

West Dunbartonshire Council

Assurance and Improvement Plan Update

2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for West Dunbartonshire Council (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 (SRA) 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 SRA 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 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 SRA 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, Care Inspectorate and the Scottish Housing Regulator (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 progress to address areas of uncertainty. They have established an AIP improvement plan which was designed to progress the areas classified as red

(significant scrutiny risk) and amber (areas of uncertainty) and also to ensure that the areas classified as green (no significant scrutiny risk) continue to be assessed as such. A scorecard report was devised which has been merged with the Council's Best Value Improvement Plan. Regular monitoring reports are submitted to full Council and information used to inform these reports is maintained in the Council's performance management system meaning the report can be run at any time to obtain an up-to-date picture. As a group the LAN have commented positively on the Council's commitment to improvement, and their self awareness regarding performance. This is seen as an area of good practice which is reflected in the assessment of 'An Improving Council' as being an area of 'No significant scrutiny risks'.

7. The Council is implementing, or considering, a number of strategic projects to transform the delivery of services to the people of West Dunbartonshire. These include a partial housing stock transfer, leisure trust, school estate rationalisation, and income securitisation supported by a number of business cases. One of the business cases is to relocate the council headquarters. This is occurring in parallel with a period of significant positive change in senior personnel with the appointment of a new Chief Executive, a new Executive Director of Corporate Services and a new Chief Social Work Officer and Section 95 Officer. It is recognised that the transition between departing staff and their replacements has been managed effectively however this level of change together with the progressing of key strategic projects resulted in increased uncertainty. This is reflected in the increased number of red and amber assessments in this AIP Update. This does not reflect a decrease in performance; rather that a number of initiatives are in their early stages and it is, as yet, too early to assess their impact. The Council will need to continue to ensure that sufficient management capacity is developed to lead and progress these challenging projects.

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: Area of uncertainty.** The Council has continued to focus on service delivery improvement with the majority of services continuing to receive good or very good grades. There has been a reduction in care and support grades in some care home services. The Council are seeking to address this and the LAN will continue to monitor progress in this area. A multi-agency child protection inspection was completed in March 2012 concluded positively and identified very good practice in relation to four of the quality indicators, good practice in relation to one and a need for improvement in relation to self-evaluation. Adult protection processes have not been inspected recently and will be considered as part of the Care Inspectorate Initial Scrutiny Level Assessment to be undertaken in spring 2012.
 - **Assuring public money is being used properly: Area of uncertainty.** The regularity of expenditure is examined as part of the annual financial audit process. Within the Council there are several mechanisms which assist in providing assurance that public funds are not misused. Proper

scrutiny of activities is undertaken by both members and officers. The Council has an effective audit committee with considerable challenge which operates in line with best practice and the committee is supported by an effective internal audit section. As part of a planned improvement agenda the Council have centralised the finance department and appointed both a new Executive Director of Corporate Services and S95 Officer. In addition the Council are considering a number of strategic projects which will require strong financial management and coupled again with the level of transitional organisational change, these are the predominant reasons why this has been assessed as an area of uncertainty. Audit Scotland will continue to review action taken by the Council as part of the annual audit process.

- **How councils are responding to the challenging financial environment: Area of uncertainty.**

The Comprehensive Spending Review covering public sector expenditure for the period 2012/13 to 2014/15 was announced in November 2011 as was the draft Scottish budget for 2012/13. It confirmed there would be on-going budget reductions which will impact on the Council's ability to deliver its outcome targets and maintain service performance into the future. The extent of this is currently uncertain and will be kept under review by LAN members. The Council maintain a 10 year Financial Strategy designed to provide clear direction on how to manage and structure its financial resources to ensure they are utilised effectively and are clearly directed at achieving the Council's corporate objectives in the medium to long term. It is reviewed and updated regularly to identify required amendments to take account of any significant policy or financial developments both at a local and national level. This proactive approach to financial management at a challenging period should help the Council progress operational and strategic initiatives within the resources available. The strategy was last approved by Council in August 2011 and indicated a revenue budget gap of £7.2m in 2012/13 and £12.6m in 2013/14. Since that time significant work has been undertaken by Elected Members and the Corporate Management Team to revise budgets and assumptions, including assumptions about reductions in funding from the Scottish Government. These changes resulted in the draft budget presented to the Council in January 2012 which highlighted a projected surplus of £0.3m for 2012/13 and projected budget gap for 2013/14 of £6.1m. In the past two years the Council has returned a year end general services surplus of £8.3m (2010/11) and £1.6m (2009/10). Over that period the general fund balance has increased from £5.0m at 1 April 2009 to £15.0m at 31 March 2011. The General Services Revenue Budget control report (as at period 7) presented to Council on 21 December 2011 reports a favourable variance of £1.7m (1.34% of the phased budget). No additional scrutiny work is planned but it should be noted that this is a core feature of the existing annual audit process and Audit Scotland will routinely continue to monitor the financial position of the Council.

9. The LAN met the Council's Corporate Management Team in January 2012 to discuss this AIP update. 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 challenges that it faces.

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, including recent inspection reports, performance reports, and national data, continue to be so. These are:

Service Areas	Corporate Assessment	Outcomes
Education	Partnership working and community leadership	Creating sustainable and attractive living environments
Social work	Community engagement	Education & lifelong learning
Housing – homelessness services	Governance and accountability	
Corporate services	Information & communication technology	
Environmental services	Competitiveness	
Regulatory services	Managing people	
Cultural services –libraries & museums	Procurement	
Roads & street lighting	Equalities	

11. The following areas were previously assessed as uncertain and it is the view of the LAN that these areas still present uncertainty.

Area	Assessment	2011/12 Update
Vision & strategic direction	Area of Uncertainty	<p>The Council is currently progressing/considering five major projects; a partial housing stock transfer, creation of a leisure trust, rationalisation of the school estate and income securitisation which includes consideration of a council headquarters relocation.</p> <p>A new chief executive was appointed in November 2011. This was an internal promotion (previously the Executive Director of Corporate Services) meaning the level of change may not be significant. The Executive Director of Corporate Services position was filled on an interim basis with a permanent appointment made in March 2012. The formation of the new corporate management team creates opportunities and challenges which the Council need to manage during this transitional period</p> <p>In 2012, the Council are to develop a consultation plan to involve stakeholders in a review of the vision and values of the Council.</p> <p>In March 2012 the Council committed to reviewing and refreshing their corporate plan post the May 2012 local elections.</p> <p>There is evidence that these projects are being progressed which provides a degree of comfort that the vision for the organisation is being maintained despite the change in leadership. Undoubtedly,</p>

Area	Assessment	2011/12 Update
		<p>as with any transitional and organisational change, the number and scale of projects the Council is currently undertaking brings uncertainty. The Council need to ensure they continue to provide the necessary resources and capacity to successfully deliver them.</p> <p>The LAN will monitor this area through routine external scrutiny activity.</p>
Use of resources – financial management	Area of Uncertainty	<p>The Council has taken steps in recent years to improve its financial position. In particular reserve levels have improved significantly and improvements have been made in relation to identifying recurring budget savings and budget monitoring processes.</p> <p>A new Executive Director of Corporate Services has recently been appointed (start date March 2012) who will have responsibility for the finance function. The Section 95 Officer role has recently been transferred from the newly appointed Chief Executive to the Head of Finance and Resources. In addition the re structuring of finance services provides a centralised model with business partners working within Corporate Services. As with any new model, it is recognised it may take time for the new structure to embed with staff becoming accustomed to their new roles and responsibilities.</p> <p>The Council is progressing an income securitisation project. This involves the establishment of a limited liability partnership which will borrow money which in turn is secured by the income generated by the Council's non-operational buildings. This is not scheduled to be implemented until 2012/13. The Council are in the process of developing business cases to support income securitisation projects. Further strategic projects such as the potential housing stock transfer and creation of a leisure trust will also have implications from a financial management perspective.</p> <p>Whilst it is recognised that the Council's financial position has positively improved in recent years the planned restructure within finance, and potential impact of key strategic projects, are the predominant reasons why this has been assessed as an area of uncertainty.</p> <p>Audit Scotland will monitor this through the routine audit process.</p>
Use of resources – financial outlook	Area of Uncertainty	<p>The 2011 Comprehensive Spending Review confirmed that on-going budget reductions will be required between 2012/13 and 2014/15. The Council have continued to develop their 10 year financial strategy and have identified general fund revenue budget gaps of £0.3m and £6.1m in 2012/13 and 2013/14 respectively.</p> <p>As with all Local Authorities, the reductions in future central funding levels mean there is still uncertainty over the Council's ability to deliver services to budget.</p> <p>Audit Scotland will monitor this through the routine audit process.</p>
Use of resources – asset management	Area of Uncertainty	<p>This was classified as amber in the prior year due to uncertainty around the outcome of proposals for the partial housing stock transfer. Also referenced was that the Council had agreed a strategy to rationalise and improve the school estate with this supported by an implementation plan.</p> <p>The amber classification has been maintained as there is still on-</p>

Area	Assessment	2011/12 Update
		<p>going uncertainty over the partial housing stock transfer, the income securitisation project, rationalisation of the school estate and potential headquarters relocation.</p> <p>The LAN will monitor this area through routine external scrutiny activity.</p>
Developing affordable and sustainable housing	Area of Uncertainty	<p>The Council's housing stock transfer plan (for up to 45% of its stock) has been delayed by nine months with the tenant ballot moved from January to September 2012.</p> <p>The Council reports it is making progress in implementing its post inspection improvement plan (due for completion June 2012). Although some indicators show strong improvement (e.g. re-let times and void loss) others are off target (e.g. current arrears). Other areas are also mixed, with increased capacity for tenant participation being reported but uncertainty around complaints and the timing of the new allocations policy reprioritised to accommodate work with RSL partners.</p> <p>The Scottish Housing Regulator will monitor this area through routine external audit activity. Consideration will be given to a joint review by Scottish Housing Regulator and Audit Scotland if the housing stock transfer is progressed.</p>

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 maintenance & assets	Not assessed as a standalone area in 2011/12. It was considered within the overall assessment of housing.	Significant scrutiny risks	<p>The Council's Scottish Housing Regulator return for 2010/11 shows it is projecting only 79% compliance with Scottish Housing Quality Standards by 2015. 68% of its stock currently fails the standard. There is only one other council in Scotland with a lower level of compliance. In November 2011 the Council took a decision to support acceleration of the Housing Capital Programme.</p> <p>The Scottish Housing Regulator is to review the output of Council's self assessment and monitor progress.</p>
Risk management (including partnership risk)	Not assessed as a standalone area in 2011/12.	Significant scrutiny risks	<p>The Council presented a risk management progress report to full Council on 31 August 2011. This highlighted that five strategic risk themes have been identified and a member of the Corporate Management Team has been assigned responsibility for each theme. Once the strategic risk register has been updated the intention is to move on to identify service risks and, after that, operational risks.</p> <p>There are a number of concerns over the current position with regard to risk management. In particular:</p> <ul style="list-style-type: none"> • There is no clear view about risk ownership. • The level of risk progress reporting is not agreed. • The risk management team have not been actively involved in key projects such as the Leisure Trust and Income Securitisation. • There is no guidance available on project risk management. <p>Audit Scotland will monitor this through the routine audit process.</p>
Depopulation	Not assessed as a standalone area in 2011/12.	Area of Uncertainty	<p>There is a net outward migration pattern with 2010/11 being the 29th consecutive year that the population has dropped. The 2010/11 net migration of 369 is the third highest in Scotland and exceeds the Council's target of 100. Depopulation is seen as a significant challenge by the Council and this is recognised in the 2011-2014 Single Outcome Agreement (SOA). In common with other local authority areas the number of young people is declining whilst the number of older people is increasing. This will impact on education and social care in particular.</p> <p>The Council continue to respond to this challenge recognising the need to improve employment opportunities in West Dunbartonshire and have</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>proposed a 2012/13 revenue budget which includes the creation of a £2.5 million fund designed to:</p> <ul style="list-style-type: none"> • Give financial support to local businesses to employ 250 people for up to one year. • Create approximately 250 jobs and training opportunities through a new apprenticeship scheme. <p>It is hoped by the Council that employment opportunities will increase the population in West Dunbartonshire.</p> <p>The LAN will monitor this area through routine external scrutiny activity.</p>
Regenerating and growing our local economy	Significant scrutiny risks	Area of Uncertainty	<p>It is positive to note that this has been modified from being an area of significant scrutiny risk to one of uncertainty due to Council progressing many tasks to tackle the concerns associated with this outcome. Examples include establishing or developing a:</p> <ul style="list-style-type: none"> • Working group who are drafting an Infrastructure Investment Plan. • Strategic Advisory Board to conduct a feasibility review of new industries as key growth sectors within WDC and create a thriving economy. There are 26 members on the board representing business, higher education, health, trade unions and politics. • Task force to promote investment to facilitate economic growth. • Marketing campaign to promote West Dunbartonshire from a tourist and business investment perspective. <p>Given the medium to long term nature of some of the activities detailed above (and of identifying whether they have had a genuine impact in key performance indicators) it is not yet possible to assess the level of success, or otherwise, that these initiatives have had at the current time.</p> <p>The LAN will monitor this area through routine external scrutiny activity.</p>
Cultural services – Leisure Trust	No significant scrutiny risks	Area of Uncertainty	<p>The Council have decided to transfer the three main leisure facilities, community facilities and sports development activity into a leisure trust with effect from April 2012. This is intended to reduce the level of subsidy paid for leisure provision and provide opportunity to reinvest financial gains back into service provision and upgrading of premises. The Council believes that this creates opportunities for enhancements in service delivery however it is too early for the LAN to assess whether these improvements will be delivered.</p> <p>Audit Scotland will monitor this through the routine audit process.</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Building safe and strong communities	No significant scrutiny risks	Area of Uncertainty	<p>The overall five year 2006/07 – 2010/11 trend, as per the Scottish Crime Bulletins issued by the Scottish Government, indicate improvement in all five crime 'groups' which are:</p> <ul style="list-style-type: none"> • Violence • Indecency • Dishonesty • Vandalism, Fire-raising and Malicious Mischief • Other <p>However crime statistics highlight that in 2010/11 West Dunbartonshire is:</p> <ul style="list-style-type: none"> • 30% over the Scottish average for serious assault. • 58% over the Scottish average for offensive weapon offences. • 27% above the Scottish average for domestic housebreaking. • 37% above the Scottish average for vandalism. <p>It is recognised that the Council have made this one of their three main priorities in their SOA. All activity in the SOA, and local outcomes, are linked into the main priorities. Within the SOA the delivery of this priority focuses on the importance of the volunteering community and third sector to help develop safe, strong, involved communities. It is too early to assess the impact that this revised focus will have on output.</p> <p>The LAN will monitor this area through routine external scrutiny activity.</p>
Health & wellbeing	No significant scrutiny risks	Area of Uncertainty	<p>The Scottish Neighbourhood Statistics area profile report for West Dunbartonshire indicates that the area is below the national average in all the health indicators. There is recognition in the Council's SOA and 2011/15 Corporate Plan that health inequalities and alcohol and drug misuse is a concern. Figures indicate high levels of child obesity, tooth decay, coronary heart disease, below average life expectancy, and the second highest rate of working age benefit claimants in Scotland. Furthermore there is a recognised need for an integrated response to parental substance misuse and poor parenting.</p> <p>The Council are taking measures to address these issues and it is recognised that these initiatives are designed to deliver improvement over a medium to longer term. In particular the Council, in conjunction with the CHCP and Community Planning Partnership, are focusing on a number of initiatives including:</p> <ul style="list-style-type: none"> • Alcohol & drug strategy incorporating the CHCP Addictions Services Commissioning Strategy. • Overprovision Policy for the WDC Licensing Board.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<ul style="list-style-type: none"> • Sexual health policy and guidance for staff working with ‘Looked After and Accommodated Children.’ • Relationships, Sexual Health and Parenthood Policy. • Parenting strategy and local action plan for parent support. • Older people’s change fund plan. <p>Although grades for quality of Care & Support are mostly positive across the care services there has been a reduction in grades for Care & Support in recent inspections of 2 care homes for older people reflecting the need to improve care planning.</p> <p>It is recognised the Council are implementing initiatives which are targeting the concerns around health indicators.</p> <p>This area has been classified as amber predominantly due to the issues raised regarding the care homes.</p> <p>The LAN will continue to monitor the progress made by the Council to address the concerns raised about care homes.</p>
An improving council	Area of Uncertainty	No significant scrutiny risks	<p>As referenced in paragraph 6 the Council’s commitment to improvement, and their self awareness regarding performance, is seen as an area of good practice.</p> <p>The 2011-2014 AIP Update recognised that the Council had made improvements in relation to its budget processes, reserve position and the working relationship between officers and elected members. However it also commented that the full benefits from improvements in performance management arrangements were still to be fully experienced. To progress this the Council have taken a number of measures including</p> <ul style="list-style-type: none"> • Establishing an AIP improvement plan. • Approving key corporate performance indicators. • Evaluating phase 1 of their leadership. development framework for senior managers. • Implementing a personal development plan framework. <p>The Council’s key corporate performance indicator report for 2010/11 highlighted that: out of a total of 103 performance measures:</p> <ul style="list-style-type: none"> • 64 met or exceeded target • 29 ‘just’ missed target • 8 significantly missed target • 2 could not be assessed.

Review of 2011/12 scrutiny activity

13. A multi-agency child protection inspection was completed in March 2012 concluded positively and identified very good practice in relation to four of the quality indicators, good practice in relation to one and a need for improvement in relation to self-evaluation.
14. Audit Scotland's review of Strathclyde Police and Strathclyde Police Authority was published in July 2011. There were no issues emerging which were specific to the Council. The Audit Scotland review of Fire and Rescue services in Strathclyde has been carried out and the report was published in March 2012. Similarly there are no issues emerging which impact directly on the Council.

Scrutiny plan changes

15. The scrutiny plan for 2012/13 commences with the Care Inspectorate undertaking an initial scrutiny level assessment in May which was identified as part of the scrutiny plan in 2011/12. In addition, the Scottish Housing Regulator will undertake targeted scrutiny in June as a consequence of this AIP Update. Audit Scotland carry out a second follow up to the Maintaining Scotland's Roads report originally issued in November 2004 and first followed up in February 2011.
16. A targeted Best Value audit is provisionally scheduled for 2013/14. The 2011/12 scrutiny plan had scheduled this for 2012/13 however the LAN were of the opinion that it was appropriate to reschedule it due to the Council's progress during the year and due to the number of strategic projects which are in an early stage of development.

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.

WEST DUNBARTONSHIRE COUNCIL	2012-13											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SHR – Targeted self assessment												
Care Inspectorate - ISLA												
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
Targeted BV audit to assess the extent to which the Council, working with its partners, is delivering the planned improvements in efficiency and cost reduction and securing better outcomes for citizens and service users. Timing TBC.												

Indicative scrutiny activity for rolling third year**Potential scrutiny bodies involved**

No other specific audit/inspection work is planned beyond on-going audit work, inspection work at establishment level and liaison with district inspectors.

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.

May 2012