

South Ayrshire Council

Assurance and Improvement Plan

Update 2013–16

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Introduction

1. The first Assurance and Improvement Plan (AIP) for South Ayrshire 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 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. The LAN have assessed all services and outcome areas as "no scrutiny required" because, on the whole, key services are performing satisfactorily. The council is making steady progress towards achieving the Scottish Housing Quality Standard by 2015, Education Scotland reported that overall the council is providing a quality education service and the Care Inspectorate reported that good progress was being made in reviewing and modernising care services.
6. However the LAN identified a number of areas where scrutiny is required on the corporate Best Value framework, to ensure the performance of services is sustained and focused on the future.
7. On 9 July 2009, the council approved an improvement agenda to address the issues identified in the 2009 Best Value report. We are concerned to note that the council has stopped reporting progress against the improvement agenda to members. The latest update of the improvement agenda was prepared for the period to 30 September 2011, but this was not reported to members. The 30 September 2011 update recorded that 40 of the 47 improvement actions were 50 per cent or less complete. Without periodic updates members cannot adequately monitor progress and consequently gain assurance that the council is achieving the stated improvement objectives. As a result of discussions with the LAN the council is now to issue a progress report on its Best Value improvement actions in February 2013.
8. The council's community plan expired in March 2010 and the corporate plan in March 2012. In February 2012 the Leadership Panel agreed to roll forward the existing corporate plan until September/October 2012 at which point a new corporate plan was to be submitted for its consideration. In September 2012 the council approved, and has been working towards, its high level vision, "Raising Our Ambitions." The council is now planning to present an updated Service Outcome Agreement (SOA), which will include its ten year community plan, to members on 25 April 2013. This will be an important step towards setting its new strategy for delivery of council priorities. For the most effective delivery of services to the citizens of South Ayrshire, the council will then need to demonstrate a "golden thread" from its revised corporate objectives to managing performance at community, service and individual level to ensure that its strategic objectives are being attained.
9. Audit Scotland reported in 2011/12 that the council's financial position and recent track record provides a firm basis to address the challenging financial environment it faces. The council has made significant progress in improving its financial position since 2007 and has been successful in meeting the challenge of identifying opportunities to reduce costs and maximise income. Once the council's strategic plans are approved, financial plans are to be aligned with strategic objectives and service priorities by February 2014.
10. One of the keystones of Best Value and continuous improvement is that the council has a clear and accurate understanding of how it is performing and how far it is meeting its

objectives. Performance assessment and self-evaluation needs to be widely used to give a meaningful understanding of relative performance strengths and weaknesses. The council is continuing to roll out and embed a culture of self evaluation across all services of the council.

11. The LAN reported last year that the council had made good progress in implementing an electronic performance management system (Covalent) and commented that the council should now focus on embedding a culture of performance management across the council. In September 2012 an annual performance report, structured around the How Good is Our Council self-evaluation model, was submitted to the council using information drawn from the Covalent system. Risk register updates and audit actions progress is routinely reported to members. Monthly performance reports for members are also now planned. Officers advise that it is planned to use, for some services, benchmarking data to compare performance with other councils. The council's performance management framework will be aligned with the council's new strategic plans from April 2013. Priority now needs to be given to ensuring that management is using Covalent to actively manage performance and demonstrate that the performance management process is an effective tool in driving service improvements.
12. Further audit work will be undertaken by the Audit Scotland audit team in collaboration with colleagues from Best Value and Scrutiny Improvement in 2013 to monitor the council's progress in the areas discussed above. Other scrutiny work planned in the period to 2013-16 is of limited scope and is shown in the plan at Appendix 1.
13. Subsequent to the preparation of this update to the Assurance and Improvement Plan, the council agreed to the early retirement of the chief executive on the grounds of the efficiency of the service. We will review the retirement of the chief executive and the impact this has on the council as part of our ongoing SRA process.

National risk priorities

14. 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.
15. The following paragraphs set out the core National Risk Priorities are applied to all 32 councils.

The protection and welfare of vulnerable people (children and adults) including access to opportunities: No scrutiny required.

16. The Care Inspectorate undertook an Initial Scrutiny Level Assessment in August 2012 which identified five areas where the level of risk was uncertain. The findings of the subsequent scrutiny visit were published in November 2012 and included a number of improvement actions. These included the need to implement a coherent policy and guidance for assessing and managing risk to vulnerable people across adult services in order to improve practice. The review highlighted improvements made in the service and areas of good practice but found that overall, there was evidence that children's services and criminal justice services were performing better than community care services. The council has produced an action plan to address the improvement actions identified, which the Care Inspectorate will monitor over the coming year.
17. 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. Development work involving Angus Council took place in April/May 2012. These joint inspections, which will report publicly, began in the autumn 2012. South Ayrshire Council's inspection will be scheduled in due course.
18. 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.

19. Subject to ministerial approval, the Care Inspectorate, in partnership with the Association of Directors of Social Work (ADSW) and the Risk Management Authority (RMA), will undertake supported self-evaluation across the 32 local authority criminal justice social work services during the latter part of 2013. This will look at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This particular approach is one of a number of approaches the Care Inspectorate will use in its current and future scrutiny and improvement work in this area.
20. 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.

Assuring public money is being used properly: No scrutiny required.

21. The annual audit of councils forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council. Audit Scotland concluded during the course of the current audit engagement that the council's financial management arrangements have operated effectively. The council has made steady progress in enhancing its procurement arrangements and has (November 2012) approved a corporate asset management plan. Later in this AIP aspects of the council's corporate framework for demonstrating Best Value in the use of resources have been identified as areas where scrutiny is required.

How councils are responding to the challenging financial environment: Scrutiny required.

22. Audit Scotland's Annual Report on the 2011/12 audit reports that the council's financial position and its recent track record provide a firm basis to address the challenging financial environment it faces. The council held £39.6 million in reserves at 31 March 2012. Within reserves, £8.794 million has been classified as an uncommitted General Fund balance. The council has made significant progress in improving its financial positions since 2007 and has been successful in meeting the challenge of identifying opportunities to reduce costs and maximise income. To enable the council to continue to meet these challenges going forward, it is essential that the council's financial plans are aligned with strategic objectives and service priorities going forward. The council plans to demonstrate this once the new SOA is agreed with members in April 2013.
23. 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.

24. 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 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 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.
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. The LAN identified no scrutiny is required in the following areas:

Area	Update
Corporate services	Performance information for Corporate Services shows that most indicators have improved during the year.
Environmental services	Overall performance appears good, with all indicators better than the national average and demonstrating improvement.
Education	<p>The Education service performs well and displays a high level of engagement with national initiatives. Almost all primary school pupils are attaining expected levels and pupils in S4, S5 and S6 perform strongly in SQA examinations.</p> <p>The Educational Psychology Service is more stable this year due to the appointment of a temporary Principal Educational Psychologist and the strengthening of the service delivery model to target vulnerable groups.</p>
Social Work	The Care Inspectorate undertook an Initial Scrutiny Level Assessment (ISLA) in August 2012 which found that the directorate had made good progress in reviewing and modernising services. Overall there was evidence that children's services and criminal justice services were performing better than community care services. The directorate has produced an action plan in response to the improvement actions identified and progress against this will be monitored over the next 12

Area	Update
	months. The Care Inspectorate has reported that the 19 registered care services provided by the council perform well.
Housing	The service is showing steady progress towards achieving the Scottish Housing Quality Standard by 2015. Performance information and financial reporting show a mixed picture for the service. The imminent reforms to the welfare system will have a significant impact on Housing Services and constitutes a significant risk for the council's social housing service. We will monitor the position through our routine audit cycle rather than undertaking any specific scrutiny at this time.
Regulatory services	Overall performance in regulatory services is good and is showing a general trend of improvement.
Cultural services - libraries and museums	The number of visitors to museums and galleries has increased, whilst library visits report a slight fall.
Roads and street lighting	<p>There has been a small reduction in the percentage of the road network that requires improvement.</p> <p>No specific scrutiny is planned in this area however we will monitor progress against the action plan in the Follow up on Maintaining Scotland's Roads by Audit Scotland.</p>
Safe	Overall, reported incidents of crime have fallen across South Ayrshire in 2011/12.
Learning and achieving	Education Scotland reported that in South Ayrshire schools almost all primary school pupils are attaining expected levels and pupils in S4, S5 and S6 perform strongly in SQA examinations.
Clean and attractive	The council's LEAMS cleanliness score increased from 76 to 78 in 2011/12.

Area	Update
Community engagement	<p>The annual audit report noted that; "The council agreed a communications strategy in May 2010. This strategy describes the importance of communication with residents but concentrates on the council delivering its messages with very little recognition of communication being a two way process". Since the drafting of the annual audit report, in which it was noted that; "there is no formal, systematic and ongoing mechanism for engaging with the community in a wider sense", the council has re-introduced its citizen's panel, South Ayrshire 1000, which seeks views on key aspects of the council's priorities and services. It has also now introduced a database of consultation exercises to ensure that these are managed across the council to prevent duplication and manage scheduling.</p>
Governance and accountability	<p>The 2011/12 financial statements presented to audit were of high quality in that they were well written and were presented in accordance with the relevant accounting requirements. Members provide appropriate challenge at both council and panel meetings. Testing of the council's main financial systems in 2011/12 showed that in the main, appropriate internal controls were in place.</p>
Risk management	<p>The council has a risk management strategy in place which sets clear roles and responsibilities and a reporting framework for officers. The strategic risk register is updated on a 6 monthly basis and is reported to the members through the Leadership Panel. The LAN identified that at the time of their assessment, the council's risk register did not include the changes arising from the Welfare Reform Act. The risk register has now been updated to reflect the Act.</p>

Area	Update
ICT	<p>With the notable exception of the protracted process of implementing the Oracle system in full, ICT operates well within the council and no system weaknesses were identified through our annual reviews of key financial systems.</p> <p>South Ayrshire Council ICT service participates in a range of business led collaborative initiatives. These include the pan-Ayrshire roads shared service initiative and the Ayrshare project to include multi-agency work supporting Getting It Right For Every Child (GIRFEC).</p> <p>The council has also successfully implemented an internal communications system which management considers will deliver significant economic and efficiency gains.</p>
Use of resources - financial management	<p>The council's 2011/12 financial statements show that the council has reached its target of £8m uncommitted reserves a year ahead of target.</p> <p>Audit Scotland's Annual Report on the 2011/12 Audit commented on the council's budget setting and monitoring arrangement both for general services and more significantly, the housing revenue account. While we assessed this area as no scrutiny required, we will monitor the position through the audit of the 2012/13 financial statements.</p>
Use of resources - asset management	<p>The council approved its Corporate Asset Management Plan in November 2012. This includes a 5 year capital investment plan which sets out the investment required for each class of asset. While this is a significant step forward for the council, the absence of an up to date corporate plan means that the council does not yet know what asset base it needs to deliver services for the people of South Ayrshire.</p>

Area	Update
Use of resources - managing people	The council conducted a staff survey in April 2012, the results of which were reported to members in October 2012. Directorates are developing action plans to address the issues identified through the survey.
Use of resources - procurement	<p>The council has shown steady progress in its scores in the Procurement Capabilities Assessment moving from only 19% compliance in 2009 to 53% compliance in 2012.</p> <p>During the year the council invited Scotland Excel Reform Team to review the South Ayrshire Procurement Improvement Plan (PIP). Recommendations from this review have been incorporated into the council's PIP.</p>
Use of resources - competitiveness	The council acknowledges that it currently has no structured approach to demonstrate competitiveness. It plans to use the improvement service benchmarking data to take this forward when it becomes available. Progress is to be monitored by Audit Scotland in 2013.
Sustainability	The council's statutory performance indicators for 2011/12 show improved performance in recycling rates, cost of refuse collection and refuse disposal.
Equalities	The Human Rights Equalities Commission will be reviewing how councils have responded to the requirements of the Equality Act 2010. This area will be assessed as "further information required" until this review is complete.

Areas with changed assessments

28. 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
Corporate plan theme: Prosperous	Uncertainty	No scrutiny required	The economic indicators for South Ayrshire continue to provide a mixed picture. No specific scrutiny is planned for this theme however the LAN will continue to monitor performance in this area.
Corporate plan theme: Healthy and caring	Uncertainty	No scrutiny required	The recent health indicators for South Ayrshire continue to show a mixed picture. No specific scrutiny is planned for this theme however the LAN will continue to monitor performance in this area.
Vision and strategic direction	No scrutiny required	Scrutiny required.	The council's Community Plan expired in March 2010 and the Corporate Plan in March 2012. In February 2012 the Leadership Panel agreed to roll forward the existing Corporate Plan until September/October 2012 at which point a new Corporate Plan was to be submitted for its consideration. In September 2012 the council approved, and has been working towards, its high level vision, "Raising Our Ambitions." The council is now planning to present an updated Service Outcome Agreement (SOA), which will include its ten year Community Plan, to members on 25 April 2013. This will be an important step towards setting its new strategy for delivery of council priorities. For the most effective delivery of services to the citizens of South Ayrshire, the council will then need to demonstrate a "golden thread" from its revised corporate objectives to managing performance at community, service

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			<p>and individual level to ensure that its strategic objectives are being attained.</p> <p>Audit Scotland will review the council's progress in demonstrating its "golden thread" in 2013.</p>
Leadership and culture	No scrutiny required	Scrutiny required	<p>The effectiveness of the elected members decision making structures are to be kept under review by Audit Scotland.</p> <p>The council has made clear progress in turning its financial position from a deficit on the General Fund to delivering services within budget and establishing a healthy reserves position.</p> <p>The council now needs to demonstrate that the drive for challenge and improvement has been maintained in a number of corporate areas since the initial Best Value audit and follow up audit. These areas are documented in the other corporate framework assessments. Progress is to be reviewed and assessed by Audit Scotland in 2013.</p>
Planning and resource alignment	Uncertainty	No scrutiny required	<p>Once the council's strategic plans have been agreed the council is to align its resource plans to them by February 2014. Progress is to be monitored by Audit Scotland.</p>
Partnership working and community leadership	Uncertainty	No scrutiny required	<p>There are some good examples of shared services with the other Ayrshire councils.</p> <p>The council is planning to issue a revised Community Plan in April 2013, this will help to focus partnership working and community leadership going forward. Progress is to be monitored by Audit Scotland in 2013.</p>
Performance management	Uncertainty	Scrutiny required	<p>Our 2012-15 AIP acknowledged that the council had made good progress in implementing its performance management system but commented that the focus now had to be on embedding a culture of performance management across the council.</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			<p>In September an annual performance report was submitted to the council which includes information from the Covalent system.</p> <p>Regular monthly performance reports for managers are now planned from April 2013.</p> <p>The council's performance management framework will be aligned with the council's new strategic plans from April 2013. The council will then need to ensure that they can demonstrate the performance management process is an effective tool in driving service improvements.</p> <p>Progress is to be monitored by Audit Scotland in 2013.</p>
<p>Challenge and improvement</p>	<p>Uncertainty</p>	<p>Scrutiny required</p>	<p>While the council has adopted the self evaluation process "How Good is Our Council", the initial results of the corporate evaluation, undertaken in 2011, were not reported to members. The results have been used by CMT to inform service based self evaluation procedures. The council now intends to update the corporate evaluation.</p> <p>The council is now progressing with the roll out of the model to services.</p> <p>We are concerned to note that the council has stopped reporting progress against the Best Value improvement agenda to members. The last update was reported to members in September 2011 at which time more than 40 of the 47 improvement actions were 50% or less complete.</p> <p>Without periodic updates members cannot adequately monitor progress and consequently gain assurance that the council is achieving the stated improvement objectives. As a result of discussions with the LAN the council is now to issue a progress report on its BV improvement actions in February 2013.</p>

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			This progress report will be reviewed and assessed by Audit Scotland in 2013.
Customer focus and responsiveness	No scrutiny required	Further information required	While the council is revising its approach to community engagement, the impact of this engagement is not yet known. This will need to be demonstrated by the council.
Use of resources - efficiency	Uncertainty	Further information required	While the council has a workforce plan and a corporate asset management plan in place, work will need to be done by the council to ensure they are aligned to the new strategic objectives and an investment strategy.

Scrutiny plans

29. The LAN reported last year that the council's progress against its improvement plan for delivering best value would be monitored and this would influence the need for any future Best Value audit work.
30. The 2011/12 Audit Scotland annual audit report highlighted a number of areas where progress needs to be made by the council. These were considered during the 2013/14 SRA process. As a result further audit work will now be undertaken in collaboration with colleagues from Best Value and Scrutiny Improvement in 2013 to review the council's progress.
31. The SHR plans to do a thematic inspection into the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach. SHR will do this thematic inspection during the first half of 2013/14 and will identify a range of local authorities to take part by the end of March 2013.
32. Fostering and adoption - Since the last AIP, the Care Inspectorate has confirmed that they are planning to carry out a study in fostering and adoption services early in 2013. This is outwith the period of this AIP and so is not included at Appendix 1. The results of this work will be discussed by the LAN for the next AIP update.
33. The Care Inspectorate is preparing a three year risk-based inspection programme of children's, adult and older people, criminal justice and regulated services for 2013-16 which will be finalised by the end of 2012-13.
34. The 2012-15 AIP indicated that Audit Scotland planned to undertake an audit of the housing and council tax benefit system. This work is now scheduled for the autumn of 2013.
35. 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.

SOUTH AYRSHIRE COUNCIL		2013-14											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Audit Scotland - Best Value follow-up work.	X												
Audit Scotland - follow-up of Audit Scotland national report, Reshaping Scotland's public sector workforce.	X												
Audit Scotland - follow-up of Audit Scotland national report, Scotland's Public Finances: addressing the challenges.		X											
Audit Scotland - risk based assessment of housing and council tax benefits system.					X								
Scottish Housing Regulator - thematic inspection into the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach (dates to be confirmed).													
Care Inspectorate - supported self-evaluation local criminal justice social work services (dates to be confirmed).													

SOUTH AYRSHIRE COUNCIL		2014-15											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
No scrutiny planned													

SOUTH AYRSHIRE COUNCIL		2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved		
No scrutiny planned			

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

