

Scottish Borders Council

Assurance and Improvement Plan

Update 2013–16

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Introduction

1. The first Assurance and Improvement Plan (AIP) for Scottish Borders 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 for the period 2011-14. 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 Scottish Borders Council has continued to take forward its improvement and service modernisation agenda at a time of significant political and managerial change within the council. The new council coalition administration of nine independent members, nine SNP and six Liberal Democrat members established following last May's local government elections has been working closely with officers to establish their strategic priorities and embed them within council and Community Planning Partnership (CPP) key plans and strategies.
6. An important development for the council and its partners has been a major review of community planning arrangements for the Scottish Borders area. Following the review there is a renewed political and managerial drive within the council, and across the partnership, to make community planning core business. Scottish Borders CPP, together with Aberdeen City and North Ayrshire CPPs, agreed to participate in three early audits of community planning undertaken by Audit Scotland on behalf of the Accounts Commission and the Auditor General for Scotland during 2012. The overall aim of the audit process was to assess whether the CPPs have made a difference to local communities.
7. The audit found that the Scottish Borders CPP has a real opportunity to deliver more impact from partnership working, making the best use of scarce resources at a time of increasing demand on public services. The CPP has set itself a challenging improvement agenda and has the basis of a good framework for taking it forward. However, the partnership recognises that it has much work to do to meet the aspirations set out in the Scottish Government/COSLA Statement of Ambition for community planning/SOAs. Follow-up audit activity to assess progress that is being made by the CPP in taking forward its improvement agenda is scheduled to take place during 2014-15.
8. Alongside the community planning review work significant managerial and service developments have been taking place within the council, to create an organisation that is organised effectively to address a number of challenges facing the council and the area. These include:
 - Delivering sustainable financial savings.
 - Supporting economic growth and maintaining vibrant and sustainable local communities.
 - Strengthening community engagement and participation in service delivery.
 - Mitigating the impact of welfare reform on local people and the economy.
 - Shaping partnership working towards preventative service approaches.
 - Developing sustainable and joined-up approaches to health and social care.
 - Improving connectivity and local transport links.
9. Overall, the council continues to be relatively low scrutiny risk. That is reflected in the absence of any significant audit and inspection activity arising from this year's local SRA process.

Whilst the AIP has identified some areas where further information is required, most of this activity is focused on the LAN monitoring the impact of the significant community planning and organisational developments on services, use of resources, and their impact on outcomes, throughout the year.

10. Given the nature of the scrutiny risk profile in Scottish Borders Council the LAN has agreed that alongside its monitoring of key developments it will focus its effort this year in engaging with the council's corporate management team to develop a strong understanding of the priorities and risks facing the council. This will allow the LAN to ensure that future SRA processes deliver an AIP and local scrutiny plan that is well tailored to local circumstances.
11. The LAN will therefore meet with the CMT during the autumn for a joint mid-year priorities, risks and performance review workshop with the CMT to inform the 2014 SRA refresh process.

National risks

12. 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.
13. 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:

14. Based on our assessment of the integrated planning for the demographic challenges of an older population in the Scottish Borders, Education and lifelong learning, and Improving the health and wellbeing of the Scottish Borders population outcome areas, and of the social work management assessments we have identified this as an area where no specific locally-directed scrutiny is required. This reflects the good overall social work performance, good joint working with NHS Borders and improving educational attainment and inspection improvement trends.
15. At the request of Scottish ministers, the Care Inspectorate is developing a model of joint inspection of children's services in 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. Development work involving Angus Council took place in April/May 2012. These joint inspections, which will report publicly, began in the autumn 2012. Scottish Borders Council is not scheduled for a joint inspection of children's services during 2013-14.
16. 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.
17. 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.

18. The SHR plans to carry out a thematic inspection into 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. Scottish Borders Council may be one of those sites, given the ongoing engagement that SHR has with the council over its homelessness performance.

Assuring public money is being used properly:

19. The annual audit of councils forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council.
20. The LAN has assessed financial management as an area where no scrutiny is required, reflecting the positive assessment of the council's financial management arrangements in the most recent annual audit report to Scottish Borders Council and the Controller of Audit for the year ended 31 March 2012.

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's medium-term financial model has identified that over the next five year's a minimum of £27.3 million savings will be required if the council is to continue to deliver its current range and level of services. The level of budget savings that are required in 2013-14 and beyond are in excess of those delivered in previous years. It will require strong strategic planning and the implementation of sustainable measures to balance the budget, including rigorous monitoring of savings identified. In order to identify sufficient savings, a shift in focus and behaviours to longer term financial management has been adopted by the council's corporate management team. This should create a corporate programme of work to meet to anticipated future gap from increasing costs over the period to 2017-18. Delivering the level and range of savings and service changes that will be required will be challenging for the council. The council's appointed auditors will continue to assess progress made by the council as part of the annual audit process.
23. The EHRC have 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.

24. 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'

25. 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
Education and lifelong learning	Attainment in Scottish Borders continues to improve. In almost all measures, Scottish Borders schools are out-performing their comparator authorities and schools nationally. Outcomes from school inspections in Scottish Borders have generally shown a positive trend in recent years. Whilst there have been some poor outcomes in primary schools which necessitate follow through activity by Education Scotland in almost all cases the authority is aware of the issues and is working with the schools to make improvements. The recent restructuring of Community Learning and Development Services (CLDS) following an internal review is creating closer working with schools in relation to Curriculum for Excellence.
Increased connectivity of Scottish Borders	Last years AIP reported on progress in improving broadband connectivity and noted the planned re-opening of the Borders rail link. Further progress has been made in working with partners to enhance internet connectivity across the South of Scotland and Network Rail has this year appointed the main contractor to deliver the Scottish Borders rail link, which is due to reopen in 2015.
Improve the health and wellbeing of the Scottish Borders population	Overall, performance continues to be good in this area. Life expectancy is high and smoking rates, teenage pregnancies and 'early deaths' are low.
Increased and more effective integrated planning for the demographic challenges of an older population living in Scottish Borders	Joint working with NHS borders and the council's social work department continues to take forward this agenda. Delayed discharge issues have now been addressed and they remain at a low level. They are currently rolling out a successful methodology demonstrated by the Cheviot project.

Area	Update
Social work management	Overall social work performance remains good, with progress made on the three main points of action arising from the 2011 joint inspection of services to protect children. The council has maintained a good overview of all of its commissioned services. It has a clear understanding of issues arising from concerns and has regular discussions with providers and regular meetings to ensure that actions to address these are being followed up.
Housing	Scottish Borders Council has met the 2012 homelessness target but recent data indicates a significant increase in homelessness applications. SHR will be exploring the reasons for this increase with the council.
Governance and accountability	The council's governance statement confirms the existence of a comprehensive framework of internal control.
Risk Management	The council has a documented risk register and inspection evidence from the Care Inspectorate's ISLA activity has also offered some assurance that operational arrangements for assessing and recording risks for individual social care service users are in place and subject to audit.
Financial Management/efficiency	<p>The council budget outturn for 2011-12 was an underspend of £292,000 against departmental budgets. The council met its financial targets through effective financial planning and management throughout the year.</p> <p>Arrangements to prevent and detect fraud are embedded in internal controls, including processes to comply with requirements in respect of the National Fraud Initiative (NFI)</p>
Procurement	The council continues to perform well and demonstrate improvements in the annual Procurement Performance Capability Assessment (PCA)
Equalities	In previous years equalities has been assessed as an area where no significant scrutiny risks were identified. Equalities was not considered as part of the SRA process this year as the EHRC have 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. The results of this activity will be reflected in future Shared Risk Assessment work.
Sustainability	The council continues to have a clear vision for economic sustainability and demonstrates strong awareness of environmental, economic and community aspects of sustainability.

Areas with changed assessments

26. 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
Strategic direction/leadership	No scrutiny required	Further information required	The council has been going through a period of significant change politically and managerially and is currently also involved in a major review of community planning arrangements for the Scottish Borders area. The LAN will be monitoring the impact of these significant developments on services, use of resources, and their impact on outcomes, throughout the year. It will also be formally discussing progress with the council's Corporate Management Team at the mid-year SRA review meeting in late summer/early Autumn 2013.
Partnership working	No scrutiny required	Further information required	See above
Planning and resource alignment (including Asset Management)	No scrutiny required	Further information required	See above
Managing People	No scrutiny required	Further information required	Whilst there is no evidence of deterioration of performance in this area the LAN is keen to maintain a strategic overview of the council's approach to managing a reducing

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			workforce as a consequence of the need to make significant financial savings over future years.
Performance management and improvement	No scrutiny required	Further information required	Last year's AIP reported positively on the progress that the council had made in strengthening performance reporting and member oversight of performance through the Performance Monitoring Panel. However, the ambitious and wide-ranging improvement agenda which the council is currently taking forward will require significant corporate leadership, supported by effective engagement and ownership of staff across the organisation. The LAN is keen to maintain an overview of the progress that the council is making in managing this ambitious change agenda, in particular the extent to which the council is able to demonstrate the impact of its improvement work on improving outcomes for local people. The LAN will be monitoring developments throughout the year and will also be discussing progress with the council's Corporate Management Team at the mid-year SRA review meeting in late summer/early Autumn 2013.
Reducing alcohol-related problems	Area of uncertainty	No scrutiny required	In last year's AIP this was assessed as an area of

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
among young people and adults and the harmful impact on communities in the Scottish Borders			uncertainty given the evidence of reductions in numbers of people accessing specialist alcohol services decreasing and being below target. The Care Inspectorate reviewed progress in this area as part of its Initial Scrutiny Level Assessment work during 2012. It found that the alcohol and drug partnership has taken a proactive approach to improving aspects of its service and has good links with services for children. However, there can be delays in accessing the service and some concerns about consistency of approach were identified.
Technical services	Area of uncertainty	No scrutiny required	Overall environmental services, road and fleet management performance demonstrate aspects of improving performance. Progress has been made in establishing a roads asset management plan and the planned beginning of operation of the council's new waste treatment plant in April 2013 should deliver further improvements in diversion of waste from landfill.
ICT	Area of uncertainty	No scrutiny required	The council continues to make progress in implementing its corporate ICT strategy. During 2012 the council proactively reported a data breach to the Information Commissioner's Office (ICO) after 676 files

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			<p>relating to former employee pension records were found in a paper recycle bank in a supermarket car park.</p> <p>The council had employed an outside company to digitise the records, but failed to seek appropriate guarantees on how the personal data would be kept secure. This was part of a wider digitising programme which has been satisfactorily processed. The council was subsequently fined £250,000 by the ICO, but is currently appealing against this fine.</p>
<p>Planning and economic development/develop greater economic resilience within Scottish Borders</p>	<p>No significant concerns</p>	<p>Further information required</p>	<p>The council is committed to an ambitious of generating economic growth for the Scottish Borders area, maintaining vibrant and sustainable communities and ensuring that key policy and service developments are 'rural-proofed'. The LAN is keen to maintain an overview of the progress that the council is making in this area and will be monitoring developments throughout the year and discussing progress with the council's Corporate Management Team at the mid-year SRA review meeting in late summer/early Autumn 2013.</p>
<p>Cultural and community services</p>	<p>No significant concerns</p>	<p>Further information required</p>	<p>The council is considering extending its current Arms Length External Organisation (ALEO) to cover all aspects of</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			cultural services. The LAN is keen to maintain an overview of these developments, which will be monitored by the local appointed auditor (KPMG).
Developing greater community resilience and strengthening community engagement	No significant concerns	Further information required	The council is implementing new area forum arrangements as part of its recent review of community planning. The intention is that they could be used as a vehicle for strengthening community engagement with local people and supporting the delivery of well tailored local public services. The LAN is keen to maintain an overview of these developments, given the significance of the increased expectations of public bodies in this area arising from the Scottish Government/COSLA Community Empowerment and renewal agenda. The LAN will therefore be discussing progress with the council's Corporate Management Team at the mid-year SRA review meeting in late summer/early Autumn 2013.

Review of 2012/13 planned activity

27. The only specific areas of activity included in the 2012-13 assurance and improvement plan in 2010/11 was Audit Scotland's Maintaining Scotland's Roads follow-up audit work.
28. 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. Management did not yet have in place a road asset management plan but was working closely with colleagues at a national level to ensure best practice procedures are put in place.

Scrutiny plans

29. 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.

SCOTTISH BORDERS COUNCIL 2013-14												
Scrutiny activity year 1	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							
Audit Scotland's national performance audit Reshaping Scotland's public sector workforce will be undertaken in 2013/14 (any local audit activity tbc)	X											
Audit Scotland - follow up review on the report Scotland's public finances: addressing the challenges					X							
National or supported self evaluation work year 1												
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												

SCOTTISH BORDERS COUNCIL 2014-15												
Scrutiny activity year 2	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							
Housing Benefit inspection (Audit Scotland)			x									
Scottish Borders Community Planning Partnership audit follow-up activity (Audit Scotland)						x						
National or supported self evaluation work year 2												
No scrutiny planned												

SCOTTISH BORDERS COUNCIL 2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved
LAN mid-year priorities, risks and performance review workshop with the council's Corporate Management Team	

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 District Inspector, 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.

