

**ASSURANCE AND IMPROVEMENT PLAN – update 2012-15**

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**1 SUMMARY**

- 1.1 The Local Area Network of external scrutiny bodies has recently completed its annual Shared Risk Assessment review of the Council and updated the Assurance and Improvement Plan accordingly. The Plan outlines the current level of audit and inspection risk within the Council and sets out proposed external scrutiny for a rolling three year period.
- 1.2 The Local Area Network continue to report positively about the Council's progress and notes both the significant improvements made and the challenges we continue to face. Only one area was identified as a significant risk, with four areas being downgraded to no risk, therefore confirming the Council's position as low risk.

**2 RECOMMENDATION**

- 2.1 Members note the annual Assurance and Improvement Plan update, and in particular the positive comments on the Council's improvement progress and reduction in risk
- 2.2 Members note that areas identified as risks or uncertainty will continue to be addressed through the Council's ongoing improvement agenda

**3 DETAIL**

- 3.1 Since 2010 the Council has been subject to an annual Shared Risk Assessment (SRA) undertaken by a collection of our scrutiny bodies known as the Local Area Network (LAN). The LAN consists of representatives from our key audit and inspection bodies, and utilise a shared risk assessment approach to planning scrutiny of the Council that is proportionate and based on areas of risk. The findings of this risk assessment, and subsequent scrutiny plan, are reported in an Assurance and Improvement Plan (AIP). This AIP for the period 2012-15 has recently been published, a copy of which is included as an attachment to this report.
- 3.2 The risk assessment saw a further reduction in the Council's level of risk compared with 2010 and 2011. The table below shows the reduction in significant risk and areas of uncertainty since 2010 for local risks.

<b>2010</b>	<b>2011</b>	<b>2012</b>
2 Significant Risks	1 Significant Risk	1 Significant Risk
12 Areas of Uncertainty	7 Areas of Uncertainty	3 Areas of Uncertainty

The remainder of the assessment areas are classed as no significant risk.

- 3.3 Taking both national and local risk areas there is a total 40 risk areas. For Argyll and Bute Council 34 of these are no significant risk with 5 areas of uncertainty and 1 significant risk. The area of significant risk identified relates to the Council's transport service and roads maintenance performance outcomes. No significant risks were identified within the Council's overall corporate governance framework.

3.4 **Local Scrutiny Risk Assessments**

There are a total of 37 local risk areas considered by the LAN during their assessment. Of these a total of 33 are classed as no significant risk. A list of these can be found at sections 20 to 22 of the Assurance and Improvement Plan. Of the remaining four assessment areas, one is classed as a significant risk, and the remaining three as areas of uncertainty. Further information on each of these is noted below.

**Economy: Transport – Significant Risk**

This is an area of the assessment that continued to be assessed as posing a significant risk to the organisation due to the nature of our geography and high dependency upon the road network. The challenges faced in terms of roads maintenance are well documented however the LAN notes the action that has previously and continues to be undertaken to address this. This includes the completion of the Roads Operations Service Review, the development of a 3 year Roads Reconstruction Recovery Programme, and longer term strategy and plans for improvement; allocation of additional capital funding for roads; and the successful completion of the Council's Roads Capital Reconstruction Programme for 2010/11. 12 per cent of the Council's class A roads having been upgraded through the roads reconstruction programme thus far.

Since the LAN met at the end of 2011, a total of £21m has been allocated in the Capital Plan for the period 2012-13 to 2014-15. This will allow further improvements to be made across Argyll and Bute to ensure the proportion of roads requiring maintenance treatment decreases.

Audit Scotland will be undertaking a follow-up review of their national study "Maintaining Scotland's Roads". Covering all 32 Councils this will also look at the progress being made within Argyll and Bute, and will inform next year's risk assessment. This report will be brought to the attention of Members in due course once the findings have been published.

**Asset Management : management of the school estate – Area of Uncertainty**

Whilst asset management in general has been downgraded to no significant risk, the LAN does however consider that uncertainties exist in relation to schools estate asset management. Members will be aware that the Council awaits the outcome of the Commission on Rural Education, and the Scottish Government's subsequent legislative response.

**Social Change: ensuring services are directed to the most vulnerable - area of uncertainty**

This assessment is linked to the national risk priority regarding the protection and welfare of vulnerable people detailed later in this report. The Care Inspectorate will carry out a follow-through visit within the next year and report publicly on the extent to which improvements have been delivered.

**Support of adults at home rather than in residential settings – area of uncertainty**

Again, the LAN acknowledges that performance is improving across a number of areas. These include the number of older people receiving care in the community and remaining within their own homes, the number of delayed discharges over six weeks, and the number of people awaiting free personal care.

The LAN has however assessed this as an area of uncertainty. The LAN considers that uncertainty remains as to whether the planned changes to the way some older people's services will be delivered will provide the level of financial stability required to ensure that budget provision remains adequate in the short to medium term. This area of uncertainty will be monitored by the Council during the Care Inspectorate self-evaluation process, with the LAN maintaining a watching brief during the course of the next year.

**3.5 National Risk Priorities**

There are 3 core national risk priorities that apply to all 32 Councils listed in the Assurance and Improvement Plan. These are:

**The protection and welfare of vulnerable people (children and adults) including access to opportunities – Area of Uncertainty**

The LAN acknowledged the continuation of improvement within this area, in particular relating to the number of older people receiving care within the community and remaining within their own homes, the number of children with a disability receiving community based support, and the number of looked after accommodated children placed in family placements. The LAN also noted the improvements in children on the Child Protection Register having a current risk assessment, with this now standing at 100%.

The LAN however noted that a Care Inspectorate joint inspection of services to protect children and young people across six key areas found three evaluations as good, two satisfactory but one weak. In response to this inspection a multi-agency team is in place to deliver an improvement plan across the areas identified for improvement. As it is too early to assess the effectiveness of the improvement activity within this area the LAN has designated this as an Area of Uncertainty. Consequently, the Care Inspectorate will carry out a follow-up visit within the next year, the findings of which will be made publicly available and reported to Council in due course.

**Assuring public money is being used properly – No Significant Risks**

The LAN recognised the Councils sound approach to both financial and performance management, and noted that it had no concerns as regards this area of the assessment.

### **How Councils are responding to the challenging financial environment – Area of Uncertainty**

Again, the LAN noted that the arrangements within Argyll and Bute are effective, with no concerns raised in relation to these. In particular the LAN noted the success to date of the Transformation Programme, and the adoption of a three-year budget planning cycle with a set target of maintaining a balanced budget throughout this term.

However, due to the unprecedented of reductions being sought as a result of the ongoing period of public sector financial austerity, and the need to ensure that both existing and future savings are sustainable, LANs across the vast majority of the 32 Councils have classed this as an area of uncertainty. This is therefore not unique to Argyll and Bute.

## **4 Summary of Scrutiny Activity**

- 4.1 The focus of the AIP is strategic scrutiny activity focussed at a corporate or whole service level. Scrutiny level at unit level, including for example school and residential home inspections, and unannounced inspections for services such as care for vulnerable groups, will continue on an ongoing basis.
- 4.2 In addition to routine scrutiny activity, and ongoing monitoring by the LAN and our appointed external auditors, the following scrutiny activity will take place within the Council over the next year:
  - Children’s Services Joint Inspection – follow-through visit in January 2013 in response to previous Care Inspectorate inspection. This is an area of uncertainty;
  - Audit Scotland: maintaining Scotland’s Roads – national study across all 32 Local Authorities. This is an area of Significant Risk;
  - Scottish Housing Regulator self evaluation – SHR have been invited by the Council to participate in a self evaluation in July 2012;
  - Education Scotland has been invited by the Council to carry out a Validated Self Evaluation (VSE) within education services. This will lead to a published report however it is not a scrutiny response to any identified risk.

## **5 Next Steps for Improvement**

- 5.1 As noted by the LAN, the Council has successfully completed the first phase of the Transformation Programme. This has included delivering savings of between 15% and 20% across all services as part of the Service Review Programme. The Council has also completed two Corporate Improvement

Plans in the period since 2009. In order to ensure that the improvements made are consolidated and built upon work is underway to put in place a Corporate Improvement Programme bringing together the Transformation Programme and Corporate Improvement Plan under one coordinated and focussed programme.

- 5.2 A review of existing improvement sources has been undertaken, including PSIF findings, all external and internal audits, the Assurance and Improvement Plan, the previous Corporate Improvement Plan, and several national policy initiatives likely to have an impact over the course of the next year. These initiatives include the move towards single police and fire services, the national review of community planning, and work around social work and social care integration.
- 5.3 A draft of a Corporate Improvement Plan is being prepared. This is drawn from the information collated from the actions at para 5.2 above along with a review of the scope of the current Transformation Programme. This will bring together all corporate improvement activity into a single Corporate Improvement Plan. Information on the Corporate Improvement Plan will be brought to members in due course.
- 5.4 The Corporate Improvement Plan will be managed using a formal project management approach, including production of project documentation and the appointment (from existing resources) of a project manager, sponsor and senior responsible officer for each workstream.

## **6. CONCLUSION**

- 6.1 The publication of the Assurance and Improvement Plan 2012-15 shows that the Council continues to be regarded as low risk by our external scrutineers. The level of external scrutiny placed upon the Council is therefore low. In order to build upon improvements that have already been achieved, and address areas within the AIP assessed as higher risk a corporate improvement programme is being developed.

## **7. IMPLICATIONS**

Policy	In line with the Council's duty to deliver Best Value and continuous improvement.
Financial	None
Personnel	None
Legal	None
Equalities	None

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**ATTACHMENT**

Assurance and Improvement Plan Update 2012-15