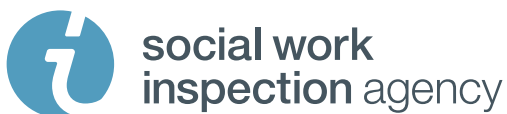


Shared risk assessment: Assurance and improvement plan 2010–13

Orkney Islands Council



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1. Introduction

The Assurance and Improvement Plan

1. This Assurance and Improvement Plan (AIP) is the product of a collaborative approach adopted by the following scrutiny bodies operating in Orkney Islands Council:
 - Audit Scotland
 - Care Commission
 - HM Inspectorate of Education (HMIE)
 - Scottish Housing Regulator (SHR)
 - Social Work Inspection Agency (SWIA)
 - Scott-Moncrieff, local appointed auditors.
2. The AIP sets out the planned scrutiny activity for Orkney Islands Council for the period April 2010 to March 2013 based on our scrutiny risk assessment of the council. The scrutiny activity is proportionate to the assessed scrutiny risks.

Why have we prepared this AIP?

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:
 - jointly identifying and monitoring key scrutiny risks through the sharing of intelligence and information
 - coordinating the timing and approach of our audit, inspection, regulation and improvement support activity
 - drawing on, and taking account of each other's work to avoid duplication of effort
 - building on each other's work to maximise its value.
4. The AIP draws on a number of sources of information, including:
 - the audit of Best Value and Community Planning in Orkney Islands Council
 - the annual audit report to the Controller of Audit and elected members for 2008/09
 - the council's own website, self evaluation and supporting evidence
 - reports and data from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).

What do we mean by a scrutiny risk?

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 contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the Local Area Network (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 is 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:

- 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.

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. In addition, other work may be undertaken as a result of a specific Ministerial request.

2. Summary

Our overall scrutiny risk assessment is that Orkney Islands Council (OIC) is a low risk council. In recent years, full inspections have been carried out at the council by HMIE, SWIA, SHR and the Care Commission. These have found evidence of progress in service performance and no significant risks. Similarly, the council has made sound progress in developing its management arrangements. While there are areas in need of improvement, particularly in people management, the council has shown a good self-awareness and a positive response to recommendations from external scrutiny bodies.

Reflecting this low risk, there are no plans for any major scrutiny activity to be carried out at the council over the next two years. A series of tailored exercises, looking at specific issues, are planned. These include a review of the Community Health and Social Care Partnership (CHSCP), which is currently being established, and the future funding of the council's ferry services. Where possible, joint scrutiny work is planned, covering areas such as a review of homecare services and the council's arrangement for people management.

12. Orkney Islands Council demonstrates a good self awareness of improvement needs and embraces recommendations on areas with scope for improvement made by scrutiny bodies. These are built into corporate and service improvement plans.
13. The council has worked on developing its performance management arrangements. Regular performance reports are presented to committees. The most recent performance reports indicate that the council is largely on target to deliver outcomes for its communities.
14. The council has developed an ambitious joint working programme, covering shared service initiatives and joint build projects. There is a risk that, due to the scale of the organisation, there is not the capacity to deliver on all these projects within the desired timescales. This is an issue that the council is aware of and is monitored through its risk reporting and performance management arrangements.
15. Our proposed scrutiny activity will be targeted in those areas assessed as highest risk and these are set out in the remainder of this AIP. The AIP gives an overview of the information that informed the risk assessment and shows how this links to the proposed scrutiny response.

National risk priorities

16. A number of core national risk priorities apply to all 32 councils, including Orkney Islands Council. These are:
 - The protection and welfare of vulnerable people, including access to opportunities, which is encapsulated in the council's defined outcomes. No significant risks have been identified in this area. An inspection of child protection services was completed in November 2009, with positive conclusions. In addition, there is good support provided for older people. However, with the introduction of a CHSCP during 2010, there is some uncertainty about the impact on staff morale and service delivery. SWIA and the external auditor will assess the impact of the CHSCP on the delivery of services. In recent years, the council has also taken steps to

modernise its homecare services. SWIA and the Care Commission will also carry out a joint review in Year 2 of this scrutiny plan in order to assess the impact of these changes.

- Assuring public money is being used properly, which forms a key part of the council's approach to its use of resources. Aspects of this, such as procurement and asset management, are at an early stage of development. These will be monitored and assessed as part of the annual work carried out by the external auditor. There is, however, a need to develop more robust measures of value for money.
- The impact of the greater financial pressure faced by councils associated the current economic climate. At present, this is assessed as a low risk, with the council having significant unallocated reserves. However, the external auditor will continue to assess this as part of the annual audit process.

3. The council's context

17. Orkney Islands Council is Scotland's smallest local authority, serving a population of approximately 20,000 people dispersed over 19 of its 70 islands. Its geography and demographics are challenging. Social and economic sustainability feature highly as council priorities. The council has a workforce that is rooted in the community and is highly motivated to improve the quality of life for local people. However, its small size and low budget base make it difficult to attract and retain appropriately skilled and experienced staff, particularly to support corporate development.
18. The council has defined its priorities as follows:
- Care for our older and other vulnerable people.
 - Sustainable communities.
 - Planning and affordable housing.
 - Transport networks.
 - Schools and community facilities.
 - Improved services and facilities through increased joint working.
19. The council has set an ambitious programme to develop joint working in Orkney. The programme covers Shared Services Projects, Joint Build Projects and Joint Health and Social Care Services. The council and NHS Orkney are exploring the option of creating a special purpose vehicle (SPV) to deliver shared support services. The joint working in Orkney programme also includes a Schools Investment Programme which will build two replacement schools, halls of residence and a swimming pool using a hybrid Public Private Partnership (PPP) model. This will be procured by a wholly publicly owned and controlled SPV – Orkney Infrastructure Ltd. The project is due to be completed by September 2012. It is recognised however, based on the work carried out to date, that there are further complex and sensitive issues that will need to be addressed if shared support services are to be progressed. Scott-Moncrieff will continue to monitor development of this programme.
20. Under its key priority, sustainable communities, the council is also actively promoting Orkney as a base for new industries, including marine renewables. The council has agreed to set aside £8 million of existing general fund reserves as a renewable energy/redevelopment and regeneration fund.

Self-evaluation

21. A core element of Orkney Islands Council's Strategic Planning and Performance Framework is a corporate self-evaluation process. In 2009, the council agreed to adopt the self evaluation tool "How good is our council". Corporate services is currently piloting this tool with a view to all services completing an initial self evaluation by July 2010. It is therefore too early to assess the effectiveness of

this model. As the model develops greater reliance may be placed on it, reducing scrutiny in future years.

22. Other services within the council already undertake self-evaluation. The council was recently one of the first education services to take part in the Validated Self Evaluation (VSE) process. The resulting report identifies that the “council’s education services are very effective, self-evaluation is well embedded and leadership is focussed and strong”.

4. Delivering outcomes for communities

The council and its partners are making good progress in delivering their priority outcomes. No significant risks have been identified within the shared risk assessment. However, there is a need to assess the impact of the recent establishment of a CHSCP and the future funding of the council's ferry services.

23. Overall the council is progressing well in delivering locally agreed outcomes for its communities.

24. In assessing whether Orkney Islands Council is delivering outcomes for its communities, consideration was given to considering relevant performance measures drawn from a number of key sources including the council's annual performance report, single outcome agreement (SOA) annual report, statutory performance indicators (SPIs), key performance indicators and other inspection/audit reports.

Orkney's people and businesses achieve their full potential on a long-term, sustainable basis.

25. While there are some gaps in the performance indicators that are currently available, there is no evidence of major concerns at present. For example, median gross earnings and the proportion of the population that are economically active have continued to increase. There is some evidence that the recession may be starting to have an impact with the number of business start-ups less than expected.

A learning culture in which everyone develops an enthusiasm and motivation for learning, determination to reach high standards of achievement, and an openness to new thinking and ideas

26. The council has made very good progress in this area, with high attainment levels and HMIE assessing the quality of teaching to be very strong. Implementation of Curriculum for Excellence is also progressing very well. The council also has a good record in achieving SQCF 3 level qualifications for looked after children.

A healthy and caring community with health and social care services for all who need them

27. The council has agreed to establish a substantive CHSCP, Orkney Health and Care with effect from 1 April 2010. Work is ongoing to develop the governance and management arrangements. It is the intention that the full range of services provided by the council and some services provided by NHS Orkney will come under joint management of a single director, accountable to the council and NHS Orkney for the Board of Orkney Health and Care. During our initial assessment, uncertainties were identified over the impact the CHSCP will have on staff and the delivery of services. The external auditor, Scott-Moncreiff, reviewed the proposed governance arrangements in early 2010. This will be followed by a detailed review in 2011/12, which will be carried out jointly with SWIA and Scott-Moncreiff.

A community where everyone may live, work, visit and play safely without undue fear or risk of harm

28. While there are gaps in performance reporting, there are no significant concerns about community safety. There have been significant reductions in high level crime figures, and very positive public safety survey results.

Everyone in Orkney has a suitable home

29. A recent inspection by the Scottish Housing Regulator has not identified any major concerns with the council's housing service. It has a good understanding of local housing needs and demands and ambitious plans for the development of new affordable homes. However, the council may struggle to achieve the Scottish Housing Quality Standard within the national timetable, particularly in relation to the energy efficiency requirements.

An effective and efficient transportation network that supports the economic vitality, community well-being and environmental integrity of all of Orkney

30. The council has direct responsibility for the provision of internal ferry between its islands. The ferry service is provided by a wholly owned council company, Orkney Ferries Limited. The cost of operating internal ferries is met by the council. In September 2007, the council submitted a part 2 STAG report to the Scottish Government which contained a programme for replacement vessels and terminal upgrades on the inter-isles ferry services. This bid was unsuccessful. A working group has since developed a programme that will maintain the existing internal ferry system. The estimated cost of the programme is £81.3 million with a completion date mid/late 2015. There is a risk that funding cannot be secured for this programme. Scott-Moncrieff will continue to monitor developments in this programme.

A natural environment which is protected, enhanced and sustainably managed to combat climate change

31. The council has still to monitor its overall carbon footprint against the baseline set in the SOA. However, there is clear evidence of progress being made in waste recycling, reducing carbon emissions, and maintaining the cleanliness of streets. The council is also actively developing a Marine Renewables Strategy, which is seen as having major economic potential.

Enhanced cultural activity enabling heritage, arts and sport to grow and thrive in Orkney.

32. Despite falls in the numbers attending local museums or using indoor sports facilities, there is evidence of an overall growth in cultural activities. Visitor numbers have continued to increase, up by ten per cent since 2004/5, and ticket sales for the St Magnus festival have also risen.

Implications for scrutiny activity

33. None of the main outcomes areas have been identified as areas of significant scrutiny risk, although there is a need to continue to monitor performance.
34. Following the establishment of the CHSCP, SWIA and the external auditor will carry out a review of its financial and management arrangements and its impact on improving outcomes.
35. The external auditor will continue to monitor the council's proposals for the future funding of its ferry services, with a joint review of Marine Services to be carried out in Year 2 by Audit Scotland and the then newly-appointed external auditors.
36. As part of the ISLA, SWIA will support some self-assessment work and carry out file readings.
37. HMIE are not planning to carry out any corporate scrutiny, apart from providing support for some self-assessments and monitoring service performance.
38. The LAN will monitor performance through scheduled audit and inspection work to inform the next risk assessment; this will include Audit Scotland's annual audit approach and ongoing inspections at establishment level by HMIE and the Care Commission.

5. Service performance

Overall service performance is good. We have not identified any areas of significant risk in relation to council services.

39. Our initial risk assessment of council services has drawn upon recent scrutiny work. In 2009, the council's housing services were inspected by the Scottish Housing Regulator. The council demonstrated a marked improvement in its homelessness service and asset management and repairs service since their last inspection. A joint inspection of services to protect children and young people, led by HMIE, noted a strong commitment and partnership approach to child protection services in Orkney. The Care Commission also carried out a number of inspections in 2009. All services were assessed as at least 'adequate'. A review of Orkney College was carried out in February 2010 by HMIE. The findings of this review will be considered in preparing the 2011/12 AIP.
40. In 2008/09, areas of good SPI performance include education and children's services, cultural and community services and some areas of adult social work. Areas of weaker performance include protective services, roads and lighting and waste management.
41. No significant risks were identified in development and environment services. This service includes roads maintenance, planning and environmental health. Whilst no specific scrutiny will be carried out in this service area in the course of the first year of this plan, we will be working to enhance our knowledge and understanding of the issues and potential risks faced in delivering related services.
42. The SRA process identified risks and areas of uncertainty in the following areas:
 - Community social services: an initial risk assessment, carried out as part of SWIAs initial scrutiny level assessment (ISLA) indicates a number of areas where further investigation is required. These cover:
 - the CHSCP and its impact on community care and children's services
 - the impact of developments in home care services.
 - Marine services: The council has agreed to the full integration of Orkney Ferries Limited, Orkney Towage Company Limited and the Department of Harbours into a unified Marine Service within Orkney Islands Council. This integration process will be carried out over three phases, with full integration by March 2011. Orkney Ferries Limited and Orkney Towage Company Limited will continue to operate until such time as all sea staff are integrated into Marine Services. The council could be exposed to significant financial risk in relation to pension liabilities associated with the Merchant Navy Pension Funds. Scott-Moncrieff will monitor this development over the coming year.

Implications for scrutiny activity

43. No significant risks have been identified in the performance of the council's services, although there is a need for the LAN to monitor performance through scheduled audit and inspection work to inform the next risk assessment.
44. As indicated in the previous section, a series of scrutiny exercises, tailored to specific service areas and risks, are planned. These include reviews of the CHSCP and the future funding of the council's ferry services.
45. HMIE and SWIA will support some self-assessment work in their respective areas of expertise. As part of the ISLA process, SWIA will also continue to complete file reviews.

6. Corporate assessment

Overall, Orkney Islands Council has sound corporate arrangements in place. It has made good progress in addressing the areas identified by the 2008 audit of Best Value as in need of improvement. However, the council needs to make better progress in its management of people. A joint exercise, to be carried out by the external auditor and Audit Scotland, is planned to review this specific risk area.

46. Following the publication of Orkney Islands Council's Best Value and Community Planning report in 2008, an improvement plan was approved by the council which linked detailed action points to the nine key areas for improvement. The points in this improvement plan have been built into either the corporate improvement plan or service improvement plans. These plans are monitored on a regular basis by the corporate and departmental management teams, and by the relevant service committee and Policy and Resources Committee.
47. The improvement plan is reviewed annually by Scott-Moncrieff. In 2008/09, Scott-Moncrieff reported in its annual report to the council and Controller of Audit that the council had made real progress in addressing most of the areas included within the audit improvement plan, in particular in developing its performance management arrangements.
48. Progress is still required in its management of people. This has been assessed a significant risk area. The council continues to report sickness absence levels above targets and staff appraisal levels are unacceptably low. Revised monitoring arrangements have been introduced to help address these concerns and the appointment of a learning and development manager is aimed to take forward training and staff appraisal programmes. The council is also looking to introduce flexible and remote working and has created a Smarter Working in Orkney Project (SWOP) supported by a member/officer working group. A review will be carried out in year one into the council's management of people. This review will be carried out by Scott-Moncrieff, with support from Audit Scotland, to assess the impact of these various developments and the council's approach to workforce planning.
49. Public Performance Reporting (PPR) was identified as an area for improvement in the 2008 BV report. The council has made some progress, with annual reports now providing straightforward links between service developments and the council's corporate priorities. However, there is still a marked reliance on SPIs, with no clear links between service performance and corporate priorities and objectives. The external audit team will continue to monitor this in 2010/11 with a view to potentially undertaking a short piece of scrutiny work in 2011/12 if further improvements are not demonstrated.
50. The council is at varying stages of development on establishing policies and practices in relation to asset management and procurement. The council approved its corporate asset management plan in 2009. It is acknowledged however that this will take time to be embedded. The council is also in the early stages of developing a robust corporate procurement function. At this stage we propose to monitor the development in these areas.

Implications for scrutiny activity

51. Overall, the council has made good progress in developing its management areas. The main area of concern is the management of people. A joint exercise, carried out by the external auditor and Audit Scotland, will be carried out in Year 1 to assess the council's progress in this area. In Year 2, there may also be a joint exercise to review the council's approach to PPR. Both of these exercises will be carried out using the Best Value toolkits. In turn, it is expected that both of these exercises will be reported through reports to management letter, produced jointly by the local auditor and members of the Best Value team, and summarised in the local auditor's annual report to members.
52. The LAN will monitor performance in the corporate assessment areas through scheduled audit and inspection work to inform the next risk assessment

7. Conclusion

53. This assurance and improvement plan is proportionate and risk based. It 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. 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.

54. The shared risk assessment process is designed to reduce the level of scrutiny activity - both by removing potential areas of duplication, and creating the conditions for more innovative, joined-up approaches to scrutiny. This will be achieved by scrutiny bodies sharing information and intelligence, focussing on risk areas and identifying areas for collaborative working. In Orkney Islands, the LAN has identified a number of areas where such a collaborative approach has been adopted. Examples include:

- | | |
|----------------------------------|---|
| Review of Orkney Health and Care | • Joint approach –Scott-Moncrieff and SWIA |
| Homecare review | • Joint approach – SWIA and Care Commission |
| Management of people | • Joint approach –Scott-Moncrieff and Audit Scotland BV |
| Public Performance Reporting | • Joint approach –Scott-Moncrieff and Audit Scotland BV |

55. 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

Outcomes	Initial risk assessment	Evidence/rationale	What we plan to do
(1) Single Outcome Agreement (SOA) themes			
Orkney's people and businesses achieve their full potential on a long-term, sustainable basis.	No significant risks identified	<ul style="list-style-type: none"> • The impact of the recession is still to be assessed, although as at March 2009 the number of business start-ups is less than expected, falling from 82 to 60. • However, while there are some gaps in performance indicators, there is no evidence of major concerns at present and progress on most that are in place. For example: <ul style="list-style-type: none"> ○ increase in % of working age population that are economically active (from 83.7 to 85.9%); ○ increase in overall population; ○ increase in median gross earnings ○ Increase in visitor numbers and average spend per visitor (up by 43% since 2004/5). 	No significant scrutiny activity. Will monitor situation.
A learning culture in which everyone develops an enthusiasm and motivation for learning, determination to reach high standards of achievement, and an openness to new thinking and ideas.	No significant risks identified	<ul style="list-style-type: none"> • Implementation of Curriculum for Excellence is progressing very well. • While there are some concerns, such as a dip in the attainment levels of the lowest 20%, overall attainment levels are high. • Inspections of individual schools by HMIE have found a good standard of learning, with the level of quality indicators well above the 2005/6 baseline. • The percentage of school leavers going into employment, education or training has fallen, from 94% to 92%, but this still compares well to earlier years. • Social work /education have a good record in achieving 	No significant scrutiny activity. Will monitor situation.

Outcomes	Initial risk assessment	Evidence/rationale	What we plan to do
(1) Single Outcome Agreement (SOA) themes			
		SQCF 3 level qualifications for looked after children, recording 100% for performance in this area.	
<p>A healthy and caring community with health and social care services for all who need them.</p>	<p style="color: orange;">Area of uncertainty</p>	<ul style="list-style-type: none"> • Some gaps in monitoring information but, where it is available, improving performance. • Life expectancy for females has increased slightly, while male life expectancy has fallen (from 76 to 74.9 years). However, these remain significantly above the Scottish average. • Positive conclusions from inspection of child protection services (Nov. 2009). • Good support to older people. • No delayed discharges. • Orkney Health & Care partnership being developed to help support people in their own homes and to reduce hospital admissions. <p>But:</p> <ul style="list-style-type: none"> • Some weaknesses in specialist child health services and limited adult psychiatry services available locally. • Uncertainty about the impact of the CHSCP on staff and delivery of services. 	<p>Year 1:</p> <ul style="list-style-type: none"> • External audit reviewed governance and financial arrangements of CHSCP in early 2010. • SWIA to support some ISLA self-assessment sessions, carry out some file reading, and to review developments to modernise home care services. <p>Year 2:</p> <ul style="list-style-type: none"> • Joint SWIA and external audit review of CHSCP.

Outcomes	Initial risk assessment	Evidence/rationale	What we plan to do
(1) Single Outcome Agreement (SOA) themes			
A community where everyone may live, work, visit and play safely without undue fear or risk of harm.	No significant risks identified	<ul style="list-style-type: none"> • Unable to report performance on 4 out of 7 measures (such as alcohol consumption, and coastal dwellings at risk of flooding), but reductions in high level crime figures. • Rate of recorded offences per 10,000 population has fallen from 251 to 210. • Crime detection rates, at 89%, are significantly better than the national average of 73%. • Overall, very positive public safety survey results. Percentage of adults in survey who say they feel 'very safe' or 'fairly safe' at night has fallen but, at 99%, is still very high. • Staff across services work effectively together to manage situations where any adults pose a risk to children". 	<p>Year 1</p> <ul style="list-style-type: none"> • As part of the ISLA process, SWIA will support some self-assessment work.
Everyone in Orkney has a suitable home.	No significant risks identified	<ul style="list-style-type: none"> • Recent inspection has not identified any major concerns. • Council has a good understanding of housing needs and demands on the Islands. • The number of households on waiting list for social rented tenancy has fallen (from 650 to 550). • It may struggle to achieve the Scottish Housing Quality Standard in relation to the energy efficiency requirements. • It has ambitious plans for the development of new affordable homes. 	No significant scrutiny activity.
An effective and efficient transportation network that supports the economic vitality, community well-being and environmental integrity of all of	Area of uncertainty	<ul style="list-style-type: none"> • Available evidence indicates performance is satisfactory. For example: <ul style="list-style-type: none"> ○ reduction in road network needing maintenance from 42.1 to 24.5% ○ Increase in use of public transport by target groups (from 83 to 87%). • But limited range of performance indicators, making it 	<ul style="list-style-type: none"> • External audit to continue to monitor developments, particularly in respect of the upgrade and replacement of ferries and terminals, and the provision of the air ambulance service.

Outcomes	Initial risk assessment	Evidence/rationale	What we plan to do
(1) Single Outcome Agreement (SOA) themes			
Orkney.		<p>difficult to assess.</p> <ul style="list-style-type: none"> • Council exploring options for major upgrade and replacement of ferries and terminals. Programme to maintain existing internal ferry system, at cost of £81.3 million and complete by 2015. Unsuccessful bid in 2007 for Scottish Government funding, currently developing a new submission to SG. • Some uncertainty about the quality of the air ambulance service. 	
A natural environment which is protected, enhanced and sustainably managed to combat climate change.	No significant risks identified	<p>On the whole, progress is being made:</p> <ul style="list-style-type: none"> • Increase in waste recycling, and a fall in the tonnes of municipal waste sent to landfill. • Maintained cleanliness of streets. • On target to reduce OIC's carbon emissions by 11% by 2014. • Council is also active in developing a Marine Renewables Strategy, which is seen as having major economic potential. <p>But:</p> <ul style="list-style-type: none"> • Not measuring carbon footprint against baseline set. 	No significant scrutiny activity.
Enhanced cultural activity enabling heritage, arts and sport to grow and thrive in Orkney.	No significant risks identified	<ul style="list-style-type: none"> • Increasing visitor numbers (from 127,000 in 2004/5 to 139,000 in 2008). • Increasing ticket sales for St Magnus festival (from 12,240 to 14,074 over past two years). • Increasing pools attendance (from 5,510 to 6,051). <p>But:</p> <ul style="list-style-type: none"> • Decreasing indoor facilities (from 9,543 to 9,161) and museum attendance (158 to 117 per 1,000 population). 	No significant scrutiny activity.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
(2) Corporate arrangements			
Vision and strategic direction	No significant risks identified	Vision and strategic direction <ul style="list-style-type: none"> • Clear vision which reflects key local issues, although need to further develop better measures of success. • Strong vision and leadership found in inspections of schools and child protection. But: <ul style="list-style-type: none"> • Still some unknowns about creation of CHSCP and joint vision of NHS and social work. 	Transitional Year (2009-10) <ul style="list-style-type: none"> • External audit reviewed governance arrangements affecting CHSCP.
	No significant risks identified	Leadership and culture <ul style="list-style-type: none"> • Good strategic leadership from CEO and convener. • Changes made in organisational structure and scrutiny arrangements. Indications are that these are working well. • Good leadership found in inspections of schools, housing, child protection, and social work. 	No significant scrutiny activity.
	Area of uncertainty	Planning & resource alignment <ul style="list-style-type: none"> • Healthy financial position, with an unallocated general fund balance of £15.941 million (March 2009) well above the council's target to maintain a fund of £8 million to meet unforeseen contingencies. But: <ul style="list-style-type: none"> • Creation of CHCP will bring challenges to budget processes. 	Transitional Year (2009-10) <ul style="list-style-type: none"> • External audit reviewed financial arrangements relating to the CHSCP.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Partnership working and community leadership	<p style="text-align: center; color: orange;">Area of uncertainty</p>	<ul style="list-style-type: none"> • Some good examples of strong partnership working between the NHS and social work. • Evidence from validated self-assessment within Education of improved partnership working. <p>But:</p> <ul style="list-style-type: none"> • Inspection of child protection services (Nov. 2009) found that partnership working between NHS and council not always effective to meet children's needs. • NHS funding issues present some barriers to partnership working. • Partnership working within Education lacks strategic framework and often depends on informal approaches. • No efficiency savings reported for shared services for the past three years, although this issue is currently being addressed by the council under the joint Working in Orkney Programme. 	<ul style="list-style-type: none"> • No significant scrutiny activity, apart from the review of the CHSCP by external audit.
Community engagement	<p style="text-align: center; color: green;">No significant risks identified</p>	<ul style="list-style-type: none"> • Strong culture of community involvement, but BV1 report identified the lack of a structured and systematic approach. 	<p>No significant scrutiny activity.</p>
Governance and accountability	<p style="text-align: center; color: green;">No significant risks identified</p>	<p>Governance and accountability</p> <ul style="list-style-type: none"> • Culture of openness. • Structured training provided for elected members. • There have been improvements in performance management and the quality of reports going to members. • Improvements made to BV review programme to make it more based on performance risks. <p>But:</p> <ul style="list-style-type: none"> • There are a number of governance issues which have still to be resolved over the formation of the CHCP. 	<ul style="list-style-type: none"> • External audit to monitor implementation of BV improvement plan.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
	Area of uncertainty	<p>Public performance reporting</p> <ul style="list-style-type: none"> BV1 report was critical about over-reliance on SPIs in the council's annual report. There have been improvements to the annual report, with clearer links to corporate priorities, but still heavy reliance on SPIs. 	<p>Year 1</p> <ul style="list-style-type: none"> Initial assessment of PPR progress by external audit and Audit Scotland. <p>Year 2</p> <ul style="list-style-type: none"> Potential review by external audit and Audit Scotland in 2011 of PPR, depending on progress made by council.
Performance management and improvement	No significant risks identified	<p>Performance management</p> <ul style="list-style-type: none"> Significant improvements in performance management arrangements since BV1 audit. Good arrangements found in inspections of education, housing and child protection. <p>But:</p> <ul style="list-style-type: none"> Performance management still needs to be developed within social work. 	<p>Year 2</p> <ul style="list-style-type: none"> As part of review of CHSCP, SWIA to review progress within social work.
	Area of uncertainty	<p>Customer responsiveness</p> <ul style="list-style-type: none"> Few services provided from its 'one-stop shop'. (BV1) Services operate on traditional 9-to-5 basis, with little flexibility or use of IT for making services more responsive to people in remote locations (BV1). 	<p>Year 3</p> <ul style="list-style-type: none"> A review of progress in this area may be carried out as part of focussed BV2 work.
	Area of uncertainty	<p>Efficiency</p> <ul style="list-style-type: none"> Overall efficiency savings monitored through budget reports, but limited information on efficiency savings for individual efficiency projects. The council does not currently have arrangements in place to demonstrate how its efficiency savings impact on service delivery. 	<ul style="list-style-type: none"> National study on efficiency carried out in 2009, external audit to carry out some follow-up work at some point over next three years.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
	No significant risks identified	Challenge and improvement <ul style="list-style-type: none"> Strong commitment found in Child Protection to improving services. Changes in scrutiny arrangements made following criticisms in BV1 report. 	<ul style="list-style-type: none"> External audit to monitor implementation of BV improvement plan.
	No significant risks identified	Risk management <ul style="list-style-type: none"> Corporate and departmental risk registers are now in place. But still work to be done, particularly to embed risk management within operational activities. 	No significant scrutiny activity.
Use of resources	No significant risks identified	Financial management <ul style="list-style-type: none"> Unallocated general fund balance of £15.941 million (March 2009) well above council target to maintain a minimum of £8 million to meet unforeseen contingencies. 	No significant scrutiny activity, apart from annual work by external audit.
	Area of uncertainty	Capital programme <ul style="list-style-type: none"> Some evidence of slippage in capital projects (in 2008/9 £11.6 million out of a budget of £26.4 million was carried forward to future years), presenting a risk to delivering services and achieving objectives. 	Year 1 <ul style="list-style-type: none"> External audit to monitor. Year 2 <ul style="list-style-type: none"> If problems not resolved, external audit to carry out specific work on project management.
	Area of uncertainty	Asset management <ul style="list-style-type: none"> Has not had a strategic approach, but a corporate asset plan approved in April 2009. Will take time to embed good asset management. 	No significant scrutiny activity.
	Significant concerns and risks	Managing people <ul style="list-style-type: none"> No strategic approach to workforce planning. Concerns about recruitment and retention. Concerns about succession planning. 	Year 1 <ul style="list-style-type: none"> External audit, possibly with BV staff support, to review HR/staffing issues.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<ul style="list-style-type: none"> Sickness absence rates still significantly above target. Staff appraisal levels still very low. 	
	Area of uncertainty	Procurement <ul style="list-style-type: none"> Council is in early stages of developing a corporate approach: appointed head of procurement, and has signed up to Procurement Scotland. Practical impact and savings still to be realised. 	<ul style="list-style-type: none"> External audit to monitor.
	No significant risks identified	ICT <ul style="list-style-type: none"> A generally sound approach, with senior officers on Information Services Programme Board, performance targets in place for IT, and scores well on SOCITIM benchmarks. But CSS need to develop their system further in order to provide better management information. Significant changes planned, with Orkney Public Services Ltd due to operate a joint Information Service from 2010/11. 	No significant scrutiny activity.
Equality	No significant risks identified	<ul style="list-style-type: none"> Low number of women in senior posts (SPIs). Some concerns about equality of access to NHS services for remote communities. But, in general, has a sound approach: <ul style="list-style-type: none"> Wide range of appropriate equalities policies. Equal access to services for those in remote locations (BV1). Introduced Equalities Impact assessments (Auditor Report). Approach in housing services used as example of good practice for other departments. 	No significant scrutiny activity.
Sustainability	No significant risks identified	<ul style="list-style-type: none"> Some evidence of progress (such as increasing level of recycling). But no data available on reducing carbon footprint, despite 	No significant scrutiny activity.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>this being in SOA targets.</p> <ul style="list-style-type: none"> • Social sustainability is a council priority. 	

Service assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
(3) Services			
Education and leisure services	No significant risks identified	<ul style="list-style-type: none"> • Consistently high attainment levels. • Attendance and exclusion rates are better than national average or comparator councils. • Positive school inspection reports since June 2008. • School leavers' destinations are very positive. <p>But:</p> <ul style="list-style-type: none"> • Some concerns about progress in S1 and S2, a dip in attainment levels of lowest 20% in S4, and a slight increase in recent exclusion rates. 	<ul style="list-style-type: none"> • No scrutiny planned at corporate level; HMIE to oversee individual school self-assessments.
Community social services	Area of uncertainty	<ul style="list-style-type: none"> • In general, available indicators show improvements (eg: Increase in number of looked after children in community placements; % of looked after young people with pathway plan increase in number of new house builds). • Inspection of child protection, covering the services provided by the council and its partners, (Nov. 2009) found key improvements. • Inspections of care homes have been positive. • Uncertainty about the establishment of the CHSCP and its impact on staff and service delivery. 	<p>Transitional Year (2009-10)</p> <ul style="list-style-type: none"> • External audit reviewed governance and financial arrangements of CHSCP in early 2010.. <p>Year 1:</p> <ul style="list-style-type: none"> • SWIA to support some ISLA self-assessment sessions, carry out some file reading, and to review developments to modernise home care services. <p>Year 2:</p> <ul style="list-style-type: none"> • Joint SWIA and external audit review of CHSCP.

Service assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Development services	No significant risks identified	<p>Roads maintenance: Performance is well above average. Costs have also remained extensively lower than average.</p> <p>The most recently available data suggests that the percentage of the local road network in need of maintenance has fallen from 42.1 to 24.5%.</p>	No significant scrutiny activity.
	No significant risks identified	<p>Planning: Processing times remain significantly quicker than average</p>	
	No significant risks identified	<p>Environmental Health: Although reported costs are high, performance is well above average.</p>	
Corporate services	No significant risks identified		<ul style="list-style-type: none"> National study carried out on civil contingencies. At some point over next three years, external audit may carry out local follow-up work.
Finance and housing services	No significant risks identified	<ul style="list-style-type: none"> Healthy financial position (cumulative general fund surplus of £18.7 million). No significant concerns from external audit on the management of the service. Positive financial indicators for Housing (eg no housing debt, low rent arrears). SHR inspection in 2009 found that the Council provide good services in asset management and repairs and 	No significant scrutiny activity, apart from standard external audit.

Service assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		homelessness	
Marine services	Area of uncertainty	<ul style="list-style-type: none"> • Significant changes planned, with the integration of Orkney Ferries Ltd, Orkney Towage Ltd and the Department of Harbours into a unified Marine Service within the council, by March 2011. • Council exposed to significant financial risks (in terms of pensions, capital investment, and equal pay issues). 	<ul style="list-style-type: none"> • Seek further information from council on proposals. • External audit to monitor.

Appendix 2: Outline summary of scrutiny activity

The AIP is a three year rolling programme. The SRA will be carried out on an annual basis. At each stage, the AIP will be revised. This raises the possibility of additional risks emerging, and risk-based scrutiny responses being added to the plan in relation to subsequent years.

NB. The AIP does not include detail of unit-based inspection activity, such as that carried out by the Care Commission (care homes and other regulated services) and HMIE (schools and other educational provision).

2010-11 (Year 1)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Community Care - File Reading (SWIA)												
People Management (Scott-Moncrieff/Audit Scotland)												
As part of the ISLA, Supported Self Evaluation (SWIA)												
Public Performance Reporting (Scott-Moncrieff/Audit Scotland)												
Adoption and fostering (CC)												

2011-12 (Year 2)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Children file reading, as part of the ISLA (SWIA*)	■	■	■									
Homecare Review (SWIA/Care Commission*)		■	■									
Possible follow up on SHQS review (SHR)				■								
Capital Projects (Scott-Moncrieff)				■								
Detailed review of CHSCP (Scott-Moncrieff/SWIA*)					■							
Review of Marine Services (newly appointed external auditors/Audit Scotland)								■				

2012-13 (Year 3)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Children file reading, as part of the ISLA (SWIA*)	■	■	■									

* Note: From April 2011, the work carried out by the Care Commission, SWIA, and the Child protection arm of HMIE will come under the responsibility of the new organisation Social Care and Social Work Improvement Scotland (SCSWIS).