East Dunbartonshire Council

Assurance and Improvement Plan

Update 2013–16

Contents

Introduction

1. The first Assurance and Improvement Plan (AIP) for East Dunbartonshire 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 is 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 detailed 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. The council is aware of the challenges it faces in addressing pressures on finances and services. It is currently in a period of substantial change as it seeks to redesign services while delivering efficiency savings. In February 2013, the council approved a new organisational plan that involves significant changes in services and structures, including at senior officer level.

6. While performance remains strong in key service and outcome areas such as education and social work, the LAN identified four areas where scrutiny would be appropriate in relation to the corporate best value framework.

7. In considering performance management and information, the LAN noted the underlying data for the sickness absence indicator was incomplete and did not accurately reflect performance. The LAN also noted that the Single Outcome Agreement progress report includes a small number of areas where data is incomplete or unavailable. The LAN concluded that targeted scrutiny was required to assess the data used to prepare performance reports.

8. The council has recently updated its workforce strategy which includes aims and guiding principles for workforce planning. It is continuing to develop its approach to workforce planning, against a backdrop of reduced staff numbers and new staff structures. The LAN considers it appropriate at this stage to review the steps the council is taking to ensure that it will have the workforce it needs to meet future service demands and the capacity and skills needed to support improvement.

9. The council's capital projects include: the development of new council office and depot accommodation in Bishopbriggs and the disposal of the former council headquarters in Kirkintilloch; the development of community hubs; the 'council's primary school improvement programme' (which involves major changes in the primary school estate); and development of leisure facilities. The council anticipate that although there is in year slippage within some projects they will be delivererd within the overall three year timescale set for completion. As there is evidence of additional, unplanned costs and delays in some capital projects, the LAN concluded that targeted scrutiny is appropriate.

10. The council's 2012 Procurement Capability Assessment score is lower than in 2011. The council is in discussion with Scotland Excel. The implementation of its procurement strategy and policy has not progressed as quickly as planned. The LAN concluded that targeted scrutiny would be appropriate.

11. The targeted scrutiny will be undertaken by the external auditors in collaboration with colleagues from Audit Scotland's Best Value and Scrutiny Improvement Group in 2013. This will assess the council's progress in the four best value corporate areas identified above ie performance information and management, workforce planning, asset management and procurement.

12. The council's main focus now is on delivering effective outcomes for its people and local communities, while implementing changes and achieving savings. This will require strong leadership, corporate capacity to support change and good communications with staff to widen their understanding and commitment to change. The LAN identified these as areas where more information is required and will monitor the council's actions during 2013/14.

13. Following the May 2012 council elections, the council made a number of changes in committee membership. The absence of a nomination from the opposition party groupings to chair the Audit and Risk Committee resulted in a member of the political administration being appointed to chair the committee, which is contrary to recommended good practice. The vice-convener position remains vacant. The external auditors will continue to monitor the effectiveness of the committee's new and evolving arrangements and the effectiveness of the council's overall scrutiny arrangements during 2013/14.

14. In common with other councils, East Dunbartonshire continues to face financial pressures. The LAN acknowledged that the council has financial plans and strategies designed to deliver services within available finances. The external auditors will continue to monitor the position over the course of the 2013/14 financial year to inform future assessments of scrutiny risks in financial management, efficiency and competitiveness. The auditors will also monitor the council's response to Welfare Reforms.

15. The council recently consulted on changes to the primary school estate and has outlined options on how the estate could be modernised and rationalised. The council is also introducing new refuse and recycling collection arrangements. The 'council's primary school improvement programme' and changes in refuse collection and recycling represent major changes in key service areas. The LAN agreed that no specific scrutiny activity is currently required in these areas. However, the LAN will monitor progress as these changes are implemented and will review scrutiny risks in preparing the next AIP.

National risks

16. 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.

17. 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

18. At the request of Scottish ministers, the Care Inspectorate is developing a model of joint inspection of children's services in Community Planning Partnership (CPP) areas in Scotland, in co-operation with other scrutiny bodies (Education Scotland, Healthcare Improvement Scotland and HMICS). These inspections will focus on how well local public bodies (councils, the NHS, police, etc.) are working together to deliver effective outcomes for children and young people. A Joint Inspection of Children's Services in East Dunbartonshire Council will begin in May 2013.

19. In addition, the Care Inspectorate is working in co-operation with Healthcare Improvement Scotland to develop an approach to inspecting services providing care and health for adults, drawing on its experience of implementing joint inspections of child protection and children's services. Development work involving a number of local authorities is underway and will continue into the early part of 2013. Following this, the Care Inspectorate will implement a programme of these inspections. Further details of the schedule will be confirmed in due course.

20. An action plan in relation to the recommendations in the Care Inpectorate's report of November 2011 was updated in June 2012 and showed progress in relation to improvement activity. The Care Inspectorate will continue to monitor progress, particularly in relation to the development and monitoring of commissioned services.

21. The Scottish Housing Regulator (SHR) plans to carry out a thematic inspection of 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 2013.

22. No additional scrutiny is planned in relation to the protection and welfare of vulnerable people.

Assuring public money is being used properly

23. The annual external audit forms part of the baseline scrutiny of councils. This audit work examines the financial management and controls in each council. Assurance on the regularity of expenditure is obtained through the annual audit process. The external auditors' overall view was that arrangements are generally sound and they gave an unqualified opinion on the financial statements. However, the auditors noted a number of significant variances identified between year end outturns and budgets. There is a risk that this diminishes the effectiveness of the council's budget monitoring arrangements which are designed to ensure budgets are effectively managed and best use is made of available resources.

24. No additional scrutiny work is planned but the external auditors will continue to monitor budgetary performance as part of the annual audit process.

How councils are responding to the challenging financial environment

25. 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 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.

26. The Scottish Government's financial settlement for local authorities covering the years 2013/14 to 2014/15, resulted in a budget gap for the council of £3.1 million with a further £4 million of savings required in 2014/15. These ongoing budget reductions will stretch the council's ability to deliver its outcome targets and maintain service performance into the future. This will be kept under review by external audit.

27. The audited 2011/12 accounts show the council had an uncommitted general fund balance of £3 million. This represents a decrease of £1.2 million for the uncommitted general fund balance of £4.2 million at 31 March 2011. While this is above the council's targeted level of £2.5 million it remains low in percentage terms relative to many other Scottish local authorities. Although the council has strategies to minimise specific risks, such as those relating to equal pay and pensions, the overall risk remains that the level of reserves may be insufficient.

28. No additional scrutiny work is planned but the external auditors will continue to monitor the financial position of the council.

29. At the request of Scottish ministers, Audit Scotland has piloted 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 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 2013.

30. The Equality and Human Rights Commission has commissioned 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. The results of this activity will be reflected in future Shared Risk Assessment work.

31. The LAN is committed to maintaining its engagement with the council between now and the next SRA cycle so that it retains 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'

32. 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. The LAN identified no scrutiny is required in the following areas:

Area	Update
Service area	
Education	Performance information continues to show positive outcomes. A review of the primary school estate is underway and the LAN plans to monitor developments in this area.
Housing	The council projects compliance with the Scottish Housing Quality Standards by 2015.
Regulatory services	The council continues to show relatively good performance across the majority of regulatory indicators.
Roads and street lighting	The council continues to make progress in its approach to the road network in the area. The council has procured a new road asset management system.
Outcome Area	
Delivering for children and young people	The majority of the 'Smarter Theme' indicators are improving in both short and long term; all indicators are better than the national average and in the top performing quartile.
Enhancing learning and enterprise	Overall performance in this area is good, with a general trend of improvement. Children and young people within the council's schools have opportunities to participate in a range of sporting and cultural experiences, with evidence of good levels of participation.
Improving health and wellbeing	Overall performance is relatively positive in this area. Life expectancy for both men and women is the highest in Scotland.
Sustainable and attractive communities	There is a general trend of improvement for this theme. The council opened the first community hub at William Patrick Library in and new civic headquarters at Southbank Marina.
Safer communities	Crime rates within the council area are lower than the Scottish average.

Area	Update
	The council has the third lowest number of recorded crimes per 10,000 population for sexual offences and other crimes.
Investing in improvement	The council approved the 2012-15 Business Improvement Plans in June 2012.
	The council has invested during the year in establishing its first community hub and the new headquarters. Continued investment is planned for the school estate and council buildings and offices.
Corporate Assessment Area	
Vision and strategic direction	The council together with its community planning partners prepared a Single Outcome Agreement update report to reflect the priorities of the new administartion formed after the May 2012 council elections. A new, longer-term updated draft SOA has been approved by the council for consideration by the Scottish Government.
Partnership working and community leadership	The council is committed to the Clyde Valley Partnership Waste Management Workstream with the long-term target of a joint residual waste management and disposal service by late 2019.
	The council plans to open further community hubs in Bishopbriggs and Lennoxtown which will include partner organisations.
	The council shows well-established working relationships with partners through its CPP activity.
Community engagement	The Council has engaged with the public on the review of the primary school estate and the Kirkintilloch Town centre.
	There was consultation on the primary school estate and, if required, Education Scotland will carry out specific duties as described by the Schools Consultation Act.
Challenge and improvement	Each of the council's ten service areas produce bi-annual evaluations on 'How Good is Your Service'. These show the actions taken to date as well as performance against indicators.
Equalities	The council has an 'Equality and Human Rights Policy 2011-2014'. This overarching document sets out the council's commitment to equality and human rights and provides information on work being undertaken across the council.
Sustainability	The council's Policy Development Framework is designed to ensure all new policies, strategies and functions demonstrate a contribution to the achievement of sustainable development, enabling a consideration of the social, economic and environmental impact of activities and decisions in the shorter and longer term.

Areas that remain 'scrutiny or further information required'

33. The LAN identified that, in common with the SRA last year, scrutiny or further information is required in the following areas:

Area	Assessment	Update
Corporate Assessment Area		
Use of resources - efficiency	Further information required	As with all local authorities, the reductions in future funding means there is uncertainty about the council's ability to deliver services to budget. The council has savings plans in place. External audit will continue to monitor this through the routine audit process.
Use of resources - competitiveness	Further information required	Within the 'How Good is Your Service' reports, the council benchmark performance against four other councils. The council is preparing for the new performance information required for the SOLACE indicators and has submitted its 2010/11 and 2011/12 comparator information. Developmental work is ongoing in this area and external audit will monitor progress.
Use of resources - financial management	Further information required	In 2011/12 there were significant variances between year end outturns and budgets in both revenue and capital budgets. There is a risk that this diminishes the effectiveness of the council's budget monitoring arrangements which are designed to ensure budgets are effectively managed and best use is made of available resources. External audit will monitor progress.

Areas with changed assessments

34. The following table relates to assessments of scrutiny risk that have been changed from the 2012/13 update.

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
Service Area			
Social work	Further information required	No scrutiny required	Social work services generally perform well in relation to nationally collected statistics. Improvement was noted across all areas assessed. The Care Inspectorate Scrutiny Report of November 2011 was generally positive and contained 5 recommendations. An action plan was created by social work services to address the recommendations and evidence of improvement activity has since been provided. The council has made progress in developing a joint commissioning strategy for older people. A Corporate Parenting Policy has been approved, a steering group has been established, champions have been identified, and monitoring processes put in place. A range of self-evaluation activities have been developed and are being implemented. The LAN will continue to monitor progress.
Corporate services	No scrutiny required	Further information required	Performance in some indicators is declining. The external auditors

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			will review 2012/13 performance as part of that year's audit.
Environmental services	No scrutiny required	Further information required	New arrangements for waste collection will be introduced in May 2013. This will include a change from weekly to fortnightly waste collection along with a new weekly food waste collection. The LAN will monitor developments in this area and will review performance information once available to assess the impact of the changes.
Cultural services	Further information required	No scrutiny required	The previous classification was based on the establishment of the Leisure Trust in April 2011. The statutory performance indicators show that there has been little impact on attendance levels at sports facilities.
Corporate Assessment Area			
Leadership and culture	No scrutiny required	Further information required	During February 2013, the Council announced and implemented changes to the senior management structure (increasing the number of directors from 3 to 6, with Heads of Service reducing from 9 to 2) and service structures within the council and announced the planned reduction in staff by 250 whole time equivalents. These are substantial changes and will need a period of bedding in before a judgement can be made on their impact and effectiveness.
Planning and	Further	No scrutiny	The council has a Medium Term

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
Resource alignment	information required	required	Finance and Resources Strategy which is updated and approved by council annually.
Governance and accountabiility	No scrutiny required	Further information required.	The council's political administration changed in May 2012 following the local government elections. The Audit and Risk Committee is a subcommittee of the Policy and Resources Committee. As the audit committee evolves, elected members need to ensure that the arrangements, together with other scrutiny activity, are effective. Governance arrangements in relation to the transformation agenda were approved in April 2013, it is too early to assess the impact of these changes.
Performance information and management	No scrutiny required	Scrutiny required	During the 2011/12 audit, one SPI was qualified. In addition, the council's Single Outcome Agreement progress report includes a small number of areas where current data is incomplete or unavailable. External audit identified the above weaknesses and the LAN has indicated that scrutiny is required to assess the robustness of certain data used to prepare performance reports.
Welfare reform	N/A (this is a new area that has not been previously assessed)	Further information required	The Welfare Reform creates a new Universal Credit for working age claimants. It will result in significant changes in terms of service delivery and bring an end to devolved administration of housing benefit. Council tax

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			benefit will be replaced by a Scottish council tax reduction scheme from April 2013. It is not yet clear what the exact role councils will play in the delivery of welfare reforms and there will need to be consideration given to strategies and plans in areas such as housing, asset management, finance, ICT and customer service. The LAN will monitor this area during 2013/14.
Risk management	Further information required	No scrutiny required	In the previous AIP this area was classified as further information required due to the Corporate Risk Advisor post being vacant between July 2011 and January 2012 and the need for the Corporate Risk Register to be updated. A Corporate Risk Advisor has been appointed and has initiated a review of the process for identifying, recording and managing risk. This review has resulted in the updating of the Corporate Risk Management Strategy and the Corporate Risk Register which was reported to the Audit and Risk Management subcommittee in April and September 2012 respectively.
ICT	Further information required	No scrutiny required	This area was assessed previously as 'further information required' due to the challenging timescales ICT staff encountered in moving from Tom Johnston House and relocating to Broomhill. The ICT staff were also required to move the council's

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			main data centre to a new purpose built facility within William Patrick Library.
			The data centre migration took place in November 2012 without council services being disrupted.
Use of resources - asset management	Further information required	Scrutiny required	The council has a number of significant capital projects planned or underway. The external auditors have identified additional, unplanned costs and delays in some projects and the LAN have agreed that scrutiny in this area would be appropriate.
Use of resources - managing people	No scrutiny required	Scrutiny required	Since 2009, a significant number of staff have left the council under the early release scheme linked to service redesign initiatives. A comparison with other local authorities highlighted that the council has the second highest proportion of staff leaving over this period.
			Human Resources and payroll systems are currently fragmented and largely paper based. Systems need to more accurately capture employee information which details employee information including capacity requirements, skills, and attendance.
			The council has the highest level of sickness absence among local authorities, excluding teachers, and the fourth highest level for teachers.
			The council is continuing to develop its approach to workforce

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			planning, against a backdrop of reduced staff numbers and new staff structures. The LAN consider it would be appropriate at this stage to review the steps the council is taking.
Use of resources - procurement	No scrutiny required	Scrutiny required	In the previous AIP this area was classified as 'no scrutiny required' because the council was continuing to improve their Procurement Capability Assessment (PCA) score. However, the most recent PCA is lower than that for the previous year. The council is about to embark on a project to introduce a new electronic procurement system. It would be appropriate at this stage to review the action taken by the council.

Scrutiny plans

35. Further audit work will be undertaken by the external auditors in collaboration with colleagues from Audit Scotland's Best Value and Scrutiny Improvement Group in 2013 to assess the council's progress in the four Best Value corporate areas identified above ie performance information and management, workforce planning, asset management and procurement.

36. The outcome of the targeted Best Value audit work will inform the way in which the work is reported. Findings may be reported through the annual audit report at the completion of the audit of the 2012/13 annual accounts. Alternatively, the Best Value audit work may result in a report by the Controller of Audit to the Accounts Commission.

37. Audit Scotland will undertake targeted follow-up work on its national report Scotland's Public Finances: Addressing the Challenges. This work will consider the action taken to address the issues raised in the report and the impact of this action. The findings of this work will be reported by 31 August 2013.

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.

EAST DUNBARTONSHIRE COUNCIL 2013-14												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Best Value targeted work on performance and information management, workforce planning, asset management and procurement. (Timing tbc)												
Review of Scotland Excel assessment.							X					
Children's Services 2013-14			X	X	X							
National or supported self evaluation work year 1												
Audit Scotland - follow up review on the report Scotland's Public Finances: Addressing The Challenges					X							
Audit Scotland - Reshaping Scotland's public sector workforce will be undertaken in 2013/14 (tbc)												

EAST DUNBARTONSHIRE COUNCIL 2014-15												
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No scrutiny planned												
National or supported self evaluation work year 2												
No scrutiny planned												

EAST DUNBARTONSHIRE COUNCIL 2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved

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 regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.