

Falkirk Council

Assurance and Improvement Plan

Update 2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for Falkirk 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 again in January 2011 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.
4. This report is the result of the third shared risk assessment which began in November 2011. The risk assessment considers the audit and scrutiny risks in relation to the council's strategic priorities, services and corporate governance framework. 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 from the LANs most recent shared risk assessment 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. No significant scrutiny risks were identified by the LAN as part of this shared risk assessment process. A number of areas remain as areas of uncertainty for the LAN, as listed below. However, these are reducing in number and the overall picture is one of reducing risk from the last AIP. In those areas where uncertainty remains, it is recognised that the council has put in place revised structures and/or new processes to support its challenge and improvement agenda. The assessment of “uncertainty” reflects the fact that the new structures and processes in these areas require time to embed and to demonstrate that they have delivered improved outcomes.
7. In these areas work will be carried out as part of the ongoing base line scrutiny activity to gather more information or monitor the impact of council improvements. The assessment will consider to what extent the council can demonstrate the effectiveness of these improvements and will determine the need for and timing of any future Best Value audit work.

National risk priorities

8. A number of core national risk priorities have been assessed in all 32 councils as part of this process. These are:
 - **The protection and welfare of vulnerable people (children and adults) including access to opportunities - Areas of uncertainty.** The Social Care and Social Work Improvement Service’s (now the Care Inspectorate) ‘Joint inspection of services to protect children and young people in Falkirk Council area’ highlighted a number of strengths and areas of good practice but also highlighted the need to improve the quality of assessment of risks and needs and individual children’s plans, by ensuring that managers at all levels recognise their responsibilities for driving improvements in practice, and continue to strengthen joint self–evaluation to ensure that it results in improved outcomes for the most needy children.
 - Further work is planned by the Care Inspectorate following the recent ISLA review, the report for which is currently being finalised.
 - The Scottish Housing Regulator’s recent report has highlighted weaknesses in the council’s response to homelessness, in particular, inconsistencies in some homeless assessments, a lack of risk assessments prior to placing people in B&B accommodation, not always taking account of homeless persons’ needs when placing them in temporary accommodation and placing a significant number of people in B&B accommodation outwith the area. The council are putting in place an improvement plan to address the issues highlighted by the scrutiny work.
 - **Assuring public money is being used properly – Areas of uncertainty.** Overall, the 2010/11 audit confirmed that the council has satisfactory internal control systems and internal audit

arrangements in place. The council continues to develop its processes for challenge and improvement, through revisions to the audit committee and the self-evaluation programme.

- To ensure that elected members are properly equipped to fulfil their roles and responsibilities the council plans to embed the Improvement Service's 'Continuing Professional Development' approach to member training in advance of the May 2012 elections. This will be critical to supporting members going forward and in particular for new members elected in May.
- These are recognised as positive steps but need time to mature and demonstrate their effectiveness through improved outcomes. The LAN will continue to monitor progress on an on-going basis.
- **How councils are responding to the challenging financial environment - Area of uncertainty.**
The economic climate is a challenging one councils and the Scottish Government must respond to the crisis of the last few years whilst also facing an uncertain future as the international situation remains volatile.
- The Scottish Government issued the proposed financial settlement for 2012/15 in December 2011. This indicates that Falkirk Council will receive £281.370 million in 2012/13, an increase of £2.204 million (0.79 per cent) from 2011/12. This represents an improvement on the planning assumptions made by the council to date. The proposed financial settlements provide planning figures for 2013/14 and 2014/15, however external factors such as the risk of further recession or the downgrading of economic growth could have an impact on the local government settlement.
- The council enters these challenging financial times with usable reserves totalling £52.713 million (as at 31 March 2011) and a history of spending within its budgets. These reserves include an unallocated general fund balance of £11.330 million, which is above the target range of between £6.8 million and £9.5 million (two per cent revenue expenditure). The council has demonstrated that it is engaged in identifying efficiency savings to address funding shortfalls achieving savings of £11.876 million in 2010/11.
- Consultation has taken place with local organisations, community groups and members of the public through "Our Challenges, Our Choices". This allowed local stakeholders an opportunity to give their views as to how the council should address the financial challenges it faces. The council is continuing to take steps, to ensure that elected members are provided with full details to allow informed decisions to be made regarding proposed efficiency savings or service reductions. Based on the latest public information the council estimates the budget gap for the period 2012/13 to 2013/14 to be £9.5 million (as at 19 January 2012). The council has developed a five year budget model that will align resources to outcomes in the new Strategic Corporate Plan.
- The LAN will continue to keep the financial position of the council under review and report on it as part of the 2011/12 annual audit.

9. The LAN also recognise that the local elections in 2012 may alter the political make up and priorities for some councils and this will also be reflected in on-going discussions between LAN members and the next AIP update as appropriate.

Areas of unchanged scrutiny risk assessment

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.

Service	Outcome	Corporate assessment
Corporate & Neighbourhood Services (non-housing)	Lifelong learning	Vision and strategic direction
Development services	Community safety	Partnership working and community leadership
Chief Executive Office	Sustainable environment	Community engagement
	Community regeneration	Governance and accountability (including public performance reporting)
		Leadership and culture
		ICT
		Use of resources – asset management
		Use of resources – people
		Use of resources – procurement
		Equalities
		Sustainability

11. A number of areas identified as areas of uncertainty in last year's AIP remain as areas of uncertainty following this update assessment. These areas are:

Area	Assessment	2011/12 Update
Social Work Services	Area of uncertainty	An ISLA (initial scrutiny level assessment) was recently conducted on Social Work Services, the report for which is currently being finalised. Due to the on-going nature of the ISLA work the LAN considers this an area of uncertainty. The LAN will monitor this through routine external scrutiny.

Area	Assessment	2011/12 Update
Community Services	Area of uncertainty	<p>This was classified as uncertain in the prior year due to falling attendance at leisure facilities and the proposed transfer of some community services to a Trust.</p> <p>The council established Falkirk Community Trust on 1 July 2011 to provide a range of community and leisure services.</p> <p>Because the impact of the transfer to the Trust has yet to be demonstrated the LAN considers this as an area of remaining uncertainty.</p> <p>Audit Scotland will monitor this through the routine audit process.</p>
Economy	Area of uncertainty	<p>The outcome of continuing uncertainty in the global and national economic environments and the challenges these may present to the council remain unknown.</p> <p>Because of this the LAN considers that the assessment for this outcome area remains as uncertain.</p> <p>Audit Scotland will monitor this through the routine audit process.</p>
Health and well being	Area of uncertainty	<p>SOA (Single Outcome Agreement) outcome measures in areas of health and well being continue to show mixed performance. This is an area where the council is dependent on the performance of partner organisations and cannot achieve improvements in these areas alone. The current economic climate may impair the ability of partners' to fulfil their roles.</p> <p>The LAN will monitor this area through routine external scrutiny activity.</p>

12. These areas will be subject to on-going monitoring as part of the baseline scrutiny work by the LAN members, to gather more information or monitor the impact of council improvements.

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
Education services	Area of uncertainty	No significant scrutiny risks	<p>Educational performance overall shows an improving trend.</p> <p>A Validated Self Evaluation undertaken in 2011 found a high level of confidence in the Education Service's approach to self evaluation and a strong capacity for improvement. As a result of the VSE the council now intends to:</p> <ul style="list-style-type: none"> • build on existing systems to make even better use of data to inform and direct the improvement agenda and enhance the impact being made on outcomes for learners • further develop and implement the Quality Improvement Framework for schools and extend the use of VSE methodology to all services

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>provided by the Education Service</p> <ul style="list-style-type: none"> • through rigorous self evaluation, continue to identify key themes for in-depth scrutiny as part of a rolling programme of quality improvements • further improve the implementation of the Quality Improvement Framework by creating better structures to allow more joint working across teams • develop a strategic plan in collaboration with partners that addresses the Senior Phase of <i>Curriculum for Excellence</i> in a comprehensive way so as to embrace the whole 16+ agenda, More Choices, More Chances, Determined to Succeed and 'My Future's in Falkirk' • redefine relationships and linkages with Community Learning and Development to ensure strong partnership working. <p>The LAN's view is that that this area is no longer an area of uncertainty.</p>
<p>Corporate & neighbourhood services (housing and homelessness specific)</p>	<p>Area of uncertainty</p>	<p>No significant scrutiny risks</p>	<p>Scottish Housing Regulator's report on improvement progress published October 2011 confirmed that:</p> <ul style="list-style-type: none"> • the council has improved its self awareness and made good progress impacting upon its allocation policy, choice based house letting, stock condition information and some areas of the homelessness service. <p>The report also highlighted a number of weaknesses, many of which related to the council's homelessness service, some of which were significant.</p> <p><i>Homelessness service</i> – in providing services for homeless people the council should:</p> <ul style="list-style-type: none"> • reduce the period that homeless people are waiting for settled accommodation • ensure consistency in its homeless assessments • carry out a risk assessment before putting people in bed & breakfast accommodation • not place people in temporary accommodation outwith its area • review its approach to housing options <p>In response to the Regulator's report, the council are planning to draw up an action plan to address the areas of weakness identified in the report.</p> <p><i>Housing service</i> - examination of the council's 2010/11 performance indicators for its housing services shows:</p> <ul style="list-style-type: none"> • improvements being recorded in most areas, including, responsive repairs carried out within target, rent loss due to voids and average times to re-let mainstream and low demand housing. Whilst improving, all still remain marginally poorer than

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>national figures.</p> <ul style="list-style-type: none"> the council's performance in collecting current tenants' rent arrears has declined steadily over the past three years. <p>Whilst this deterioration in the council's performance represents a risk, the council has a good level of self awareness. It has recently introduced a number of changes to its working practices in an attempt to stem this decline. The Regulator will continue to monitor the effectiveness of the council's measures in this area.</p> <p>The LAN's view is that that this area is no longer an area of uncertainty.</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Partnership working and community leadership	Area of uncertainty	No significant scrutiny risks	<p>The council has undertaken a self-assessment of its Community Planning Partnership (CPP). An improvement plan identified four areas from this self-assessment exercise and these are being progressed. The areas were:</p> <ul style="list-style-type: none"> • assuring partnership effectiveness • partnership governance • communication and engagement • underpinning partner commitment. <p>This self-assessment exercise has stressed the need to re-examine the remit of strategic groups and that members and officers sitting on and supporting these groups, are clear of their respective roles.</p> <p>The LAN's view is that that this area is no longer an area of uncertainty though the improvement plan will be kept under review as part of the annual audit.</p>
Performance management	Area of uncertainty	No significant scrutiny risks	<p>The SOA has been amended to take account of outcomes contained in the new Strategic Community Plan. The council has reviewed the outcomes contained within the SOA following the approval of the Strategic Community Plan and the SOA now aligns more closely with the council's Corporate Plan.</p> <p>A self-evaluation programme has been agreed for four years with the first year well underway. Improvement plans have been prepared following each assessment and these are scrutinised by the Corporate Management Team and their progress monitored.</p> <p>A full review of all performance indicators used across the council has been undertaken. A second phase of development is underway to fill the identified gaps. Indicators have been aligned with the local outcomes in the Strategic Community Plan 2010-15.</p> <p>The council is developing a corporate scorecard with a small but representative number of indicators to provide the public and other stakeholders with an overview of the council's performance.</p> <p>Due to the improvements in the council's performance management processes, the LAN's view is that the performance management arrangements are no longer an area of uncertainty. However as part of the annual audit the LAN will consider how effective these have been in demonstrating effective in challenging services and demonstrating improvements in outcomes.</p>

Review of 2011/12 scrutiny activity

14. The SHR carried out some work in June 2011 as part of a phased scrutiny response to significant risks and areas of uncertainty identified in the 2010-13 AIP. The work focussed on the council's arrangements for access to housing and lettings, asset management and services for the homeless, and was reported via the Regulator's Report on Improvement Progress in October 2011. The improvements to the council's arrangements and the areas where scope for improvement remains have been included in the table of risk assessments above.
15. The Audit Scotland best value review of fire and rescue services in Central Scotland has been carried out and the report will be published early in 2012. There are no issues emerging from this review impacting directly on Falkirk Council.
16. The former Social Care and Social Work Improvement Service (now the Care Inspectorate) undertook a Joint inspection of services to protect children and young people in Falkirk Council area during May and June 2011. The inspection looked at the services provided by health, the police, the council, the Children's Reporter and voluntary and independent organisations. The report highlighted a number of strengths and areas of good practice and made some recommendations for improvement. These findings have been considered in this 2012/13 risk assessment process.
17. The Care Inspectorate completed an ISLA review in October and a report is with the council for consideration. The review has highlighted some areas for targeted scrutiny and the Care Inspectorate undertook this work in early February 2012.

Scrutiny plan changes

18. There is one change to the scrutiny plan arising from this shared risk assessment update. In view of the stage of development of a number of key changes to structures and processes the LAN has taken the view that the BV Audit, originally scheduled for late 2012, will be deferred to allow these changes to embed. As part of the annual audit the LAN will consider how effective these have been in demonstrating improvements in outcomes and effective challenge of services. The assessment will consider to what extent the council can demonstrate the effectiveness of these improvements and will determine the need for and timing of any future Best Value audit work.
19. The updated position on all areas of uncertainty listed above will be reflected in LAN member reports or the next AIP as appropriate.

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.

FALKIRK COUNCIL		2012-13											
Scrutiny activity year 1		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Audit Scotland – Maintaining Scotland’s Roads follow up													
		2013-14											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Audit Scotland - BV Audit (timing to be determined)													
Scottish Housing Regulator – Follow-up self assessment around improved outcomes for users of the Homelessness service.													
		2014-15											
Indicative scrutiny activity for rolling third year		Potential scrutiny bodies involved											
No planned work													

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 on-going throughout the period of the AIP. This will include, for example, school and residential home inspections.
- During the 2012-13, the Care Inspectorate will pilot a **new children’s services inspection** on behalf of Scottish ministers . Pilot sites will be identified by April 2012 and will be confirmed with the LAN lead 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.