

# **Dumfries and Galloway Council**

## **Assurance and Improvement Plan**

### **Update 2013–16**

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# Introduction

1. The first Assurance and Improvement Plan (AIP) for Dumfries and Galloway 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. 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 LAN met again in November 2010 and in November 2011 to update the AIP. The last AIP update was published in May 2012 covering 2012-15.
2. This update is the result of the SRA which began in October 2012. The update process drew on evidence from a number of sources, including:
  - The annual report to the Controller of Audit and elected members for 2011/12 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 (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2013 and March 2016 which reflects the revised and updated scrutiny risk assessment is at Appendix 1.
4. Following feedback about the clarity of the SRA process we have amended our criteria to make it clearer what we mean. Our assessment criteria descriptions used last year have changed from 'significant concerns' to 'scrutiny required'; 'no significant concerns' to 'no scrutiny required'; and 'uncertainty' to 'further information required'.

# Summary

5. Over the past year Dumfries and Galloway Council has continued to take forward its improvement and service modernisation agenda at a time of significant political change. The new council coalition administration of 15 conservative and ten SNP members established following last May's local government elections has been working closely with officers to establish their strategic priorities, which were agreed by the council in June 2012. Work is now talking place to embed the new priorities within council and CPP key plans and strategies.
6. The council recognises the significant challenges facing the public sector as a consequence of reducing public finances and the wide-ranging public service reform agenda (welfare reform, community planning, health and social care integration, police and fire reform, college regionalisation) and demonstrates a good corporate approach to planning for and managing the risks associated with them.
7. The ongoing progress by the council with its improvement agenda is reflected in further reductions in the scrutiny risk profile arising from this year's SRA process. Scrutiny risks have reduced in ten of the SRA assessment areas and we have highlighted one area where further information is required (housing and homelessness). The only significant scrutiny risks identified by the LAN relates to management arrangements and financial controls within social work services. Those risks were highlighted by recent review work by the council's appointed auditors (PWC) which identified a number of areas requiring improvement in the design and operation of SWS processes, concerning:
  - Business planning and management.
  - Budget setting and monitoring.
  - Information Management.
8. Social Work Services management has prepared an action plan to address these weaknesses; this was provided to PwC on 15 February 2013 and presented to the council's Social Work Services Committee on 21 February 2013.
9. The action plan shows an ambitious target for management to achieve a large number of short term actions between November 2012 and March 2013. Delivery of these actions should be a priority for social work management to achieve the 2012/13 budget and in developing future business arrangements.
10. Given the nature of the scrutiny risk profile in Dumfries and Galloway Council the LAN has agreed that it should focus its effort this year in engaging with the council's Corporate Management Team (CMT), building on the good engagement that the LAN has had with the CMT during this year's SRA process, to develop a strong understanding of the priorities and risks facing the council to ensure that future SRA processes deliver an AIP and local scrutiny plan that is well tailored to local circumstances. The LAN will therefore meet with the CMT during the autumn for a joint mid-year priorities, risks and performance review workshop to inform the 2014 SRA refresh process.

# National risks

11. Local councils are operating within a context of significant change as a result of the challenging financial environment and the public service reform agenda, including the review of community planning, health and social care integration, police and fire reform, college regionalisation, and welfare reform. The Local Government Scrutiny Co-ordination Strategic Group is currently considering how audit and inspection arrangements should collectively respond to these significant strategic developments, recognising the increasing importance of partnerships, place and outcomes for Scotland's public services.

12. A number of core National Risk Priorities are applied to all 32 councils. These are:

## **The protection and welfare of vulnerable people (children and adults) including access to opportunities.**

13. At the request of Scottish ministers, the Care Inspectorate developed a joint inspection of services for children in each local authority area in Scotland, working in partnership with other inspectorates (Education Scotland, Healthcare Improvement Scotland and HMICS). The inspections will consider how well local public bodies (councils, the NHS, police, etc.) are working together to deliver effective outcomes for children and young people. Following development site work in the Angus Council area in April/May 2012 a cycle of inspections of services for children started in the autumn 2012. All inspections will be reported publicly.

14. Based on our assessment of the safer and stronger, and healthier outcome areas, and of the education and social service assessments we have identified this as an area where no specific locally-directed scrutiny is required. Dumfries and Galloway Council is scheduled to receive its children's services inspection during 2013. The specific inspection date will be provided to LAN leads early in 2013 once the Care Inspectorate has confirmed its inspection programme schedule.

15. In addition, also at the request of Scottish ministers, the Care Inspectorate is developing a similar approach to inspecting adult care services. Early inspections to test out the inspection methodology are planned in Inverclyde, West Lothian and Perth and Kinross council areas. Once the early inspections have concluded the Care Inspectorate will develop a formal programme of adult services inspections. Details of the schedule will be confirmed in due course.

16. Subject to ministerial approval the Care Inspectorate will undertake supported self-evaluation across the 32 local authority criminal justice social work services looking at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This will take place in the latter part of 2013.

17. The SHR will undertake a thematic inspection on the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach. SHR will carry out this thematic inspection during the first half of 2013/14. This is likely to involve

fieldwork visits to a small sample of local authorities. SHR is currently identifying potential fieldwork sites and will be contacting those councils that it would like to visit in early 2013.

18. The most recent performance information indicates that the council has not yet met the Scottish Government's 2012 homelessness target. However, its level of non-priority decisions is low. There has though been a fall in presentations, assessments and the provision of temporary accommodation, as well as in the absolute number of housing allocations. This is in the context of the council historically making relatively high use of private or voluntary-sector hostel or bed and breakfast type accommodation.
19. SHR plans to liaise with the council to develop a better understanding of the reasons for recent falls in the number of presentations and assessments and the types of placements which are being provided to presenting homeless people.

#### **Assuring public money is being used properly:**

20. The annual audit of councils forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council. The local external auditors (PWC) have assessed the council's overall governance arrangements including a review of council and key committee structures and minutes, financial reporting to committees, and the risk management framework. They consider that appropriately structured arrangements and reporting are in place. We have also considered key areas of risk to the council including partnership working; service sustainability; performance management; and people management. This is therefore an area where we have identified no specific scrutiny as being required.

#### **How councils are responding to the challenging financial environment:**

21. Recognising the significance of the uncertain financial context within which councils operate, Audit Scotland produced *Scotland's Public Finances: Addressing the Challenges* in August 2011. Follow-up work around the issues raised in the report will be undertaken in each council during 2013/14 to provide the Accounts Commission and the Auditor General for Scotland with evidence on the progress that public bodies are making in developing a strategic response to these long-term financial challenges. In addition, a specific piece of work on Reshaping Scotland's public sector workforce will be undertaken in 2013/14.
22. The council continues to recognise and respond well to the challenging financial climate facing the public sector. It has established medium term financial plans to 2015/16 and approved a breakeven budget for 2013/14 founded on further early retirements, voluntary redundancies, deleting vacant posts and reductions in some service department budgets.
23. The introduction of Welfare Reform will have a significant impact on the council and it has developed a multi-agency approach to preparing for the forthcoming changes, working in partnership with Registered Social Landlords and the third sector. This is therefore an area where we have identified no specific scrutiny as being required.
24. At the request of Scottish ministers, Audit Scotland has developed an approach to auditing CPP and the delivery of local outcomes. The CPP audit model was tested during 2012/13 in

three council areas (Aberdeen City, North Ayrshire and Scottish Borders). Following evaluation of the approach in early 2013, a number of CPPs will be audited during the second half of 2013/14. Audit Scotland will be contacting any likely audit sites in spring 2013.

25. The EHRC has commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of section 149 of the Equality Act 2010 during 2013. Analysis of public authorities' compliance with the duty to publish equality outcomes and employment information will be available later in 2013. The results of this activity will be reflected in future SRA work.
26. The LAN is committed to maintaining its engagement with the council between now and the next SRA cycle 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 that remain 'no scrutiny required'

27. This update focuses predominantly on those areas assessed as 'scrutiny required' and 'further information required'. 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 requiring no scrutiny which continue to be so. This is based on evidence from various sources including where applicable, recent inspection reports, annual audit work, performance reports and additional file reviews. The LAN identified no scrutiny is required in the following areas:

Outcomes	Corporate Assessment
Healthier	Financial management
Safe and stronger	Managing people
Smarter	Vision and strategic direction
Greener	Governance and accountability
	Customer focus and responsiveness
	Sustainability
<b>Services</b>	Leadership and culture
D&G Fire and Rescue Authority	Planning and resource alignment
Community & customer services	ICT



# Areas that remain 'scrutiny or further information required'

28. The LAN identified that scrutiny or further information is required in the following areas:

Area	Assessment	Update
<b>Social work business planning and management</b>	<b>Scrutiny required</b>	<p>Review work by the council's appointed auditors (PwC) identified a number of areas management arrangements and financial controls within social work services requiring improvement in the design and operation of SWS processes concerning:</p> <ul style="list-style-type: none"> <li>• Business planning and management</li> <li>• Budget setting and monitoring</li> <li>• Information Management</li> </ul> <p>Social Work Services management has prepared an action plan to address these weaknesses; this was provided to PwC on 15 February 2013 and presented to the council's Social Work Services Committee on 21 February 2013.</p> <p>The action plan shows an ambitious target for management to achieve a large number of short term actions between November 2012 and March 2013. Delivery of these actions should be a priority for social work management to achieve the 2012/13 budget and in developing future business arrangements.</p> <p>The action plan will be subject to formal follow-up work by the external auditors during 2014. The scope and nature of any follow-up work will be subject to discussion and agreement with the council.</p>
<b>Homelessness</b>	<b>Further information required</b>	<p>In 2011 the council undertook a self evaluation of its homelessness service which gave the Scottish Housing Regulator sufficient assurance as part of last year's SRA process that no on-site scrutiny activity was required.</p> <p>The most recent performance information indicates that the council has not yet met the Scottish Government's 2012. However, its level of non-priority decisions is low.</p>

Area	Assessment	Update
		<p>There has though been a fall in presentations, assessments and the provision of temporary accommodation, as well as in the absolute number of housing allocations. This is in the context of the council historically making relatively high use of private or voluntary-sector hostel or bed and breakfast type accommodation.</p> <p>SHR plans to liaise with the council to develop a better understanding of the reasons for recent falls in the number of presentations and assessments and the types of placements which are being provided to presenting homeless people.</p>

# Areas with changed assessments

29. The following table relates to assessments of scrutiny risk that were either not assessed during 2012 or have changed from the 2012/13 SRA/AIP update.

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
<b>Partnership working and community leadership</b>	<b>Not assessed</b>	<b>No scrutiny required</b>	<p>The council is reviewing its partnership arrangements in the context of the SG/CoSLA statement of ambition for community planning. It plans to rationalise the number of partnership groups to create a more efficient and streamlined approach to partnership working.</p> <p>The Community Planning Executive group meets monthly and the council and the health board have recently created a Community Health and Social Care Partnership Board.</p>
<b>Planning and Environmental Services</b>	<b>Not assessed</b>	<b>No scrutiny required</b>	<p>The council continues to make significant investments to support implementation of its Zero Waste Investment Strategy linked to the Waste (Scotland) Regulations 2012. These investments are designed to move the council from a strategy of landfill diversion to a more sustainable waste resource management model. These developments are overseen by, and subject to the scrutiny of the council's planning and environmental services committee.</p> <p>The council's planning performance for both householder and non-householder applications is poor relative to other local authorities when measured using statutory performance indicators. This is recognised as a narrow measure of performance.</p> <p>Improvements are being made to planning processes at a local level as a response to the new system. These include the move from an area-based decision-making structure to a centrally managed planning committee, the ongoing</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			restructuring of the Planning and Building Standards Service and the roll out of e-planning, which has exceeded take-up targets nationally, and has doubled the number of applications submitted electronically within Dumfries and Galloway.
<b>Wealthier and Fairer</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	<p>The council continues to recognise and respond well to the challenging financial climate facing the public sector. It has established medium term financial plans to 2015/16 and approved a breakeven budget for 2013/14 founded on further early retirements, voluntary redundancies, deleting vacant posts and reductions in some service department budgets.</p> <p>A key council priority in this context is supporting and stimulating the local economy. This being one of the six strategic priorities approved by the council in June 2012.</p> <p>The introduction of Welfare Reform will have a significant impact on the council and it has developed a multi-agency approach to preparing for the forthcoming changes, working in partnership with RSLs and the third sector.</p>
<b>D&amp;G Police Authority</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	<p>The 2012 Best Value audit of Dumfries and Galloway Constabulary and Police Authority found that the authority carries out its functions effectively and demonstrates most aspects of Best Value.</p> <p>In preparation for the introduction of a single police service for Scotland in April 2013 Dumfries and Galloway has set up a Pathfinder Group, involving the council, police force, and fire and rescue service.</p> <p>The Pathfinder Group comprises the 11 members of the council's Police, Fire and Rescue Committee, the depute chief constable, and the acting chief fire officer. Through its work programme, the group will involve the community planning partners.</p> <p>In October 2012, the Pathfinder Group agreed its work programme to 31 March 2013, after which the</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			<p>new national services will be operational.</p> <p>The Pathfinder Group will be responsible for the winding up of Dumfries and Galloway's Police and Fire and Rescue Authority and approving the final accounts and performance monitoring for year 2012/13 for the outgoing local organisations.</p>
<b>Education</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	<p>The 2012-15 AIP highlighted a number of risks and challenges associated with the re-organisation of the education department's central structure in 2011 which the council recognised and was acting upon.</p> <p>Education Services has put in place processes, activities and resources to address areas where it has recognised the need to do better. It is progressing in gaining an overview of developments and in ensuring the principles of Curriculum for Excellence are embedded in schools. It continues to drive improvement through promoting leadership capacity across schools.</p>
<b>Social Work (services)</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	<p>The 2012-15 AIP highlighted a number of risks and challenges associated with the programme of change and development associated with the introduction of locality based service models.</p> <p>Progress is being made in developing locality-based models, building on previously developed self-directed support arrangements.</p> <p>Inspections of most care services have not highlighted any significant concerns about standards. Quality and Commissioning staff liaise closely with the Care Inspectorate where concerns have been noted and they are improving their approach to commissioning to take account of Care Inspectorate quality assessments of services.</p> <p>D&amp;G Adult Protection Committee has reviewed referrals to adult protection services focusing particularly on young people and the Child Protection Committee has developed an improvement plan with an increased focus on developing a cohesive strategy that reflects a</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			range of national priorities and is linked effectively with local planning and service delivery arrangements.
<b>Asset management</b>	<b>Area of significant concern</b>	<b>No scrutiny required</b>	<p>The council continues to develop its asset management and capital investment arrangements. In October the council considered a report on capital investment strategies and linking capital investment plans to agreed council priorities.</p> <p>Four projects have been agreed as corporate priorities (Dalbeattie Learning Campus, Dumfries Learning Town, Next Generation Broadband, and Economic Development Projects).</p> <p>Alongside those key corporate developments, a key focus is now on maintaining and improving a reduced, sustainable estate.</p>
<b>D&amp;G First</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	<p>DGFirst provides a range of facilities management, school meals, care and support, roads maintenance, waste collection, street cleansing and related services for the council and its partners.</p> <p>It has developed a business plan 2012-15 which sets out how it will continue to deliver those services whilst at the same time deliver budget savings of around £4.76 million over the period in question.</p> <p>The service has used the Public Service Improvement Framework (PSIF) to inform the service improvements needed to deliver improved performance at lower cost. This has led to the establishment of 11 key projects which will be supported by a rolling programme of service reviews.</p> <p>The service faces a number of important workforce management challenges as a consequence of its age and gender profile which will require careful management moving forward. Developing a departmental workforce plan is therefore one of the</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			key projects contained within the business plan.
<b>Performance Management</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	The council continues to develop its performance management arrangements. Business plans now include performance indicators and service committees receive biannual performance reports detailing the key performance indicators.
<b>Challenge and Improvement/ Competitiveness</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	The council has continued to make good progress in taking forward its improvement agenda, using its Organisational Development Framework (ODF) to set strategic improvement priorities and coordinate improvement activity across the organisation. Good progress has been made across a range of improvement priorities over the last year, notably in relation to workforce management, area and strategic commissioning, and strengthening performance management.
<b>Risk management</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	The council has developed a risk management policy with associated guidance material. The corporate risk register is reviewed by the CMT and the Audit and Risk Management Committee biannually. Each business plan has a risk register.
<b>Efficiency</b>	<b>Area of uncertainty</b>	<b>No scrutiny required</b>	Efficiency savings totalling £11.2 million have been identified across all council services. A further £27 million of efficiency savings is required over the next three years.

# Scrutiny plans

30. As included in the 2012-13 assurance and improvement plan the areas of activity in 2010/11 included:
- Education Scotland's partnership working focusing on quality improvement capacity.
  - Audit Scotland's *Housing and Council Tax Inspection and Maintaining Scotland's Roads follow-up*.
31. The outcomes of Education Scotland's partnership working led to a scrutiny risk assessment of no further scrutiny required. The inspectorate found that education services has put in place processes, activities and resources to address areas where it has recognised the need to do better. It is progressing with its implementation of Curriculum for Excellence in all schools and continues to ensure improvement through promoting leadership capacity across schools.
32. Targeted follow-up work was undertaken by the council's appointed auditor on action taken by the council in response to Audit Scotland's *Maintaining Scotland's Roads – a follow-up report*. Overall, the council was able to demonstrate that it had considered the report at an appropriate level and had taken the original recommendations into account. The assessment team noted that the council's approach to addressing the road maintenance backlog through user surveys was highlighted in the Audit Scotland report and that a key focus of the council's efforts since publication of the report has been on delivering the Roads Investment Plan.
33. The summary of planned scrutiny for the three year period to 2015/16 is shown at Appendix 1.



# Appendix 1

National scrutiny activity 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.

DUMFRIES AND GALLOWAY COUNCIL 2013-14												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
<b>No scrutiny planned</b>												
<b>National or supported self-evaluation work year 1</b>												
LAN mid-year priorities, risks and performance review workshop with the council's Corporate Management Team					X							
Housing and council tax benefit inspection (Audit Scotland)	X											
Joint inspection of services for children (Care Inspectorate)											X	X
Audit Scotland's national performance audit Reshaping Scotland's public sector workforce will be undertaken in 2013/14 (any local audit activity tbc)												
Audit Scotland – follow-up review on the report Scotland's public finances: addressing the challenges					X							
Supported Self-Evaluation by the Care Inspectorate of the impact on quality of the newly introduced national assessment and care planning instrument (LSCMI) in local criminal justice social work services. Timing, tbc - subject to ministerial approval, but likely to be towards the end of the year												

DUMFRIES AND GALLOWAY COUNCIL 2014-15												
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
LAN mid-year priorities, risks and performance review workshop with the council's Corporate Management Team					X							
External audit follow-up on social work management arrangements and financial controls (tbc)												
Best Value audit follow-up activity to assess progress against BV Improvement Plan (tbc)												

DUMFRIES AND GALLOWAY COUNCIL 2014-15												
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
LAN mid-year priorities, risks and performance review workshop with the council's Corporate Management Team					X							

Footnotes:

The focus of the AIP Update is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. 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. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. Education Scotland, through the Area Lead Officer, will continue to support and challenge Education Services regularly and as appropriate. The Care Inspectorate will continue to regulate care services and inspect social work services in accordance their responsibilities under the Public Services Reform (Scotland) Act 2010.

