

Renfrewshire Council

Assurance and Improvement Plan Update

2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for Renfrewshire (the 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 November 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 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 council has continued to demonstrate its commitment to improve. The previous AIP update had highlighted that both asset management and procurement, being historic areas of uncertainty, had

improved to the point where no significant risks were noted. The LAN continued to assess performance in these key areas and whilst specific actions and areas for improvement were noted these continued to be well managed and our previous assessment, that no specific risks were noted, remains.

7. The remaining area of uncertainty carried forward from our previous AIP assessment related to Housing and Property. The 2011-14 assessment noted that the council had made progress in this area. However the overall assessment remained uncertain until the completion of a self assessment exercise which was due for completion in the summer of 2011. The current LAN assessment noted that progress continued to be made in this area with the council developing and approving a new Local Housing Strategy in November 2011. The strategy includes a £138 million investment programme to ensure that the housing stock meets the deadline for compliance with the Scottish Housing Quality Standard.

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:** The LAN's view is that the council continues to be well-placed to address risks in this area. The LAN has noted service developments within Children's, Community Care and Criminal Justice Services including the reorganisation of area team fieldwork staff, the streamlining of duty systems and the creation of single points of contact within key fieldwork services. In addition the LAN reviewed the work being carried out within looked after children, learning disability, home care and residential childcare. Developments include the identification of capital funding of £3 million to improve residential provision for children, which had previously been an area of concern. All registered care services in Renfrewshire are achieving satisfactory grades with the majority receiving grades of good or above.

Renfrewshire Child Protection and Adult Protection Committees continue to demonstrate leadership and secure long term improvements for vulnerable children. Renfrewshire Council carried out self-evaluation, in conjunction with its staff, of all social work services using the recognised public sector improvement framework (PSIF) and now have a programme of activity and improvement agenda regarding case auditing processes. HMIE (now Education Scotland) reported in early 2011 that services to protect children across the local authority area were of a very high standard.

Renfrewshire Council, in conjunction with its partners, continues to demonstrate a very high level of commitment to maintaining excellent practices in the joint self-evaluation of services to protect children. HM Inspectors have been invited by the council to carry out a Validated Self-evaluation working with education services.

- **Assuring public money is being used properly:** There is no significant risk associated with this area. The council has various mechanisms to exercise proper scrutiny of activities involving both officers and members, supplemented by an effective internal audit function, all of which have been assessed as robust. However, at the end of the 2010/11 financial year the council identified an

overspend on the Renfrewshire Workforce Plus programme of £2.2 million. Internal audit investigated and reported that there had been insufficient budgetary control arrangements in place. Audit Scotland was satisfied with the completeness of investigations and actions which took place and the LAN considers that this does not impact on our assessment of overall control. The council continues with its programme, 'Transforming Renfrewshire', which is designed to focus on how services can be delivered through more modern and faster techniques. The council recognises that continuous progress is required and has also adopted a Public Service Improvement Framework to promote continuous improvement across all departments. It has also benchmarked itself against the Best Value audit (BV audit) toolkits. The exercise has highlighted that content and timeliness of financial reports could be further developed possibly including additional links to performance information.

How councils are responding to the challenging financial environment:

- **Financial Position/Outlook.** The Comprehensive Spending Review covering public sector expenditure for the period 2011-15 was announced in October 2010 with the corresponding single year Scottish budget being announced in November 2010. Following this, the local government finance settlement was announced in December 2011. This provides grant figures for 2012/13 along with planning figures for 2013/14–2014/15. Whilst not providing definitive figures for the latter financial years, this does allow the council to plan in outline over the medium term. The wider financial outlook remains uncertain with global and national economic conditions remaining particularly unstable. The council continues to factor known cost pressures into its forward projections however there are significant potential increases linked to pay, welfare reforms, national insurance and commodity prices that are difficult to plan for with any certainty.
- **Financial Management.** Our previous AIP highlighted the limitations imposed on councils and their ability to prepare medium term financial plans as a result of an annualised budget settlement. The council recognised this as a risk and, following the application of the Financial Management BV audit toolkit, resolved to develop a long term financial plan linked to both a medium term financial and efficiency strategy. This process has been assisted by the publication of indicative planning figures for future. Progress on the development of these plans has been good with a recent Service Improvement Plan monitoring report highlighting that this key action will be delivered during the first half of 2012.

The council has continued to manage its finances closely. The current year budget settlement was analysed alongside spending pressures, demand management and previously agreed savings. In addition the council has considered the impact of pay and price pressures, financing costs (and corresponding savings) and the impact of the Transforming Renfrewshire project. The council's financial position as at 11 November 2011 forecast an overall budget under-spend for 2011/12 of 1.8 per cent. The resulting assessment of the council's estimated spending need for 2012/13 was agreed by members during January 2012.

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 scrutiny assessed as having ‘No significant risks’

9. This update focuses predominantly on those areas assessed as being uncertain or having significant risk. However, in the interest of providing a balanced view of the council’s overall risk assessment, it is important to highlight those areas that continue to have no significant risks. The council continues to have a robust approach to self-evaluation through both its use of the Public Sector Improvement Framework (PSIF) and its completion of all of the BV audit toolkits. This has ensured that those areas previously assessed as having no significant risks continue to be both appraised and subject to internal scrutiny and challenge. Corresponding actions are monitored by senior management.
10. The council has demonstrated that it has provided a managed response to key service, outcome and corporate assessments as part of the current year AIP update and that, in addition, it continues to generate evidence to support the assertion that there are ‘no significant risks’ in each of the constituent areas, notably:

Service Areas	Outcome Areas	Corporate Assessment Area
Education	Safer and Stronger	Vision and Strategic Direction
Environmental Services	Wealthier and Fairer	Leadership and Culture
Housing and Property	Greener	Planning and Resource Alignment
Planning and Transport	Smarter	Partnership Working and Community Leadership
Social Work	Healthier	Community Engagement
		Governance and Accountability
		Performance Management
		Challenge and Improvement
		Customer Focus and Responsiveness
		Risk Management
		ICT
		Use of resources (efficiency, competitiveness, financial management, asset management, managing people, procurement)
		Equalities
		Sustainability

Areas of unchanged scrutiny risk assessments

11. There were no risk areas identified, where the perceived risks in the council's processes and activities remain unchanged since the 2011/12 AIP Update.

Area	R/A/G	2011/12 Update
None	N/A	N/A

Changes to 2011/12 risk assessments

12. 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
Housing and Property	Uncertainty	No Significant Risk	<p>The council has made good progress in developing an overall strategy for housing in Renfrewshire. A new local housing strategy was approved in November 2011 and the council aims to work closely with partners to deliver the constituent outcomes.</p> <p>In addition the council has a £138 m investment programme to ensure that the council's housing stock meets the Scottish Housing Quality Standard (SHQS) by 2015. The internal improvements programme is being delivered by three framework contractors and the council's building services division. This started in June 2010 and involves the installation of new kitchens, bathrooms, rewiring and central heating. By the middle of October 2011, internal works had been carried out in over 3,400 homes.</p> <p>The incremental nature of the SHQS investment programme – with internal and external work separated into different contracts – means that the number of council properties which are fully SHQS compliant will remain low until the final years of the programme. However, by the end of March 2012, the council anticipate that 15% compliance will be reached which is ahead of its target of 8.8% for 2011/12.</p>

Scrutiny plan changes

13. In 2011 the Accounts Commission decided to undertake best value audits of fire and rescue services and authorities during the year. The 2011-14 Assurance and Improvement Plan update reported Audit Scotland's work on fire and rescue would take place in October 2011. Audit Scotland published the first four reports in January and February 2012. Renfrewshire Council is covered by Strathclyde Fire and Rescue and this report was published in March 2012.

- 14.** Last year we reported possible joint scrutiny on the council's SOA commitments with timing and scope to be considered by the LAN. No such work is planned for the 2012-15 Assurance and Improvement Plan. The LAN will continue to monitor the work of the council and we will review the scrutiny plan in 2012/13.
- 15.** HM Inspectors have been invited by the council to carry out a Validated Self-evaluation working with education services. This work will lead to a published report. This is not a scrutiny response to any identified risk and is therefore included in the shaded area or the

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.

Renfrewshire 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: a follow-up report													
Care Inspectorate - initial scrutiny level assessment (ISLA)													
Education Scotland - Validated Self-evaluation													
		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 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. These will generally be made in relation to care services for vulnerable client groups.