are supported at home as opposed to residential settings. However, there have been delays in the redesign of social work services for older people. The proportion of those older people in receipt of home care is increasing, but remains below the national average. SWIA will carry out scrutiny activity to support improvement in this area in Year 1 of the AIP.

- Assuring public money is being used properly. There are no significant risks in this area and the council manages its finances well. We note that a reform of strategic financial management arrangements is ongoing. Audit work in prior years has identified deficiencies in contract management in relation to a number of important capital projects, although we note that the council has implemented improved project management, capital planning and contract management arrangements to address the weaknesses identified. Our risk assessment has also highlighted concerns about the poor condition of a high proportion of the council's buildings, including a number of schools. Arrangements for asset management remain in the process of development, although the council has recently approved a capital asset management plan to address these issues adopting a priority-based approach. More specifically, the council has recently approved a school estate asset strategy and management plan, identifying the main challenges faced in managing and planning for the school estate.

Arrangements for asset management will be subject to targeted scrutiny activity, to be led by the external auditor in Year 2 of the AIP.

- We have considered the impact of the greater financial pressures faced by all councils associated the current economic climate and have not identified any significant risks in this area. The councils has clear plans to address its financial challenges in the context of a wide-ranging service transformation agenda. The Council has also approved a range of efficiency savings in the recent budget exercise. The external auditor will assess progress in this area as part of their annual audit activity.

Outcomes

13. The council's strategic outcomes are built around four strategic themes:

    - Environment

    - Social change

    - Economy

    - Organisational development.

14. The council is in the process of developing and implementing outcome measures of performance and, at this time, we are unable to fully evaluate the council's performance in achieving the impact and outcomes outlined in strategic objectives. However, the council has taken steps to revise the corporate plan for 2010-13, and is working on a revised council scorecard – designed to explicitly reflect the new corporate plan. We regard this as a key area for improvement and Audit Scotland, working with the external auditor, will undertake a focussed review of progress in developing performance and impact measures against corporate plan objectives in year 1 of the plan.

Service performance

15. Services are generally performing satisfactorily, and where performance is less good, the council is, through the introduction of the Planning and Performance Management Framework (PPMF), becoming more aware of the challenges faced and what needs to be done. The council faces a specific challenge to address the maintenance backlog of its schools and roads, in the context of a difficult financial climate.

16. The council's school estate has a low level of occupancy at a time when demographic changes are reducing the number of young people and the demand for school places. Whilst education services (including community learning and development (CLD)) are generally performing well, service provision in social work and housing services requires improvement in a number of areas. SWIA and SHR will focus scrutiny activities on the areas of uncertainty (see appendix 1).

17. In relation to services to protect children (provided by the council and partner agencies), a joint follow through inspection, led by HMIE, was completed in May 2009. The inspection revealed progress across a number of areas identified as requiring improvement on the part of the child protection partnership. A further joint inspection of services to protect children and young people is scheduled for year 3. In the interim, issues relating to vulnerable children in receipt of social work services will be considered as part of the initial scrutiny level assessment (ISLA), to be carried out by SWIA.

Corporate assessment

18. The council has, with few exceptions, completed all of the improvement actions contained in its Improvement Plan, prepared following the appointment of the new chief executive in 2008, incorporating those actions emerging from the Best Value audit. In particular, the council has made significant progress in revising its corporate planning, strategic and performance management arrangements.

19. The public sector is coming under greater financial pressure due to the current economic climate. Argyll and Bute council faces a challenge to deliver services within this climate. In response to the change in economic climate, the council has approved plans to meet the new financial challenges, recognising the need to achieve increased levels of efficiency. We will be reviewing how the council is reacting to the current economic climate as part of the annual audit work undertaken by external audit.

20. Appendix 1 and 2 provide detail of the information that informed our risk assessment and shows links to planned scrutiny activity. The programme of scrutiny activity is outlined in Appendix 3. The following table sets out a summary of all scrutiny activity over the next three years including that linked to identified risk, as well as scrutiny to be carried out in line with national scrutiny programmes:

	Year 1	Year 2	Year 3
SWIA – initial scrutiny level assessment (ISLA) – including social change: modernisation of social work	√		
Audit Scotland and Grant Thornton: asset management and performance management		√	
Audit Scotland and Grant Thornton: Review progress in improving transport links, in support of the sustainable growth outcome theme		√	
HMIE - Education Psychological Services			

	Year 1	Year 2	Year 3
	√		
Scottish Housing Regulator: update on post-inspection improvement plan[1]		√	
Care Commission, Grant Thornton, HMIE and SWIA to consider improvements in relation to managing people	√		
SCSWIS[2] - Joint Inspection of services to protect children and young people – CP2			√

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[1] Refers to SHR inspection - report published in February 2010.
[2] Social Care & Social Work Improvement Scotland – name of new scrutiny body incorporating functions of the Care Commission, HMIE (joint child protection) and SWIA from 1 April 2011.

3. The council's context

21. Argyll and Bute council faces a number of challenges in delivering services. Its geography, sparsely populated areas and the diversity of its communities create challenges in sustaining high quality services. In terms of area, it is the second largest local authority in Scotland, covering a tenth of the land mass, but its population is relatively small (91,390), and the population density (13 people per square kilometre) is the third lowest in the country. It covers six towns, 25 inhabited islands (more than any other Scottish council) and over 2,700 miles of coastline.

22. People of working age account for 60 per cent of the total population in Argyll and Bute, (compared with 62.8 per cent nationally). Of these, 83 per cent are economically active (79.45 nationally). Whilst unemployment, although rising, continues to be lower than the national average, this is partly due to the fact that many young people leave the area in search of work or to take up educational activities. Despite this, the council does not consider that it faces a significant strategic challenge at present in terms of securing its future workforce.

23. Children and young people under the age of 16 years account for 17.2 per cent of the population (18 per cent nationally), while those above working age make up 23.3 per cent - the figure for Scotland being 19.2 per cent. Significantly, Argyll and Bute's 75+ population is set to increase more rapidly when compared with the rest of Scotland – by 22.8 per cent by 2014 (18.8 per cent nationally), and 63.6 per cent by 2024 (53 per cent nationally).

24. In terms of finance, the council has a history of managing its finances well overall, but has identified a potential budget shortfall of between £9 million and £13 million per annum for the next three years. The current economic recession will lead to reductions in public sector funding and will require the council to take action to reduce costs, increase income or reduce levels of service provision. The council's recent budget exercise has identified a range of efficiency savings designed to help meet the financial pressures.

25. One approach the council has adopted to delivering efficiencies is to participate in shared services. The council has worked with six other councils, known as the North of Scotland Local Authorities (NoSLA), to evaluate potential models for a future for council tax, non-domestic rates and council tax and housing benefits shared service delivery. The council has also joined Scotland Excel and works with Procurement Scotland to deliver savings in purchasing.

26. Given the challenges faced by the council, the strategic priorities contained in the 2009-10 corporate plan were clearly more about the process of delivering services than about setting out to achieve a desired set of outcomes for citizens. This represents a key area for improvement for the council which is being addressed through work taking place to review the outcomes within the corporate plan.

Self-evaluation

27.   The council has made good progress in developing and implementing a performance management system, based on balanced scorecard principles, which was highlighted as an area for improvement in the Audit of Best Value and Community Planning in February 2006. More specifically, the council has implemented the Planning and Performance Management Framework (PPMF), with associated plans and performance scorecards for all parts of the council.

28.   The most recent Best Value progress report (November 2008) noted that the adoption of PPMF had been a key achievement, resulting in greater transparency in performance outcomes across the council. The council's recent adoption of the Public Service Improvement Framework (PSIF) provides a consistent framework for service improvement across the council.

29.   It is too early to fully assess the effectiveness of PPMF and PSIF in Argyll and Bute and as such we have not been able to place reliance on it as part of the shared risk assessment process this year. However, early indications are that the council is taking a more cohesive and robust approach to self evaluation. As the model matures, greater reliance may be placed on it, increasing the opportunity to reduce scrutiny activity in future years. As we note below, there is a clear need to improve measures of impact and outcomes for service users within the existing performance management framework. and work is said to be underway to achieve this, in line with the review of the council's corporate plan, due to be finalised in the autumn of 2010.

4. Delivering outcomes for communities

Strategic priorities

30.   The 'Corporate Plan for 2009 and beyond' takes three 'themes', laid out in the community planning partnership's plan for 2009-13, setting out strategic objectives and outcomes, set out as follows:

Community plan themes	Council strategic objectives	Council strategic outcomes
Outstanding environment	Environment – promoting our cultural, social and natural heritage and protecting our unique area	• Tackling climate change • Modernising waste management • Sustainable growth – community benefits from the environment
Vibrant communities	Social change – affecting demographic change, caring for vulnerable people and lifelong learning	• Education – making what's good, better • Modernising social work • Housing – more homes, less homelessness
	Economy – creating an attractive, well connected, modern economy	• Transport – improving access to /within the area • Waterfront and town centre regeneration • Supporting growing businesses
Forward looking	Organisational development – improving, innovative, proactive and successful	• Improvement • Process for change • Community planning • People management • Developing the third sector

31.   In general, there is alignment between the community plan and the corporate plan. However, the strategic outcomes put forward in the corporate plan do not reflect the breadth of the vision expressed in the community plan. For example, in respect of the 'forward looking' theme, the current corporate plan outcomes are expressed more in terms of internal service functions rather than outcomes for communities. The council's revised corporate plan – in preparation during the period the shared risk assessment was carried out – may serve to address this.

32.   In terms of delivering outcomes, it is currently difficult to evaluate performance against strategic objectives as relatively few quantitative measures feature in the SOA progress report, with a tendency to focus on actions and processes. Where quantitative measures do exist – for example, those listed in the corporate plan 2009-12, the corresponding success measures appear to have been overtaken by a subsequent set of measures, introduced by the Planning and Performance

Management Framework. We did, however, note the council's intention to address a number of these issues in the revised corporate plan for 2010-13, and work is underway on a revised council scorecard – designed to more explicitly reflect the new corporate plan.

33. The council and its partners have recently undertaken a review of the community plan, with plans in place to implement PPMF for the community planning partnership by March 2010. It is too soon to gauge the full impact of these changes. The LAN will, over the coming months, look for progress in this area, so that the council and its partners develop a clearer understanding of performance against stated objectives and outcomes.

Environment

34. It is difficult to evaluate performance against this strategic objective – with some actions subject to delay, or no longer available. However, taking relevant indicators from recent performance scorecards, there are signs of good performance in this area – for example, in relation to carbon emissions, and in relation to recycling – up from 36 per cent in 2008-09 to 40 per cent in 2009-10. SPIs reflect a more mixed performance, with recycling and cleanliness index around average, but residents' perception of littering is below average. We have identified an area of uncertainty in relation to the sustainable growth objective and will work with council in year one of the AIP to better understand progress in this area.

Social change

35. The social change theme covers a wide range of important services, including education and social work. In the majority of areas we have not identified any significant risks. We do have concerns in some specific areas of provision, such as school care accommodation and shifting the balance of care for adults.

36. In terms of education provision, there are no significant risks. The council met and in most cases exceeded the targets set out in its service plan. According to the council's own performance measures, the proportion of positive school inspections (66.67 per cent) was below the stated target of 75 per cent. Education services and establishments in Argyll and Bute will continue to be subject to periodic inspection from HMIE.

37. There are, however, outstanding concerns regarding school care accommodation. The Care Commission will continue to work with the council in order to ensure that improvement is achieved, and enforcement actions are complied with.

38. With regard to social work, SWIA reported the council achieving adequate outcomes for people using social work services following a performance inspection in October 2007. The follow-up inspection in February 2009 found evidence of good progress in relation to those recommendations concerned with improving outcomes for service users. According to the Scottish Household Survey, social work services attract strong opinions, with significantly higher proportions of respondents either satisfied or dissatisfied with services, compared to Scotland overall.

39. The council aims to shift the balance of care for adults, ensuring that more people are supported at home as opposed to residential settings. The proportion of those older people in receipt of home care is increasing and targeted at those people with personal care needs, but remains below the national average. In response, the council is undertaking a comprehensive review and consultation on the future shape of older peoples services. Despite some delay and uncertainty surrounding this area of service in the past, the SRA took account of recent progress in implementing the redesign of social work services for older people. SWIA will cover this as part of its Initial Scrutiny Level Assessment (ISLA) in year one of the AIP, in order to support improvement in this area.

40. Whilst there is good and improving performance in providing services to homeless people – backed by a strategic, partnership approach, the SRA also highlighted challenges in meeting some 2012 homelessness targets, including abolition of priority need, as well as some weaknesses in the provision of temporary accommodation. Steps taken by the council towards improvement will be monitored by SHR in the coming year

Economy

41. The local economy is predominantly service-based, with a far higher percentage of jobs in public and other services than the rest of Scotland. The council is a major employer. There is also a high percentage of seasonal jobs. Long term employment is higher than the rest of Scotland. Average earnings are 13 per cent lower than the rest of Scotland. A higher than average percentage of households experience fuel poverty. The council is very aware of the important economic impact of any major developments it undertakes – for example, waterfront and town centre regeneration.

42. Transport links within Argyll and Bute are generally poor, reflecting major challenges in providing and maintaining a transport network to a large geographical area with low population density. The council has acknowledged that there is a significant maintenance backlog in relation to roads. The population of Argyll and Bute are generally less satisfied with public transport compared to Scotland overall. The council has set out to implement the action plan contained in the local transport strategy. This lists a number of transport and infrastructure projects along with target timescales. In view of poor contract management in relation to a number of important capital projects in recent years, the local external auditor, along with Audit Scotland, will review progress in this area in year 2 of the AIP.

Organisational development

43. The council has responded positively to address the areas for improvement identified in the Best Value and Community Planning report, published in February 2006. In particular, the new chief executive has implemented a strategy which has resulted in a significant improvement in the council's best value arrangements, and an increase in the pace of change. The external auditor, in the most recent Best Value progress report, has assessed the council's prospects for future improvement as good, in light of the understanding and commitment to change shown by officers and elected members.

Services

44. The council can demonstrate it is making progress in managing and improving service performance. Services are generally performing satisfactorily, and where performance is less good, the council is, through the introduction of PPMF, becoming more aware of the challenges faced and what needs to be done.

45. A short summary of performance against each service area is included below. Further detail is contained within Appendix 1.

Education

46. Pre-school centres inspected during the last three years provided good or very good experiences for children. In primary, there is a good an improving picture. Attainment in secondary is improving overall, and is in line with or higher than national and comparator authorities on most measures.

47. In Community learning and development (CLD), services are targeted to areas of need. Past inspection has revealed strong performance in these targeted areas. There is now a need to build on this strong performance in targeted areas, extending out to more rural parts of the council area. Education services and establishments in Argyll and Bute will continue to be subject to periodic inspection from HMIE.

48. In the past, the council has adopted an incremental approach to managing and planning for the school estate. However, a more strategic approach, designed to improve, renew, or dispose of facilities has recently been approved - the council having agreed a school estate asset strategy and management plan, identifying the main challenges faced in managing and planning for the school estate. Audit Scotland and Grant Thornton will review the plans and options appraisal carried out by the council. This will inform future scrutiny activity, with the possibility of undertaking a further review of progress in year 2 of the scrutiny plan

Social work

49. Social work services in Argyll and Bute have improved since the SWIA performance inspection in 2007. Performance of children and families SW services is generally improving against national performance indicators. There are well supported child minding services, providing a valuable resource in very rural areas. For people with learning disabilities, the council generally performed well, judged against *The Same As You* performance indicators.

50. However, as referred to earlier, services for older people continue to be adversely affected by the time taken to agree and implement the planned service redesign and the consequent uncertainty for people who use services and staff. SWIA will carry out scrutiny activity in order to assist the improvement of performance in this area. In addition, the Care Commission will continue to regulate care services in Argyll and Bute.

Housing

51.   The council transferred its housing stock to Argyll Community Housing Association in 2007. Due in part to the availability of grant funding the target of 150 houses is not currently being achieved and is unlikely to be achieved going forward.

52.   Whilst there was good, improving performance in providing services to homeless people – backed by a strategic, partnership approach, the SRA also identified challenges in meeting some 2012 homelessness targets, including abolition of priority need as well as some weaknesses in the provision of temporary accommodation. Steps taken by the council towards improvement will be monitored by SHR in year 2.

Environment

53.   Despite difficulties in determining performance in this area, the LAN did not consider there to be any significant risks present, although we will work with the council to review the performance information available in advance of refreshing the AIP for year 2. .

Regulatory services

54.   Information from council performance scorecards indicate good performance in relation to a number of key regulatory functions, including taxi licence renewals, dealing with licensing enquiries, responding to high risk trading standards enquiries and food hygiene high risk inspections. No significant risks have been identified in this area, and no scrutiny activity will take place.

Cultural services

55.   There are low levels of attendance in indoor facilities. The exception to this is swimming – where there is high attendance at swimming pools and participation in swimming lessons. Moreover, new leisure facilities developed in Campbeltown are well regarded. The number of people visiting libraries per 1,000 population is slightly below the target set by the council. No significant risks have been identified in this area, and no scrutiny activity will take place.

Good practice

56.   We found good practice in relation to aspects of governance and accountability. The Audit Committee chair and vice-chair are non-executive, lay members. This has led to a significantly strengthening of overall governance and scrutiny within the council. The capacity to make such appointments to the committee brings in new experience and talent, and achieves an apolitical approach to internal scrutiny.

5. Corporate assessment

The council has made significant progress in revising its corporate planning, strategic and performance management arrangements. However, it is too early to assess the full impact of these important changes.

Corporate assessment

57. The council has adopted the Planning and Performance Management Framework (PPMF) as the vehicle for coordinating improvement activity. The associated development of departmental and council balance scorecards has resulted in greater transparency in performance outcomes across council services and more focused development and use of information generated through the pyramid performance management system.

58. The council has also invested in leadership development for its senior staff, with particular emphasis on developing skills and project and performance management. The council's local auditors have confirmed that departments are using performance information more proactively to improve and develop council services, and there is a greater level of engagement across the council in delivering the process for change and agenda. In terms of political leadership, the Audit of Best Value progress report stated that since the elections in May 2007, political leadership had improved. The council had a good blend of new and experienced elected members and all members received comprehensive induction. They each had a personal development plan based on the Scottish Local Authority Remuneration Committee competency framework, and received training on an ongoing basis.

59. The council has embarked upon a major restructuring of senior management within the council, with the stated intention of '…ensuring that the strategic management of the council has the right competencies (including behaviours and attitudes) to take the organisation through its next stage of improvement.' At the time the SRA was being undertaken, the initial stages of the restructure were underway and on schedule – to be completed by June 2010. It is too early to comment on the impact of these changes.

60. A council employee survey, conducted in November 2009, provided some encouraging responses from the 2,120 (43 per cent of the workforce) who responded. Overall, the survey showed general improvement, when compared with results from the previous survey, carried out in 2006. Highlights included: an improvement in employees' perceptions of the work they do, their contribution to the council's successes and the support they receive in carrying out their duties. Areas for improvement noted in the survey included feedback to staff, training opportunities and some aspects of how the council communicates with its employees.

61. The process of designing, implementing and communicating the revised approach to corporate performance and project management has been the focus of the council senior staff over the past year and it is too early to access the impact of these changes on service delivery improvements.

62. The council recognises the need to demonstrate improvement in service outcomes. The council's external auditors has recognised that the council's plans to fully implement a robust performance reporting framework represent a significant development in improving the council's ability to assess the outcomes and impact of service delivery for service users. This position has been strengthened by the council's recent adoption of the Public Service Improvement Framework, which provides a consistent framework for service improvement across the council.

63. In recognition of the current constraints in the public finances, the council is in process of preparing plans to meet this financial challenge and has recognised the need to achieve increase levels of efficiency in its operations. There is some scope for further development of the council's approach to competition, focusing services on meeting the needs of users while reducing costs overall.

64. The council is also taking action to reinvigorate its approach to community planning, resulting in clearer planning, performance management and governance arrangements. As part of this, the council has revised the role and remit of area committees. These changes remain at an early stage in development.

65. The local external auditor will continue to work with the council in monitoring progress in these areas.

Sustainability

66. In Argyll and Bute, significant change has occurred in a range of corporate and service areas. Coupled with this are the challenges faced by the council in providing services to a dispersed population, served by transport infrastructure in need of improvement – all within a challenging financial climate. We have noted a number of developments, risks and scrutiny responses in these separate areas. During year one, we will further consider the inter-relationship of these factors. In year two, we will consider the extent to which the council has embarked upon a sustainable programme of improvement, as part of targeted work to assess the impact of the transformation programme in embedding performance management throughout the council and securing improved services and better outcomes for local people

6. Conclusion

Next steps

67. The local area network is committed to an alignment of scrutiny with the council's improvement agenda. In pursuit of this, we will seek to establish a dialogue with the council, intended to take fully into account the council's self evaluation and improvement programme.

68. In relation to managing and planning for the school estate, the LAN will consider possible collaboration between HMIE and local external auditors in order to consider progress in this area.

Summary of planned scrutiny activity

69. This assurance and improvement plan maintains a focus on areas previously identified in the Audit of Best Value and Community Planning, at the same time responding to identified risks, areas of uncertainty and improvement need identified in some service areas – notably housing and social work services. The achievements of the council in all areas are recognised and, as such, will not attract any scrutiny activity as a result of the shared risk assessment carried out as part of this planning process.

70. On conclusion of further discussions on the national risk factors and a strategic review of resource scheduling, this AIP will be finalised and issued to the council. There will be ongoing engagement with the council throughout the period covered by the AIP and prior to issuing the 2011-12 AIP.

Appendix 1

Outcomes assessment

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
Environment: Tackling climate change	**No significant risk**	- The council has set out to reduce its greenhouse gas emissions through implementation of a Carbon Management Plan. Initial target: a 9.7% reduction by April 2009. The council were unable to provide performance information in this area – information said to become available by Summer 2011 - By April 2009, a renewable energy strategy for Argyll and Bute was due to be in place, including clear, measurable objectives for renewables development (marine and land), by August 2009. However, completion of the Argyll and Bute renewable energy action plan had been delayed – put back until Summer 2010 - The Council is at the forefront of renewable energy developments. The economic development arm of the council is working hard to develop use of the area's location, and is open to new development – e.g. wave power generation off Islay - An increase in the number of wind farm developers signed up to the council's strategic concordat by March 2012 – said to be 'on track for delivery'	**No scrutiny activity**
Environment: Modernising waste management	**No significant risk**	The waste management PPP model, operated in partnership with Shanks, is well regarded. The council intends to modernise waste management by reducing waste going to landfill and increasing recycling rates. Success measures in pursuit of this, set out by the council in the corporate plan 2009-12, include: - Recycling rate greater than 40% by March 2010 - Less than 27,560 tonnes biodegradable municipal waste (BMW) to landfill by March 2010 - Less than 24,560 tonnes BMW to landfill by March 2011 - Less than 21,500 tonnes BMW to landfill by March 2012 - Continued ability to manage all waste that is destined for landfill Performance information provided by the council indicates that the above targets are on track or, in the	**No scrutiny activity**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
		case of recycling, exceeded.	
Environment: Sustainable growth – community benefits from the environment	**Area of uncertainty**	In line with the Corporate Plan, the council had produced a woodland and forestry strategy for Argyll and Bute. This was out for consultation during the period this AIP was being prepared. Forest and woodlands cover more than 30% of the land mass of the council area. The strategy is intended to help ensure that the benefits from the future development of woodlands in the area are maximised. As part of the national Homecoming 2009 initiative, 26 events and festivals were due to be delivered during 2009. Related success measures included: • At least 50,000 day visitors and 5,000 overnight visitors to be attracted to the area • Additional funds levered into the area exceed £300k Data for both these success measures was still being collected at the time the SRA was conducted. Performance scorecards introduced more recently by the council indicate positive trends in relation to the number of business start ups supported, and job outcomes for people who have been long term unemployed in Argyll and Bute.	**As part of preparation for the refresh of the AIP in year 2, review the data available on this outcome area,**
Social change: Education – making what's good, better	**No significant risk**	In carrying out implementation of curriculum for excellence, the council is well on track in its intention to exceed national milestones through to August 2012. Cluster planning arrangements in most areas have facilitated good professional discussion leading to an increased and shared understanding of the curriculum design principles, with a particular focus on the P5-S3 curriculum.	**HMIE district inspector will continue to monitor progress in this area**
	No significant risk	Implementation of the Early Years framework is intended to result in an increase in the number of children accessing appropriate entitled service by August 2010. However, no specific targets /numbers appear in the corporate plan. In terms of pre-school provision, the SRA revealed: • Strong performance in pre-school centres • Concern re availability of pre-5 places in one particular area, following recent closure of private provision	**HMIE district inspector will continue to monitor progress in this area**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL				
Strategic outcomes	Initial risk assessment	Evidence/rationale		What we plan to do
	No significant risk	Through the embedding of national standards of personal support, the council intends to raise the attainment of looked after children by August 2012. So far, progress in relation to this stated outcome has been good - educational attainment of looked after children showing improvement over the past three years.		**No scrutiny activity**
	No significant risk	The council seeks to ensure that pupils and staff achieve their fullest potential. This is to be demonstrated by improved SQA performance by August 2012. Generally, the authority performs well in relation to meeting the learning needs of all learners. The SRA indicated that most early years provision and primary schools were good or better, with general improvement evident. Considerable good practice has been identified in active learning and in interdisciplinary learning. In terms of educational attainment, performance in secondary schools was improving overall, and was in line with or higher than national and comparator authorities on most measures. Schools are performing well in relation to learners experiences and work is developing in relation to building a curriculum which will provide a broad general education. Community Learning and Development services have previously been focussed on areas of need and provided a very positive service and are changing to work with partners to ensure wider provision across the council area. Additional support needs (ASN) provision in schools is characterised by clear roles and effective quality assurance. Inspection evidence is positive in relation to meeting the learning needs of all learners.		**Schools in Argyll and Bute will continue to be subject to periodic inspection from HMIE**
	Significant risk	In relation to an area referred to in the corporate plan as 'additional support for children leaving care', the plan includes a stated intention to meet 'revised Care Commission requirements' for staffing levels in both council-run school hostels by August 2012. However, the SRA highlighted further, outstanding concerns regarding school care accommodation. As well as the issue of staffing levels, reports of poor communication, and recent Care Commission enforcement action (environment unsuitable for use) were also evident.		**The Care Commission will continue to work with the council in order to ensure that improvement is achieved, and enforcement actions are complied with**
	No significant risk	The council intends to develop enterprise and employability skill of young people in Argyll and Bute. Good progress was being made in relation to the success measures set by the council: • Increased number of pupils engaged in Skills for Work by August 2012		**No scrutiny activity**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
		• Increased number of employers engaging with schools - also by August 2012. The SRA noted good links between adult learning and further education colleges – providing opportunities for progression. However, in terms of Skills for Work, there was evidence that some young people living in more remote communities had fewer opportunities than those living in more populated areas. The council demonstrated good awareness of this issue, and was taking steps to address it – a pilot programme was underway at the time of the SRA.	
	No significant risk	Implementation of GLOW (national intranet for education) in all schools is intended by August 2012. Good progress was being made, despite there being variations in the quality of ITC equipment and the availability of high quality broadband connections. Success measures included: • Increased number of trained mentors; • Increased number of reports from GLOW.	**No scrutiny activity**
	No significant risk	School meals: the council is increasing funding in order to ensure nutritional standards are maintained and raise school meal uptake. The council was unable to provide us with specific performance information regarding the success measures contained in the corporate plan – i.e. by March 2010: • Long term improvement in children's eating choices and behaviours; • Meals uptake that is above the national average.	**No scrutiny activity**
	Area of uncertainty	Over recent years, the council had adopted an incremental approach to managing and planning for the school estate. Secondary schools had received a boost via the building of new campus provision in some communities that meets needs of communities. A more strategic approach, designed to improve, renew, or dispose of facilities to create more effective environments for teaching and learning, had been deferred – said to have been due to changing financial circumstances. However, the shared risk assessment revealed a need to consider this issue, given: • Schools occupancy levels amongst the lowest in Scotland • Significant backlog of maintenance in primary schools .The current backlog of maintenance in all schools is estimated at £25 million. Further to the completion of the SRA, a strategic plan for the school estate was agreed by the council's	**Audit Scotland and Grant Thornton, will review the plans and options appraisal carried out in April. This will inform future scrutiny activity, with the possibility of undertaking a further review of progress in year 2 of the scrutiny plan**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
		executive in May 2010. The council has also recently approved a Corporate Asset Management Plan, which includes the adoption of Service Asset Management Plan. Within this, the Community Services programme aims to safeguard the condition of properties within the School and Social Work Estates. Expenditure has been prioritised on properties based on their risk profile.	
Social change: Modernising social work Modernisation of the social work service in line with changing patterns of need to ensure that services are directed at the most vulnerable and needy members of our community	**Area of uncertainty**	The council has set out to develop family based placements for looked after children, to maximise life chances for young people. This to be achieved by: • Increased levels of community support for children affected by disability (from 70% - 80%) • A reduction in the number of looked after children placed in a residential setting (from 51% down to 48%) • Achieve the Concordat commitment on respite Indications are that, in comparison with other councils, Argyll and Bute are making good progress in terms of respite/ short break provision, given that they are: • 3rd out of 32 for overnight respite weeks provided • 4th out of 32 in total daytime respite weeks provided The SRA considered that: • The number of children with disabilities supported in the community was increasing • The number of children placed in residential school was decreasing • Looked after children experiencing multiple placements remains high	**SWIA will carry out an initial scrutiny level assessment during 2010-11, which will consider this area of social work provision**
	Area of uncertainty	The council aims to shift the balance of care for adults, ensuring that more people are supported at home as opposed to residential settings. This to be achieved by: • Shifting the balance of care for older people – target of 65% cared for in the community, and 35% receiving intensive home care (10+ hours per week) • Achieve the Concordat commitment on respite However, the SRA considered: • Recent progress in relation to the redesign of social work services for older people • That overall, the proportion of those older people in receipt of home care is increasing, but remains well below the national average. - 36.85 per thousand receiving home care against a national average of 63.9%. However, there is evidence that what the council does provide may be better	**The SWIA ISLA will assess how far the council have progressed in implementing the proposed service improvements**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
		targeted towards an evening and weekend service, where performance in both are above national average. A high proportion of these hours are personal care • Concern regarding the physical condition of some residential care buildings for older people – in recognition of this the council's review of older peoples services will also consider the long term future of care homes and including how they plan to maintain and improve their quality • That although numbers of people in care homes had fallen, there was a lesser corresponding increase in those cared for at home– raising concern that there was an appropriate level of care available for older people • That waiting times for assessment were improving in community care – having fallen from 56 to 42 days, with a new target of 28 days had been achieved. While this remained high, the trend was moving in right direction. The council have retained waiting time for services as a local performance indicator.	
	No significant risk	In the corporate plan, the council states its intention to maintain existing levels of provision to meet demand for residential care placements for people with learning disabilities. This will be achieved by: • No service user waiting more than three months waiting for a service • Delayed discharge targets met • A reduction in resource centre placement for adults with learning disabilities by 20% per annum during 2010-13 Information considered in relation to the SRA revealed that services for people with learning disabilities performed well in most of *The Same As You* indicators. The number of people with learning disabilities attending day centres was set to decrease, in line with a service redesign plan, due mid 2010 – building on existing good performance.	**No scrutiny activity** **SWIA link inspector will monitor progress of the service redesign plan**
	No significant risk	The council is allocating resources to maintain existing capacity to support young people leaving care. The number of care leavers had fallen from 28 to 11. Such small numbers mean that performance figures can fluctuate. That stated: • Of the 11 - 55% had a pathway plan and 27% had a pathway coordinator although the number still in touch with social work services remained at 100% • Most Recent outcomes recorded were less positive - 56 % in education ,employment and training compared with 93% and 73 % in the previous 2 years – although this remained higher than the Scottish average of 35%	**No scrutiny activity**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
Social change: Housing – more homes, less homelessness. Release of more land for housing to create more affordable housing and a reduction in homelessness	**Area of uncertainty**	The council intends to implement the action plan contained in the Argyll and Bute Housing Strategy. More specifically, it intends: • To provide 150 shared equity and social rented houses per year (NB this is a target set for all registered social landlords in Argyll and Bute, agreed with the council). Indications were that this level of provision was not likely to be achieved, in view of changes to the housing market and a drop in the availability of grant funding • Reduce repeat homelessness to 3.5% by March 2010 and maintain that level. Indications were that the council had exceeded this target – repeat homelessness having fallen to 3.1%.	**Steps towards improvement are being monitored by SHR**
	Area of uncertainty	Whilst there was good, improving performance in providing services to homeless people – backed by a strategic, partnership approach, the SRA also uncovered: • challenges in meeting some 2012 targets, including abolition of priority need • Some weaknesses in the provision of temporary accommodation Moreover, there is evidence of poor performance in time taken to process housing benefit claims – currently more than 40 days. In addition, there appears to be a lack of urgency on the part of the council to address this issue.	**SHR will monitor progress against 2012 homelessness targets in year 1** **SHR will review progress in relation to post-inspection improvement plan in year 2[3]**
	No significant risk	In terms of strategy, the council intends to produce a long term vision (up to 2030) for consultation (originally due by October 2009), with a view to decisions being taken re release of land around Helensburgh and Cardross. The council had put back the finalisation of consultation until December 2010, in order to comply with new planning regulations.	**No scrutiny activity**
Economy: Transport – improving access to /within	**Significant risks**	The rural nature of Argyll and Bute makes the road network expensive to maintain. The council has set out to implement the action plan contained in the local transport strategy (LTS). This lists a number of transport /infrastructure projects, which are listed along with target timescales.	**External auditor and Audit Scotland to review progress in year 2 of the plan**

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[3] Refers to SHR inspection - report published in February 2010.

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
the area		In relation to roads, the percentage of the road network that should be considered for maintenance treatment is the worst in Scotland, according to 2008/09 SPIs**.** The council's own performance figures reveal a relatively high proportion of roadways requiring maintenance, and we understand that the council has recently improved asset management, capital planning and project management, which will help to address this. Whilst these improvements are already said to be demonstrating an impact through the success of current projects being carried out, the full benefits will be seen in future years due to the length and nature of such undertakings.	
	No significant risk	There is an intention to develop the public transport network, including infrastructure, information and integration. The target is a 3% increase per annum in the number of bus passengers by 2010. However, most recent performance figures available from the council reveal a slight shortfall in achieving the relevant target figure for the current year.	**No scrutiny activity**
Economy: Waterfront and town centre regeneration	**No significant risk**	A range of short and long term projects have been established, under the direction of a Programme Board (CHORD – Campbeltown, Helensburgh, Oban, Rothesay, Dunoon is scheduled to start during 2011-12**.** Expenditure for the period 2009-2015 is projected to be £30.8m – funding gained from a range of sources.	**No scrutiny activity** **Local auditor will monitor performance in this area** **Over time, the LAN will consider the overall impact on the local economy**
Economy: Supporting growing businesses	**No significant risk**	An economic development action plan has been agreed to support business. Business Gateway was launched officially in Argyll and Bute in July 2009. The key success measures recorded on the council's performance management system are: ▪ Number of business start-ups supported (target of 72 for 2009/10) ▪ Number of existing businesses supported (target of 155 for 2009/10); and ▪ The percentage of supported businesses operating after two years (data will be available from July 2011) The Business Gateway made good progress during its first financial year 2009/10; meeting its target of supporting 72 business start-ups and exceeding its target of support to existing businesses by 33% (206 existing businesses supported during 2009/10). It is the intention, to run a pilot competitive business growth programme during 2010/11 subject to a successful European funding application co-financed by	**No scrutiny activity**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
		£60,000 from the council. This pilot seeks to improve and increase existing targets by providing grant assistance up to a total of £3,000 for business growth companies and £500 for start-ups. In addition, an area tourism partnership has already been established and key success measures are to be developed.	
Organisational Development: Improvement	**No significant risk**	The council were making good progress in implementing the Planning and Performance Management Framework (PPMF), with: • Associated plans for all parts of the council • Scorecards for all parts of the council. The most recent Best Value progress report (November 2009) noted that the adoption of PPMF had been a key achievement, resulting in greater transparency in performance outcomes across the council. In addition, a communications strategy, setting out a set of communications objectives for the period 2009-12, had been delivered on schedule (August 2009). The first stage of the action plan is due to have been implemented by March 2010. The SRA provided evidence indicating that the improvement programme established by new Chief Executive progressing well. At the same time, the need to embed culture of performance management was also identified.	**No scrutiny activity**
Organisational Development: Transformation and modernisation	**Area of uncertainty**	The council has embarked upon a modernisation programme, resulting in a major restructuring of senior management within the council. The modernisation programme has a stated intention of '…ensuring that the strategic management of the council has the right competencies (including behaviours and attitudes) to take the organisation through its next stage of improvement.' At the time the SRA was being undertaken, the initial stages of the restructure were underway and on schedule – to be completed by June 2010. It is too early to comment on the impact of these changes.	**Over time, the LAN will consider the overall impact of these significant changes on the culture operation of council services, and the effect on outcomes**
Organisational Development: Community planning	**No significant risk**	The council is reported by the local external auditor to have 're-invigorated' its approach to community planning, resulting in clearer planning, performance management and governance arrangements. It has: • Revised the role and remit of area committees • Reviewed the community plan • Plans in place to implement PPMF for the community plan by March 2010.	**No scrutiny activity**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Strategic outcomes	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
Organisational Development: People management	**No significant risk**	Developments in this area include: • The implementation of the HR strategy – an action plan has recently been submitted to the council for approval (February 2010) • Delivery of the senior management development programme; • A review of internal communications, completed in August 2009. In terms of HR, the SRA specifically revealed scope to improve the completion of personal development reviews (PDRs), with significant variation in performance across council services. Overall, we noted that PDR completion figures only achieved 38% completion in 2008-2009, with significant variation in performance across council services. However, PDR figures have recently shown dramatic improvement, the council having achieved an 82% completion rate for 2009-10 (exceeding the 80% target).	**No scrutiny activity**
Organisational Development: Developing the third sector	**No significant risk**	The council intends to improve support for third sector organisations through the work of the third sector steering group. This has resulted in Demonstration Project – established in June 2008 – with the aim of establishing an overarching framework for the council to work effectively with the third sector. Timescales had been revised in light of delays. It is still too early to gauge the impact of this initiative	**No scrutiny activity**

Appendix 2

Service assessment

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Council Services (i.e. areas not covered under performance assessment)	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
Education **Social work** **Housing** **Corporate services** **Environmental services (including Waste Management)**		Dealt with under social change outcomes	
Regulatory services	**No significant risk**	Information from council performance scorecards indicate good performance in relation to a number of key regulatory functions, including taxi licence renewals, dealing with licensing enquiries, responding to high risk trading standards enquiries and food hygiene high risk inspections. Generally poor, and falling performance in a number of SPIs including trading standards inspections and food hygiene inspections.	**Local auditor will maintain a watching brief in this area**

PERFORMANCE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Council Services (i.e. areas not covered under performance assessment)	Initial risk assessment	Evidence/rationale	What we plan to do
Cultural services	**No significant risk**	There are low levels of attendance in indoor facilities. The exception to this is swimming – where there is high attendance at swimming pools and participation in swimming lessons. Moreover, new leisure facilities developed in Campbeltown are well regarded The number of people visiting libraries per 1,000 population is slightly below the target set by the council.	**No scrutiny activity**
Roads and street lighting		Dealt with under economy /transport outcomes	

Appendix 3

Corporate assessment

CORPORATE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Corporate Assessment area	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
Vision and Strategic Direction	**No significant risk**	VISION AND STRATEGIC DIRECTION The Council has agreed three priority areas in its "Leading Rural Area Vision". These are articulated in the Corporate Plan and Community Plan**.** Some of the targets and success measures listed in the current corporate plan tend to be process rather than outcome focussed. In response to successive Best Value reports and audits (last updated 30 November 2009), the council has consolidated progress in a number of key areas, including corporate leadership and strategic direction, by increasing the pace of change in order to meet best value expectations. There is clear recognition on the part of the council that the changes effected lead to real and measurable improvement in service delivery, outcomes and service user satisfaction.	**No scrutiny activity**
	No significant risk	LEADERSHIP AND CULTURE There is evidence that previous concerns regarding pace of change /lack of performance culture are now being addressed. A leadership development programme is in place for senior managers, focussing on the development of skills in project and performance management. Previous inspections point to a strong strategic lead in the development of education services, and a well established culture of continuous improvement in the homeless service.	**No scrutiny activity**
	Area of uncertainty	Restructuring at senior level ('modernisation programme') was underway at the time this SRA was being completed, creating three new Executive Director posts, each with a corporate focus. Recruitment process due to be completed by February 2010. It is too early to gauge the impact of these changes, intended to ensure that '…the strategic management of the council has the right competencies (including behaviours and attitudes) to take the organisation through its next stage of improvement.'	**Over time, the LAN will consider the overall impact of these significant changes on the culture operation of council services, and the**

CORPORATE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Corporate Assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
			effect on outcomes
	No significant risk	PLANNING AND RESOURCE ALIGNMENT The 2008-11 planning and budgeting process has been better aligned, and there is evidence of some of the budget being reallocated to support council priorities. There are good linkages between corporate plan, community plan and service plans – a 'golden thread' review has been completed.	**No scrutiny activity**
Partnership working and community leadership	**No significant risk**	There are notable examples of partnership working in Argyll and Bute. These include: • Development of adult protection services in response to recent legislation; • Homeless services - characterised by good partnership working with key partners. The council has taken action to re-invigorate its approach to community planning, resulting in clearer planning, performance management and governance arrangements. These changes remain at an early stage of development, and the full impact remains uncertain.	**No scrutiny activity**
Community engagement	**No significant risk**	Community engagement is developing, although there continues to be a focus on consultation and strong reliance placed on the citizens panel, rather than a broader approach to working with local communities. The council has revised the role of area committees – giving them a leading role in engaging communities at a more local level. Added to this, a community engagement strategy has been developed, and the council has plans in place to co-ordinate how it communicates with service users. The council has also identified that the Customer First programme needs to be developed to encourage greater access to council services. In terms of regulation and inspection of care services, the Care Commission have noted significant improvement in grades relating to community engagement in the past year.	**No scrutiny activity**
Governance and Accountability	**Good practice**	AUDIT COMMITEE We found good practice in relation to governance and accountability in the Council's Audit Committee. The Audit Committee chair and vice-chair are non-executive, unelected members. This has led to a significant strengthening of overall governance and scrutiny within the council. The capacity to make	

CORPORATE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Corporate Assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		such appointments to the committee brings in new experience and talent, and achieves an apolitical approach to internal scrutiny.	
	No significant risk	New political governance arrangements (i.e. establishment of an executive committee in 2007) are now established, designed to streamline decision-making. Elected members feel well trained to carry out their strategic role.	No scrutiny activity
	No significant risk	PUBLIC PERFORMANCE REPORTING The Council has improved its public performance reporting arrangements and has done some work to identify the information requirements and expectations of service users. **Although there is scope for improvement, annual performance reports and quarterly balanced scorecard have increased transparency in this area.**	Local auditor will monitor progress as part of their annual work on performance and best value.
Performance management and improvement	No significant risk	CUSTOMER FOCUS AND RESPONSIVENESS The council has done some work to identify the information requirements and expectations of service users. Again, In terms of regulation and inspection of care services, the Care Commission have noted significant improvement in grades relating to customer focus and responsiveness.	No scrutiny activity
	No significant risk	PERFORMANCE MANAGEMENT Recent external audit (November 2009) concluded that a robust performance reporting framework is now in place. Central to this is the introduction of the Planning and Performance Management Framework (PPMF) as a basis for co-ordinating improvement activity. Departmental and council balanced scorecards have resulted in greater transparency, and there is evidence of all council departments using performance information more proactively. The council has recently adopted PSIF as a framework for service improvement across services. The Council's performance management software - Pyramid - has recently been updated. It is too early to assess improvements.	No scrutiny activity

CORPORATE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Corporate Assessment area	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
		At a service level: • In education, there is comprehensive guidance on monitoring and evaluation issued to schools and learning centres, backed up by a Quality Improvement Officer (QIO) team; • In housing, performance management features strongly in the council's objectives /priorities. There are good performance systems in the homeless service. These are being augmented with new corporate system; and • In social work, the SWIA self-evaluation guide has been applied to inform service planning.	
	No significant risk	EFFICIENCY The council's ability to achieve greater efficiency is very important in terms of meeting emerging budget pressures. The council did not meet its own target for efficiencies in 2008-09, but has met national targets for the last three years. Efficiency KPIs have been developed for each service within the Pyramid performance management system.	**No scrutiny activity**
	No significant risk	RISK MANAGEMENT Recent external audit report concluded that '…corporate risk management arrangements have been significantly improved …and we noted that risk management is developing across all services.'	**No scrutiny activity**
	Area of uncertainty	COMPETITIVENESS In response to the change in economic climate, the council was, at the time of the SRA, preparing plans to meet the new financial challenges, recognising the need to achieve increased levels of efficiency.	**Local auditor will monitor progress in this area as part of their annual work on best value.**
Use of resources	**No significant risk**	FINANCIAL MANAGEMENT Despite issues regarding the management of major transport infrastructure projects mentioned elsewhere in this plan, the council manages its finances well. Reform of strategic financial management arrangements is in progress, due to be completed by summer 2010. A major challenge lies ahead, in terms of a significant budget shortfall for the period to 2011-12.	**No scrutiny activity**

CORPORATE ASSESSMENT – ARGYLL AND BUTE COUNCIL

Corporate Assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
	No significant risk	ASSET MANAGEMENT The Council has recently approved a Corporate Asset Management Programme, based on priorities including the CHORD programme, school replacement and road and infrastructure projects. Each service has now submitted a Service Asset Management Plan, although these are of variable quality to date. The Council also acknowledges the need to undertake additional work on assessing the condition, suitability and risk of assets held, including building and infrastructure assets. The Plan prioritises work based on a risk assessment, and on "spend to save" programmes.	**Audit Scotland and local auditor to monitor progress in this area**
	Area of uncertainty	MANAGING PEOPLE The development of an employee involvement strategy has been completed, and an action plan was being developed at the time the SRA was carried out. In addition, an employee survey was being carried out. At service level, there are a number of current issues, including: • PDR figures only achieving 38% completion in 2008-2009. However, PDR figures have recently shown dramatic improvement, the council having achieved an 82% completion rate for 2009-10 (exceeding the 80% target); • A number of appeals against single status and equal pay claims outstanding; • In education, continuing difficulties in recruiting appropriately qualified staff for posts - felt most acutely in more remote schools and specialist posts. The council pays an enhancement for staff to encourage them to move to the area, and has attempted to find innovative ways to recruit and retain staff; • In social work, improvement needed in terms of in house management– e.g. staff on temporary contracts for years, bank staff not being interviewed. The slow pace of change in services has meant that staff in home care and in some care home contracts in particular remain on temporary contracts awaiting a final decision on where the service will be commissioned from. This was particularly the case in older peoples services but may also impact on learning disability and mental health services as these services are redesigned.	**The local auditor, Care Commission, HMIE district inspector and SWIA link inspector will monitor performance in this area.**

CORPORATE ASSESSMENT – ARGYLL AND BUTE COUNCIL			
Corporate Assessment area	**Initial risk assessment**	**Evidence/rationale**	**What we plan to do**
	No significant risk	PROCUREMENT A procurement strategy is in place which has been aligned to the National Procurement Policy Handbook, and reviewed against the criteria in the McClelland review. The council is a member of Scotland Excel. At service level, in-house procurement for housing support and care at home services has greatly improved.	**No scrutiny activity**
Equalities	**Area of uncertainty**	An Equality and Diversity Scheme is in place and links to key themes within the Corporate Plan and SOA. Impact on services has not yet been assessed.	**Local auditors will monitor progress in this area as part of their annual work on best value. The LAN will consider scope for joint work here - particularly as it relates to services?**
Sustainability	**Area of uncertainty**	In Argyll and Bute, significant change has occurred in a range of corporate and service areas. Coupled with this are the challenges faced by the council in providing services to a dispersed population, served by transport infrastructure in need of improvement – all within a challenging financial climate. We have noted a number of developments, risks and scrutiny responses in these separate areas.	**Year 1: LAN to consider the inter-relationship of these factors.** **Year 2: LAN will assess the extent to which the council has embarked upon a sustainable programme of improvement, as part of targeted work to assess the impact of the transformation programme in embedding performance management throughout the council and securing improved services and better outcomes for local people**

Appendix 4

Summary of scrutiny and improvement

The AIP is a three year rolling programme. (Express scrutiny footprint in terms of 'scrutiny days'. 1 person for one day = 1 scrutiny day). Include **all days** devoted to scrutiny including off site evidence review. On- site days should be highlighted **in red** as this will be the perceived scrutiny footprint.

	2010-11 (Year 1)											
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SWIA – initial scrutiny level assessment (ISLA) – including social change: modernisation of social work							■					
Care Commission - Adoption and Fostering							■					
Care Commission, Grant Thornton, HMIE and SWIA to consider improvements in relation to managing people (timescale to be confirmed)												
HMIE - Education Psychological Services							■					
HMICS/AS – Beat Value Strathclyde Police								■				

2011-12 (Year 2)	
Issues for scrutiny /improvement	**Scrutiny bodies /council potential involvement**
Targeted work to assess the impact of the transformation programme in embedding performance management throughout the council and securing improved services and better outcomes for local people	LAN and the council
Review of asset management and performance management	External Auditor and Audit Scotland
Review of progress on improving transport links	External Auditor and Audit Scotland
Update on post-inspection improvement plan[4]	Scottish Housing Regulator
SWIA scrutiny activity arising from ISLA	SCSWIS[5], in partnership with other LAN members, as appropriate
Adoption and Fostering	SCSWIS

2012-13 (Year 3)	
Issues for scrutiny /improvement	**Scrutiny bodies /council potential involvement**
Child protection 2 inspection	SCSWIS with HIS[6], HMICS and HMIE
Adoption and Fostering	SCSWIS

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[4] Refers to SHR inspection - report published in February 2010.
[5] Social Care Social Work Improvement Scotland - name of new scrutiny body incorporating functions of the Care Commission, HMIE (joint child protection) and SWIA from 1 April 2011.
[6] Health Improvement Scotland – name of new health regulator from 1 April 2011.