

Fife Council

Assurance and Improvement Plan Update

2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for Fife 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 December 2010 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 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.
 - The council's own performance data and self-evaluation evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate (formerly known as Social Care Social Work Improvement Scotland (SCSWIS)) 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. Over the past year, the council has continued to make improvements in its arrangements for delivering services to its citizens. This, together with the capture of further information and clarification obtained from

scrutiny activity undertaken by LAN members over the year, has reduced risk and uncertainty in a number of areas.

7. There continues to be a number of areas of uncertainty identified by the LAN as part of this year's shared risk assessment. In addition, the LAN has identified an area of scrutiny risk in relation to maintaining the roads network. This risk is a common feature to many local authorities in Scotland.
8. Progress by the council in all of these areas will be considered by the LAN in 2012/13. The new area of scrutiny risk will be assessed through a specific follow up of the Audit Scotland report on *Maintaining Scotland's roads: a follow – up report*. This follow-up review had been planned for all councils and is not unique to Fife Council.

National risk priorities

9. 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:** the LAN has not identified any significant scrutiny risks for the council for this national risk priority. However the assessment continues to be as an area of uncertainty (amber) and will be kept under review by members of the LAN. The factors influencing this assessment include:
 - There is evidence that the council continues to give a high priority to improving services to protect children and young people. However, a comprehensive inspection of services to protect Fife's children and young people has only recently taken place (the final inspection to be carried out in the national CP2 programme), with the inspection completed in March 2012. The inspection findings will be reported in the Summer of 2012 and will inform the AIP going forward.
 - Although there has been a significant improvement in delayed discharges in Fife over the year, further sustained effort will be required to maintain progress, especially in light of new Government targets from April 2013, which will seek to ensure that no patient waits more than four weeks from when they are clinically ready for discharge (current target is six weeks).
 - There has been considerable local opposition to council proposals to partially provide care home facilities through an independent provider. The executive director, social work has been asked to investigate all options for the future provision of residential, respite and day care services for older people in Fife. In addition, Fife Council instigated a self-evaluation of adult case files, supported by SCSWIS in late March 2011, and identified some weaknesses in assessment and care management which it is addressing through an action plan.
 - **Assuring public money is being used properly:** overall, the LAN has not identified any significant scrutiny risks for the council in assuring the proper use of public money (green). The annual audit has provided assurance over the financial position of the council and has confirmed that at the

corporate level, the council has appropriate arrangements in place to help prevent and detect fraud, inappropriate conduct and corruption. The council has a self-evaluation mechanism in place, the Five Excellence Model, which is applied across all services, although this is on hold as a result of the significant council restructuring which is taking place. We have specifically assessed this aspect of improvement activity as an area of uncertainty (amber) due to the hiatus.

- **How councils are responding to the challenging financial environment:** Like all public sector organisations, the council is facing significant financial pressures, with a funding gap of £14 million identified for 2012/13, rising to £82 million in 2014/15. This position creates uncertainty over the council's ability to maintain service levels and deliver outcome targets and as a result this has been classified as an area of uncertainty (amber) in this year's AIP. Nevertheless, the council shows an understanding of the financial challenges it faces and is effectively planning to minimise the risks. The council has a Corporate Improvement Plan in place which aims to modernise services while delivering savings to contribute to the gap caused by the funding reductions. Consequently we would evaluate financial management arrangements as of no significant concern (green).

10. 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 significant financial challenges that it and all other Scottish public bodies face.

Areas of unchanged scrutiny risk assessments

11. This document 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 risk which continue to be so in the current year. There has been no indication of any issues arising in these areas since the publication of the 2010-13 AIP which would cause us to amend the assessment for 2011-14. Areas where there continues to be no significant risk are:

Service Areas	Corporate Assessment	Outcomes
Education	Vision and strategic direction	Improving local conditions for economic development
Social Work (excluding care homes and assessment and care management)	Governance and accountability (excluding scrutiny arrangements)	Improving support to vulnerable people (excl. services to protect children and delayed discharges)
Fire and Rescue Services	Community engagement	Improving community safety
Housing (excluding letting)	Equalities	Leading green council
Environment and Development (excluding roads maintenance)	Performance Management	Improving educational achievement for all

Service Areas	Corporate Assessment	Outcomes
	Partnership working and community leadership	Increasing access to housing (excl. homelessness)
	Asset Management	Improving sport, leisure, and cultural opportunities

12. The following comments relate to those areas previously assessed as being uncertain or having significant risk and, based on the current year's evidence, the assessments remain unchanged since the 2011/12 AIP Update.

Area	R/A/G	2012/13 Update
Service Areas		
Housing: letting	Uncertainty	Issues continue to arise in relation to performance in re-letting houses. Weaknesses have been identified in the approach to suspending and cancelling applications; and re-letting times for empty houses are lengthy.
Social Work: Partnership arrangements	Uncertainty	Uncertainties remain in this area. In common with all social care partnerships in Scotland, partners need to work together to deliver service modernisation within challenging financial constraints as well as manage delayed discharges. The joint operation of the Change Fund will need to be carefully managed. See page 5 'improving support to vulnerable people (older people)' for further comment in this area.
Social Work (assessment and care management)	Uncertainty	A self evaluation of adult case files in late March 2011 highlighted a number of areas requiring improvements in the council's assessment and care management arrangements. An improvement action plan has been implemented and progress will be monitored.
Corporate Assessment		
Leadership and culture (elected members' leadership of Best Value)	Uncertainty	The uncertainty in this area focuses on members' training and development. A cross-party Elected Member Development Focus Group has been established, recognising that there is a need to address the development needs of members and a revised training programme is to be delivered after the local elections. Effective training and development assists elected members in driving improvement and implementing the best value agenda at a strategic level, however it is too early to conclude on the effectiveness of the revised training programme in Fife. The programme is to be reviewed by the council in late 2012 and members will also be offered officer support for preparation of a personal development plan.
Use of resources – corporate finances: <ul style="list-style-type: none"> ▪ Financial position 	Uncertainty	The 2011 Comprehensive Spending Review confirmed that on-going budget reductions will be required between 2012/13 and 2014/15. These reductions mean there is still uncertainty over the Council's ability to deliver services to budget. However the council has a good understanding of the financial environment in which it is operating and seems ready to make some difficult

Area	R/A/G	2012/13 Update
<ul style="list-style-type: none"> ▪ Financial management 	No significant concerns	<p>choices in the period of significant reductions in funding.</p> <p>Significant steps are being taken to manage its finances including a strategic efficiencies programme, property rationalisation and workforce change. Financial performance has been good in recent years and the latest financial position shows a projected surplus significantly above budget.</p>
Use of resources – managing people	Uncertainty	<p>The council is progressing a significant workforce change programme as part of its Corporate Improvement agenda. The programme covers a significant proportion of the council's total workforce and will affect all management levels within the council. In addition, a directorate restructuring programme is currently being considered by elected members. Strategic staffing issues are emerging from these processes. The council is currently developing a formal Workforce Plan. The council has also made changes to attendance management procedures to improve poor attendance performance but it is too early to assess the impact.</p>
Outcomes		
Improving support to vulnerable people (children and young people)	Uncertainty	<p>The council continues to give a high priority to improving services to protect children and young people, with an increased focus on outcomes for children and families. However, the joint inspection of services to protect Fife's children and young people has not yet taken place and therefore the risks in this area remain an area of uncertainty.</p>
Improving support to vulnerable people (older people)	Uncertainty	<p>There has been extensive, well managed consultation on the future of the council's directly provided residential care homes. However there is considerable local opposition to proposals to partially provide the service through an independent provider. The executive director, social work has been asked to investigate all options for the future provision of residential, respite and day care services for older people in Fife</p> <p>Good progress has been made with reducing delayed discharges in Fife. Together with its partners, the council implemented a re-ablement approach and a number of other initiatives to improve the care of older people outwith the hospital. Further sustained effort will be required to maintain the trend of reducing numbers of people waiting to be discharged from hospital, especially with the reduction of the delayed discharge target measure from six weeks to four from April 2013. Effective management of the Change Fund will be a key driver in managing delayed discharges.</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
Service Areas			
Environment and Development: Roads Asset Management	No significant risk	Significant concerns or risk	The condition of the roads networks is continuing to deteriorate. In 2010/11 42.8% of Fife's road network was assessed as requiring to be considered for maintenance treatment (2009/10:40.6%). Significant levels of investment are required to address the backlog in repairs and the council has introduced a 'Safeguarding Our Infrastructure' project which includes an investment of £45 million over a 10 year period, aimed at tackling the backlog for Fife's roads and bridges. We intend to carry out a focused follow up audit on Audit Scotland's national report " <i>Maintaining Scotland's roads: a follow up report</i> " (published February 2011) in the current year. This is an area for follow up review across all Scottish Local Authorities.
Housing: Arrears Management	Uncertainty	No significant risk	Since the Scottish Housing Regulator's 2010 inspection, the Council's rent arrears have remained high. The SHR has concluded that the council has a good awareness of this issue and has plans in place to mitigate the risks. The SHR has requested the council to complete a self evaluation of aspects of its housing services, including arrears management and the findings from this review will inform the AIP assessment for next year.
Corporate Assessment			
Governance and Accountability (elected member scrutiny)	Uncertainty	No significant risk	A Scheme of Scrutiny and Performance Reporting was approved in 2009 which set out improved scrutiny arrangements. The arrangements include the opportunity for elected members to suggest topics for in-depth scrutiny by cross-party scrutiny panels (albeit that only two reviews have been carried out to date). The council's Standards and Audit Committee has had a positive impact on the council's overall governance arrangements.
Roles of elected members in relation to Police, Fire & Safety Committee	Uncertainty	No significant risk	Accountability frameworks are now in place for the Police and Fire Services and appear to have brought some clarity to the governance arrangements.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Competitiveness	Uncertainty	No significant risk	A joint external audit/SCSWIS review was undertaken in 2011. The report found that contract monitoring and compliance procedures appeared to be well established within the social work directorate but it also identified a number of opportunities for improvements in: reporting arrangements on contracted services; increasing competition for school and local bus contracts and fleet service operations; and setting out its own programmes for letting and reviewing the performance of its fleet management external contracts. An action plan was agreed in response to the findings and will be followed up as part of the ongoing external audit process.
Sustainability	Uncertainty	No significant risk	A review of the council's approach to sustainability was carried out by Scott Moncrieff and Audit Scotland and a report was published in August 2011. The review findings recommended that sustainability be reclassified because performance is considered acceptable.
Outcomes			
Increased access to housing (homelessness)	No significant risk	Uncertainty	SHR identified some weaknesses in the council's approach to homelessness. The Council has made a number of significant changes to the way in which it delivers its homelessness service. The most significant of these is <i>Prevention First</i> , which it has piloted in 2 of its 7 areas. This is intended to help the Council achieve the Government's 2012 target to abolish the priority need test. It is too early to assess the impact of these changes on the delivery of homelessness services.
New categories of assessment in AIP update 2012-15			
Improving health and wellbeing in Fife	N/A	No significant risk	Outcomes are reported for reduced health inequalities, healthier environments & community well being and healthier lifestyles. The direction of travel for this outcome is generally positive, although there are a number of indicators which have no or limited change.
Planning and resource alignment	N/A	No significant risk	There is clear evidence to demonstrate that overall the council takes an integrated approach to strategic planning.
Challenge and improvement	N/A	Uncertainty	There is evidence to demonstrate that the council is focused on securing improvements. The council has a Corporate Improvement Programme which aims to modernise services and at the same time deliver savings to help

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			address the funding reductions over the next three years. The council also has a self-evaluation framework in place (the Fife Excellence Model (FEM)), which is based on the Public Sector Improvement Service Framework. This framework is well embedded but is currently on hold as a result of the significant restructuring taking place within the council. As a result of the hiatus with the FEM this area has been assessed as an area of uncertainty
Customer focus and responsiveness	N/A	No significant risk	The council has introduced a three year Customer Management Programme aimed at improving customer services. Information from inspections show that there is a strong focus on seeking the views of stakeholders and that services act on the information gathered to improve their provision. In a few places, more could be done to make better use of information gathered.
Risk Management	N/A	Uncertainty	By September 2010, just over half of the council services had reached a risk 'defined' status' (range is naive; defined; aware; managed; enabled) in their risk management processes. Action plans were agreed by services to address issues identified. Progress will be followed up by Internal Audit as part of their 2012/13 review of this area.
Use of resources - efficiency	N/A	No significant risk	The council has an efficiency programme in place. The council reported £25.7m of efficiencies in 2010/11. In 2011/12 the council budgeted for a 2% baseline efficiency target with additional graduated savings targets of between 2% and 6% across services, dependant on policy priorities. The council has developed a tracker tool for the management of efficiency gains which requires that clear accountabilities and responsibilities exist for all projects. The monitoring of efficiencies is reported to an Officers' Efficiency Board and to elected members.
Use of resources - ICT	N/A	Uncertainty	A review by external audit in 2011 identified significant weaknesses in the council's IT Service and Support Management. An action plan has been agreed and although it is progressing, a large number of actions remain outstanding.

Review of 2011/12 planned activity

14. The scrutiny activity included in the 2011/12 plan covered external audit led reviews of competitiveness and sustainability, the completion of an Audit Scotland best value review of Fife Fire and Rescue Service

and a joint inspection of services to protect children and young people. The findings from the competitiveness and sustainability reviews were reported in 2011 and have resulted in an improved risk assessment in this year's AIP. The findings from the best value review of Fife Fire and Rescue Service (FFRS) were reported in February 2012 and showed that FFRS provides an effective service but now needs to put in place better strategic management and show that it is demonstrating value for money and fully considering all options for savings. As noted in paragraph 9, the joint inspection of services to protect Fife's children and young people took place in March 2012 and the outcome will be used to inform next year's single risk assessment.

Scrutiny plan changes

- 15.** The planned scrutiny activity at the council over the three years beginning 2012/13 is shown on the following table. Paragraph 13 above reflects a number of changes in the LAN's risk assessments since 2011/12, and these have resulted in some changes to the scrutiny plan. Many of the issues identified will be followed up as part of the external audit annual audit process and baseline scrutiny by inspectorates. In addition, the council's Social Work Services is embarking in further self evaluation of its assessment and care management arrangements which will be supported by the Care Inspectorate.
- 16.** The LAN has identified that further engagement work is required on the arrears, letting and homelessness functions of Housing and Community Services. This will take the form of a self-evaluation of these areas which will be analysed by the SHR to assess progress and will inform next year's AIP assessments.
- 17.** Audit Scotland and Her Majesty's Inspectorate of Constabulary for Scotland (HMICS) are also scheduled to undertake a joint best value audit of Fife's Police Service. This is one of two police best value audits to complete the national programme and is not a result of the shared risk assessment. Work in this area commenced in March and continues into April and will result in a joint report to be published in late Summer 2012.
- 18.** The AIP contains a number of areas of uncertainty and we have identified that focussed best value work would be necessary in year 3 to assess activity in these areas. The scope of the best value work will be informed by scrutiny activity over years 1 and 2. The timing of the best value work will be reviewed as part of next year's SRA process and could be brought forward if the outcome of our scrutiny activity in 2011/12 warrants it.

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 e.g. supported self evaluation work or national activity e.g. national follow up work or work requested by Ministers.

FIFE COUNCIL		2012-13											
Scrutiny activity year 1		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Scottish Housing Regulator: council self-evaluation followed by validation													
National or planned work which is not as a result of LAN risk assessments:													
Audit Scotland: Follow Up Review of Maintaining Roads													
		2013-14											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No scrutiny work planned													
		2014-15											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved												
Best Value focussed work - timetable has yet to be identified.	Audit Scotland												

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.
- 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 starting with a development site in April/May 2012 and 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.