

Angus Council

Assurance and Improvement Plan Update

2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for Angus 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 local area network met again in early 2011 to update the AIP for the period 2011-14. The AIP Update was published in June 2011.
4. This report is the result of the shared risk assessment which began in November 2011. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
 - The council's own performance data and self-evaluation evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (SHR) (including published inspection reports and other supporting evidence).
5. 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 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment.

Summary

6. The 2010/11 AIP process for Angus Council concluded that the council did not have a coherent corporate approach to identifying and prioritising improvement actions based on comprehensive performance data. In 2012, the LAN noted improvements in the council's arrangements for scrutiny and performance review but concluded that more needs to be done to increase the use and impact of self-evaluation activity and other forms of challenge and support so that the council can more readily demonstrate priorities and areas of improvement.
7. Richard Stiff became chief executive in February 2011 and is currently reviewing options for organisational change which elected members will consider after the 2012 local government elections.

National risk priorities

8. A number of core national risk priorities will be applied to all 32 councils. These are:
 - **The protection and welfare of vulnerable people (children and adults) including access to opportunities – No significant risks.** The council has recently received positive reports from the Care Inspectorate on social work services and learning disabilities. There are some areas of uncertainty with regard to homelessness allocations which will be followed up by SHR through self-assessment activity. The numbers of school exclusions of looked after children have previously been high. However, recently these numbers have reduced. Education Scotland and the Care Inspectorate will continue to provide the necessary support and challenge to ensure that this is sustained. Overall, the LAN had concluded that this national priority is not an area of significant concern.
 - **Assuring public money is being used properly – No significant risks.** The council has sound governance arrangements in place and has recently revised its public performance reporting framework. A follow-up of Audit Scotland's national report Improving Public Sector Efficiency also noted improvements in purchasing services as demonstrated by a score of 33 per cent in the 2010 Procurement Capability Assessment. The council has established asset management and workforce management plans.
 - **How councils are responding to the challenging financial environment.** The Scottish Government recently announced its 2012/13 Scottish budget which provided details of local government proposed allocations for 2012/13 to 2014/15. The three year settlement announcement attempted to provide greater financial stability in uncertain times. While the council has financial challenges to address, so far these have not been of the magnitude experienced by other councils. A medium term financial strategy is reviewed on an annual basis which projects an overall shortfall of £26 million over four years to 2015/16. The council has working balances of £2 million which represents one percent of expenditure. On this basis, the LAN has concluded there **are no significant scrutiny risks in relation to financial management** in the council. No additional

scrutiny work is planned but monitoring of the financial position is an important aspect of the local audit process.

9. The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the financial challenges that it and all other Scottish public bodies face.

Areas of unchanged scrutiny risk assessments

10. This update focuses predominantly on those areas assessed as being uncertain or having significant risk. However, in the interest of providing a broader view of the council's overall risk assessment, it is important to highlight those areas that were previously assessed as having no significant risks which, based on additional evidence in the current year, continue to be so. The additional evidence considered included performance reports, national data, revised action plans and policies, survey results and other self-evaluation activity undertaken by the council. The areas of unchanged scrutiny risk are:

Service Areas	Corporate Assessment	Outcomes (partnership priorities)
Neighbourhood services (excluding Homeless)	Vision and strategic direction	Prosperous and Fair
Education (including community, learning and development)	Planning & Resource Alignment	Sustainable
Social Work and Health	Partnership working and community leadership	Learning and Supportive
	Community engagement	Caring and Healthy
	Performance management	Safe and Strong
	Customer focus and responsiveness	
	Risk management	
	Use of resources – efficiency, asset management, managing people, procurement	
	Equalities	
	Sustainability	

11. While education has been assessed as having no significant scrutiny risks, there are pockets within the service which continue to cause concern. For example, in 2009/10 Angus had the second highest number of exclusions of looked after children from education in Scotland. The council regards this as an important area for improvement and is working to strengthen its performance, for example, through improved arrangements for corporate parenting. The number of incidents of looked after children excluded in primary and secondary schools fell significantly in 2010/11. By securing alternatives to exclusion, fewer children who are looked after miss out on education. In addition, the council has further work to do with regard to SQA performance in secondary schools and also in terms of performance against comparator authorities.
12. The following comments relate to issues where perceived risks in the council's processes and activities remain unchanged since the 2011/12 AIP Update.

Area	2012/13 Risk Assessment	2011/12 Update
ICT	Uncertainty	<p>The council is shifting from distributed IT services to central services with an emphasis on service management and improvement. While this is in line with the council's customer service strategy, it is too early to assess the impact of these changes on services and therefore the LAN regard this as an area of uncertainty.</p> <p>An assessment of progress will be undertaken through the local audit process.</p>

Changes to 2011/12 risk assessments

13. The following table relates to risk assessments that have been changed from the 2011/12 AIP Update.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Neighbourhood services (Homeless)	No significant concerns	Uncertainty	<p>The percentage of homeless applicants receiving no homeless decisions has nearly doubled from 6.9% in 2009/10 to 13.1% in 2010/11. There has also been an increase in intentionally homeless decisions from 7.7% to 8.3% over the same period. The council is making changes to the homeless service and see housing options as one way forward with housing options for young persons being the first step.</p> <p>The council is introducing a mix of service re-design initiatives including community based letting plans, a transfer led allocations policy for new build and other letting proposals. The impact of these improvements has yet to be assessed by the LAN and therefore homelessness was considered an area of uncertainty. SHR intend to undertake self-assessment activity with the council to verify the</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			effect of recent service changes.
Infrastructure Services	Uncertainty	No significant concerns	Improving position based on performance information and service costs.
Leadership and Culture	Members - Uncertainty Officers – No significant concerns	Uncertainty	<p>In the previous year the LAN assessed leadership separately for members and officers. With the changes during the year, the LAN felt this could be assessed as one category this year.</p> <p>A new chief executive came into post around 12 months ago. He is currently considering possible options for restructuring committees and the role of scrutiny. This is unlikely to be considered by elected members until the new council is in place post May 2012.</p> <p>At this stage it is too early for the LAN to assess how well the new management team are working together or the impact of recent changes in working practices.</p> <p>Revised code of conduct arrangements have been put in place for elected members with less complaints to the Standards Commission. Around one third of elected members have however indicated they will not stand for re-election. This provides an uncertain context going forward.</p> <p>Overall, the LAN considered this area as one of uncertainty. Whilst recognising areas of improvement, there are a range of proposed changes in structures and corporate practices in the pipeline which will be monitored and reported upon through the local audit process.</p>
Governance and accountability (including public performance reporting)	Uncertainty	No significant concerns (Leadership covered separately above)	The council has implemented a new framework for Public Performance Reporting (PPR) which moves away from annual PPR to regular reporting using different types and mechanisms for reporting.
Challenge and improvement	Previously integrated with performance management which was assessed as 'no significant concerns'	Uncertainty	<p>The following recent improvements were noted:</p> <ul style="list-style-type: none"> • Scrutiny and Audit Subcommittee has been strengthened with the appointment of a non-aligned independent elected member as chair. • Officer led Performance Review Group established, chaired by the chief executive. • The director of education requested the assistance of Education Scotland to undertake validated self-assessment activity.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>Examples of challenge and support exist but overall, more clarity required on the council's use of management information and statistics for initiating improvement. The impact of some of the proposed challenge activities will be examined by LAN members through routine visits and the annual audit process.</p> <p>A LAN generally expects to find established processes for self-assessment with outcomes used to set and re-focus priorities. The Angus LAN had insufficient information at this stage and has therefore assessed this area as one of uncertainty. Further work will be undertaken through the local audit process.</p>
Use of resources - competitiveness	No significant concerns	Uncertainty	<p>Limited information was identified by the LAN to demonstrate competitiveness. Performance management through balanced scorecards and examples of benchmarking exist. A significant amount of roads activity is carried out by Tayside Contracts following competitive tendering processes. This area will continue to be considered by LAN members through routine visits and the annual audit process.</p>

Review of 2011/12 Scrutiny Activity

14. During 2011, the Care Inspectorate published a positive report in respect of services to protect children across the local authority. Within the 2011-14 scrutiny plan, a piece of focused work was scheduled on care at home services for autumn 2011. The scope of this work is currently being re-considered and will be taken forward through regular contact with the link inspector during 2012/2013. Previous Care Inspectorate inspections of regulated home care services in Angus generally evaluated them as very good and excellent.
15. The Audit Scotland review of fire and rescue services in Tayside was published in February 2012. There are no issues emerging from this impacting directly on Angus Council.
16. These reviews have informed the 2012/13 risk assessment process.

Scrutiny plan changes

17. Changes to the scrutiny plan arising from this updated shared risk assessment are reflected through the text and in Appendix 1. SHR will arrange for a self-assessment in relation to elements of homelessness and allocations with some follow-up onsite activity. At a national level, the Care Inspectorate are leading on developing a joint inspection programme for Integrated Children's Services. Angus has been invited to participate as a development site.

- 18.** In addition to the scrutiny activity highlighted through the shared risk assessment process, the plan includes two nationally directed pieces of scrutiny. Firstly, a housing benefits audit will be undertaken as part of the Accounts Commission's Benefit Fraud Inspection work on behalf of the Department for Work and Pensions. This is scheduled for 2012 but the timing has yet to be confirmed with the council.
- 19.** Secondly during 2012/13, Audit Scotland will undertake a specific follow up exercise of the national performance audit report, *Maintaining Scotland's Roads: a follow up-report* (published in February 2011).

Scrutiny plans

Scrutiny activity in the shaded rows does not result from the shared risk assessment but is either at the request of the council eg supported self-evaluation work or national activity eg national follow-up work or work requested by Ministers.

ANGUS COUNCIL		2012-13											
Scrutiny activity year 1		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SHR – self-assessment and follow-up onsite activity in relation to elements of homelessness and allocations.													
Joint Inspection of Children’s Services													
Housing Benefit performance audit as part of the Accounts Commission’s Benefit Fraud Inspection work on behalf of the Department for Work and Pensions (DWP)													
Maintaining Scotland’s roads follow up activity													
		2013-14											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No planned activity													
		2014-15											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved												
No planned activity													

Footnotes

- The focus of the AIP Update is **strategic scrutiny activity**, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections.
- At the request of Scottish Ministers the Care Inspectorate will lead a Joint Inspection of Children's Services in each local authority area in Scotland. These inspections will commence in 2012/13 and start with a development site in April/May 2012 and commence a cycle of inspection of services for children which will report publicly from Autumn 2012. The selection of local authority areas for inspection will be based on intelligence and risk and take account of the Shared Risk Assessment. LAN leads will be advised in due course.
- In addition, Audit Scotland will be working with scrutiny partners to pilot an approach to assessing the **delivery of outcomes by community planning partnerships**. Pilot sites will be confirmed with the LAN lead in due course.
- Audit Scotland undertake an annual rolling programme of **thematic performance audits**. The fieldwork sites are identified as part of the development of the scope for each individual audit. Fieldwork sites will be confirmed with LAN leads as each audit is developed.
- The **annual audit** of local government also comprises part of the baseline activity for all councils. 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 exact timing of the audits will be confirmed through the LAN lead.
- **Education Scotland**, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate the **Care Inspectorate** will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- Scrutiny bodies also reserve the right to make unannounced scrutiny visits.