

# Shared risk assessment: Assurance and improvement plan 2011–14

Argyll & Bute Council



# Argyll & Bute Council

## Assurance and Improvement Plan

### Update 2011–14

#### Introduction

1. The first Assurance and Improvement Plan (AIP) for Argyll & 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 undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies.
2. The aim of the shared risk assessment 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 AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.
3. The LAN met in late 2010 to update the AIP for the period 2011-14. The update process drew on evidence from a number of sources, including:
  - The annual report to the Controller of Audit and elected members for 2009/10 from the council's appointed external auditors (Grant Thornton).
  - The council's own performance data and self-evaluation evidence.
  - Evidence gathered from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).
4. The outcomes of that exercise are contained in this short report which summarises changes to risk assessments, and proposed scrutiny responses. Appendix 1 to this report sets out a timetable for proposed audit and inspection activity between April 2011 and March 2014 which reflects the revised and updated scrutiny risk assessment.

#### Summary

5. Argyll & Bute Council has a number of areas of improving performance. The key building blocks for improvement are now in place, such as a new management structure, planning and performance management framework, and the transformation programme, which includes a programme of service reviews and the examination of options for shared services. A key challenge for the council will be to translate improvements in corporate working arrangements into demonstrably better service outcomes and outputs for its citizens.

6. The management restructure now in place is providing strong leadership. The council's revised vision provides a clarity of direction.
7. The council has a record of good financial management, informed during the year by budget consultation with the public, including a programme of *Forward Together* events which focussed on agreeing priorities in response to the financial position of public sector budgets and review of local plans within this context. However, the council has recently received a 3.12 per cent reduction in funding from the Scottish Government for 2011-12. Whilst the council has clear plans in place to achieve the required level of savings, it faces a significant challenge to deliver those savings over the three year period of the budget.
8. The council's administration recently halted the consultation on a number of schools estate proposals pending review by the recently appointed spokesman for Education. Officers have recently undertaken pre-consultation meetings in relation to the potential development of formal proposals. The council acknowledges there are political and legislative risks that may influence the final outcome of the schools review processes. The council will need to consider how it is to address the backlog investment and school occupancy levels. The external auditor will continue to monitor this as part of their annual audit work.
9. The council's political management arrangements have changed with the SNP group now in opposition to a ruling coalition of Alliance of Independents, Liberal Democrat and Conservative groups. This has led to a more challenging approach around decision making.

## National risk priorities

10. A number of core national risk priorities will be applied to all 32 councils. These are:
11. **The protection and welfare of vulnerable people (children and adults) including access to opportunities:** the shared risk assessment identified some areas of concern although there are indications that performance continues to improve. Inspection of services continues to indicate that most early years provision and primary schools were good or better, with general improvement evident. SCSWIS will be carrying out an inspection of the child protection services during 2011.
12. Recent scrutiny has identified that there are improved outcomes for those using Social Work services, particularly in terms of care planning and meeting their needs. The council aims to shift the balance of care for adults, ensuring that more people are supported at home rather than in residential settings. Overall, the proportion of those older people in receipt of care at home is increasing, but it remains well below the national average.
13. The Council is working in partnership with Argyll & Bute Health Care Partnership and Alzheimer Scotland to redesign its dementia services in response to the National Dementia Strategy. The aim is to enable people with dementia to have a high quality of life in their own homes.

14. A tendering process is currently being undertaken with regard to the council's residential services for Older Persons.
15. The Adult Support and Protection Committee is now well established and is an example of good partnership working. Committee members are currently carrying out a self-evaluation of the committee.
16. **Assuring public money is being used properly:** No significant scrutiny risks identified. The council has recently carried out a review of its strategic financial management arrangements and overall, manages its finance well. To acknowledge and respond to differing local demands, the council and its community planning partners have developed an approach to community planning and engagement that involves local people in community planning, aligning community capacity building directly with community planning processes. This includes the development of Local Community Planning Groups, a Community Engagement Strategy, and the delivery of local *Forward Together* events in each of the four areas of Argyll & Bute.
17. The council has a Corporate Asset Management Programme in place, based on priorities. The Plan prioritises work based on a risk assessment and on "spend to save" programme.
18. **How councils are responding to the challenging financial environment:** The Comprehensive Spending Review covering public sector expenditure for the period 2011/15 was announced in October 2010 and the Scottish Government responded to it by announcing a single year Scottish budget for 2011/12 and this creates an uncertainty over medium term financial planning. The financial climate will impact on the council's ability to deliver its outcome targets and maintain service performance into the future. This will be kept under review by LAN members. The council continues to be proactive in responding to the current challenging financial environment and is well placed to do so but given the strategic uncertainty in this area the LAN has therefore concluded that this is an area of uncertainty. The Council received a 3.21 per cent reduction in funding from the Scottish Government in 2011-12. Grant Thornton will continue to closely monitor the council's financial position, so while no specific additional scrutiny work is planned, it should be noted that this monitoring is a fundamental and ongoing feature of the existing annual audit process.
19. The council's service review programme is progressing, and the process has been improved to ensure that findings are robust and lead to quantifiable savings. This is a key step to respond to the financial position and look for radical alternative service delivery models through the council's new service review guidance. The council's budget proposals outline plans to achieve these savings. The external auditor will assess progress in this area as part of their annual audit activity.

## Areas of on-going risks and uncertainties

20. The SRA process for 2011/12 has involved revisiting the Assurance and Improvement Plan for 2010/11 updating the risk assessment and proposed scrutiny plans taking account of any new evidence. The following table identifies the risks and uncertainties in the council's processes and activities that were identified in the 2010/11 AIP and remain unchanged.

Area	Level of Risk	2011/12 Update
Management of the School Estate	<b>Area of Uncertainty</b>	The council acknowledges there are political and legislative risks that may influence the final outcome of the schools review processes.
Social Change: Ensuring services are directed to the most vulnerable	<b>Area of Uncertainty</b>	Children and families services have continued to increase the level of community support for children. The council has opened a new respite unit for children with disabilities, recruited a number of new foster carers, and is reviewing its approach to support to kinship carers. The performance trend is improving but remains below the Scottish average.
Support of adults at home rather than in residential settings	<b>Area of Uncertainty</b>	The proportion of older persons in receipt of care at home has increased slightly but remains well below the Scottish average. The council are developing new models of care to improve this position but it is too early to assess the impact of these. The council has worked with independent providers to improve the quality of care home services they commission. It is too early to assess whether the planned outsourcing of older peoples' services will provide a sufficient level of provision to meet the needs of older people across Argyll and Bute
Housing	<b>Area of Uncertainty</b>	There has been good progress on affordable social sector new builds. However, in the context of significant reduction in funding to RSLs and commensurate reduction in house completion rates, current council policy may not be sufficient to achieve planned targets, therefore Housing remains an area of uncertainty.
Services for homeless people	<b>Area of Uncertainty</b>	Good progress is being made by the council. However, challenges remain in meeting 2012 targets of provision, therefore this remains an area of uncertainty.
Economy : Transport	<b>Significant Risk</b>	The rural nature of Argyll and Bute makes the road network expensive to maintain. The network road condition indicator has continued to deteriorate, and a number of transport infrastructure projects have not been completed in the year due to funding restraints, and in one case, difficulties in obtaining necessary land access permissions (Tayinloan Slip). However the LAN recognises the roads network continues to be a priority for the council, and a roads asset management plan is being produced to support the Roads Asset Management Strategy. The Council has recognised the substantial investment required to deliver key improvements in the roads network and an additional £7m has been factored into the roads budget over the next 3 years. The council is focussing upon upgrading it's strategic high speed routes as a priority, however it is too early to assess whether this will be enough to improve the network road condition indicator.
Sustainability	<b>Area of Uncertainty</b>	Argyll and Bute Council has a transformation programme and other plans in place to ensure best value is delivered, however, the council continues to go

		through a period of significant change. The council continues to face the challenge of providing services to a dispersed population within a challenging financial climate.
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## Changes to 2010/11 Risk Assessments

The following table relates to risk assessments that have been changed from the 2010/11 AIP

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Reason for Change
Environment : Sustainable Growth	Area of Uncertainty	No significant risk	The National Homecoming 2009 initiative resulted in excess of 40,000 additional visitors to the area. A partnership steering group led a project to boost local activities and events with a final investment of £7.5m.
Social Change : Education/Accommodation and care leavers	Significant Risk	No significant risk	Work has been undertaken in School Care Accommodation with staffing levels being met. Recent figures indicate that all care leavers in Argyll and Bute are receiving aftercare services.
Organisational Development : Transformation and Modernisation	Area of Uncertainty	No significant risk	The council completed a significant restructure in 2010 which appears to have been completed successfully.
Leadership and Culture	Area of Uncertainty	No significant risk	As stated above, the council has successfully completed a significant change to create a more streamlined management structure.  The council's political management arrangements have changed. This has led to a more challenging approach around decision making.
Competitiveness	Area of Uncertainty	No significant risk	The council's service review programme has been improved to ensure that findings are robust and lead to quantifiable savings. This is a key step to respond to the financial position and we have noted the improved approach to identifying efficiency savings through a drive to look for radical alternative service delivery models through the council's new service review guidance. In particular, we note that this approach will link to the council's aim of delivering a policy-based budget that is reflective of council priorities and taking account of changing demands for services.
Asset Management	No significant	Area of	The proposed plan for School

	<b>risk</b>	<b>Uncertainty</b>	Estate Asset Management is now subject to review by the new Administration. This creates an element of uncertainty for other plans.
Managing People	<b>Area of Uncertainty</b>	<b>No significant risk</b>	There is evidence that the action plan for the employee involvement strategy is being implemented with positive results.
Equalities	<b>Area of Uncertainty</b>	<b>No significant risk</b>	Equality impact assessments have been carried out as part of the consideration of service redesign.

## Scrutiny plan changes

21. SCSWIS planned to carry out a child protection inspection in 2012/13, this has now been brought forward to June 2011. There are no other changes identified within the 2010/13 plan.
22. In recent years the external auditors have drawn the council's attention to the relatively poor occupancy rates in the council's schools and the significant backlog of maintenance in the schools estate (estimated at £25 million). The council has responded with an undertaking to review its school estate and develop a strategic plan for addressing key areas of concern. Grant Thornton will monitor the council's progress in implementing this key policy commitment as part of their annual performance audit work.
23. Details of planned scrutiny work is detailed in Appendix 1.

## Review of 2010/11 planned activity

24. The 2010/11 scrutiny plan was substantively completed in accordance with the timetable reported.



## Appendix 1 Summary of scrutiny activity

ARGYLL & BUTE COUNCIL SCRUTINY PLAN	2011-12											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Scrutiny activity year 2												
SCSWIS Child Protection												
SCSWIS Adoption and Fostering (date to be confirmed)												
Housing Benefit Audit												
	2012-13											
Scrutiny activity year 3	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SCSWIS follow-up on ISLA/CP2 scrutiny												
	2013-14											
Indicative scrutiny activity for rolling third year No additional work identified	Potential scrutiny bodies involved											

### Footnotes

- 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 on-going 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. HMLle, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate.

- The new body, Social Care and Social Work Improvement Scotland (SCSWIS) will be in place from April 1<sup>st</sup> 2011 and will regulate care services and social work services based on the Public Services Reform (Scotland) Act 2010.
- HMIE and Learning and Teaching Scotland are being brought together to form a new agency from 1 July 2011 called Scottish Education Quality and Improvement Agency (SEQIA).
- The Accounts Commission has decided to undertake Best Value audits of Fire & Rescue Services and Authorities during 2011. Planning is currently taking place and Audit Scotland will contact LAN leads when the detail of the fieldwork is established.
- Audit Scotland also undertakes a series of national performance audit studies. Field visits to individual local authorities often form part of this work. When a visit is planned to a council this will be communicated to the council through the LAN lead
- In April 2008, the Accounts Commission agreed to a request from the Department for Work and Pensions (DWP) to take over the Benefit Fraud Inspectorate's responsibility for inspecting housing and council tax benefit (benefits) services in Scotland. As Audit Scotland has no inspection function, this 'benefits performance audit' work has been incorporated into the annual audit of local government. The timing of the audits will be confirmed through the LAN lead.