

Shared risk assessment: Assurance and improvement plan 2011–14

Clackmannanshire Council



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Assurance and Improvement Plan

Update 2011–14

Introduction

1. The first Assurance and Improvement Plan (AIP) for Clackmannanshire 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 undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies.
2. The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.
3. The local area network met in November 2010 to update the AIP for the period 2011-14. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2009/10 from the council's appointed external auditors (Grant Thornton).
 - The council's own performance data and self-evaluation evidence.
 - Evidence gathered from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).
4. The outcomes of that exercise are contained in this short report which summarises changes to risk assessments and proposed scrutiny responses. Appendix 1 to this report sets out a timetable for proposed audit and inspection activity between April 2011 and March 2014 which reflects the revised and updated scrutiny risk assessment.

Overall scrutiny risk assessment

5. There are no significant concerns about Clackmannanshire council's overall performance; the council has a number of areas of strong performance. Leadership is strong, and clear about the council's vision and direction and a range of improvement activities are in train, such as the innovative shared services initiative with Stirling council, designed to strengthen management capacity, improve governance and secure better use of resources. As a result of this risk assessment limited scrutiny activity is planned in

years 1 and 2 of the AIP focusing on specific targeted areas of risk (e.g. aspects of education and social work performance) and locally directed work to assess the impact of the council's Transformation Programme. No additional work has been identified for year three of the AIP (2013-14).

6. Clackmannanshire, like all other Scottish councils, faces an acute financial challenge, but it continues to respond well to this with shared member and officer commitment to an agreed programme of change, based on consultation with partners and the public. The Clackmannanshire Improvement Model continues to drive service performance based on outcomes, and is helping to apply a consistent approach to demonstrating competitiveness within services. Equality impact assessments are a key element of the council's approach to option appraisal, and in determining the impact of budget decisions both across interest groups and geographically. A number of key improvements have also been made in relation to financial scrutiny and budget challenge. Agreement has been reached on the overall approach to the governance and accountability of the shared services agenda which Clackmannanshire Council is taking forward with Stirling Council. Both councils will be working together to minimise any operational risks arising from these significant organisational changes as they are implemented.

National risk priorities

7. A number of core national risk priorities will be applied to all 32 councils. These are:
 - **The protection and welfare of vulnerable people (children and adults) including access to opportunities:** the council's innovative approach to developing a shared approach to the strategic management of its education and social work services with Stirling Council presents the opportunity to strengthen capacity and improve services to these vulnerable client groups (children and adults) and in the universal education service provided to all young people. The process of managing change carries with it important risks that the councils are aware of and are managing jointly. The LAN will maintain an overview of this area during 2011/12.
 - **Assuring public money is being used properly:** assuring public money is being used properly is a key strand of the council's approach to excellence. The council has been making improvements in corporate capacity and performance to support more effective use of resources across all council departments. This has included restructuring the management team to create a governance team, and improving financial scrutiny (including strengthening the corporate challenge as part of the 2011/12 budget setting process). Further work is planned to develop a governance strategy and prepare a local code of good governance. Grant Thornton, the council's appointed auditors will continue to assess progress in this area as part of the annual audit process.
 - **How councils are responding to the challenging financial environment:** all councils are continuing to face financial challenges in the current economic climate. Clackmannanshire Council has set a prudent financial savings target of £18 million over the next three years. Achievement of this savings target will require careful prioritisation of services, and potentially radically new approaches to existing levels of service provision, but should allow the council to protect key

services whilst responding effectively to projected cuts in funding. It is acknowledged that the financial climate may impact on the council's ability to deliver its outcome targets and maintain service performance into the future. The extent of this is currently uncertain, although the councils Budget Strategy Group is developing contingency plans to mitigate the risk that identified savings are not fully realised. Grant Thornton will continue to assess progress as part of the annual audit process and this area will be kept under review by LAN members.

8. The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face. The LAN therefore plans to meet with the council's management team during the late summer/early autumn to discuss progress in this area prior to the start of the 2012 SRA/AIP refresh process. As part of that meeting the LAN will consider how best to approach the planned scrutiny activity in 2012-13 which will be focusing on the impact and effectiveness of the council's Transformation Programme. This work will assess the extent to which the council, working with its partners, is delivering the planned improvements in efficiency and cost reduction and securing better outcomes for citizens and service users.

Risk assessment changes

9. The SRA process for 2011/12 has involved revisiting the Assurance and Improvement Plan for 2010/11 updating the risk assessment and proposed scrutiny plans taking account of any new evidence. Areas where risk assessments have changed as a result of updated evidence are detailed below.
10. **People are better skilled, trained and ready for learning and employment:** in 2010 this was identified by the LAN as an area of no significant concern. For this year it has been rated as an area of uncertainty as educational attainment at S4 to S6 remains below both comparator authorities and the national average and there is a higher proportion of residents with no qualifications in the local authority area. The council recognises the need to improve performance in this area. One aspect of securing these improvements is the planned joint management of Social Work services and Education services with Stirling Council. This arrangement provides opportunities for both councils to jointly improve leadership and performance in two key service areas. A joint Head of Service for each of the two services will be formally appointed, both of whom will report direct to the Chief Executives of Clackmannanshire and Stirling Councils. Both councils will retain control over policy and service levels for their areas.
11. This is a significant corporate development for both councils. A steering group comprising of the two council leaders, two deputy leaders and the two main opposition leaders has been established to oversee implementation of this decision following further discussion with staff and the trade unions. There is also a project board of officers from both councils (including both Chief Executives) managing the change process. The Head of Joint Social Services will also be meeting routinely with the chief social work officer to ensure smooth implementation of the operational aspects of the new arrangements. These changes reflect the council's commitment to continuous improvement and efficient and effective use of resources. However, it will take time for the impact of these organisational changes to cascade down into

improved organisational performance. Hence the risk assessment of area of uncertainty. No specific scrutiny work is planned in this area at this time but SWIA and HMIE will maintain a watching brief on the impact of these changes and will be discussing appropriate scrutiny responses as part of their engagement with the council over the spring period.

12. **Vulnerable people and families are supported:** whilst this outcomes area was assessed as no significant concern in last year's AIP, at that time the LAN highlighted performance management and social work capacity as challenges for the council. The related social work service risk assessment highlighted aspects of adult care and children and families social work as areas of uncertainty.. Whilst the planned joint management of social work services with Stirling Council should strengthen capacity and improve performance in this area, as with the 'People are better skilled, trained and ready for learning and employment' outcome area, it will take time for the impact of these organisational changes to cascade down into improved organisational performance. No specific scrutiny work is planned in this area at this time but SWIA will consider the impact of these changes and any appropriate scrutiny responses as part of their engagement with the council once their initial scrutiny level assessment (ISLA) work is concluded. Hence the risk assessment of area of uncertainty.
13. **Financial management:** this was an area of significant concern last year. During 2010, Grant Thornton reviewed the council's response to an identified £9 million budget deficit. They found that the council had made significant improvements in financial management arrangements, including the approval of a medium term finance strategy, development of a business plan, and delivery of a balanced budget for 2010/11. The appointment of a new Director of Finance and Corporate Services has led to further improvements including increased financial capacity and greater financial scrutiny and challenge. The Council's Scrutiny Committee is currently undertaking a review of its own effectiveness, which will inform the development of a local code of governance, and assurance framework.
14. The council has also worked with partners and the public to identify and agree short and long term priorities to help inform resource decisions. The council has good arrangements in place for monitoring and realising savings, led by the Budget Strategy Project Board. On the basis of this evidence the LAN has therefore assessed this area as of no significant concern in 2011.
15. **Managing people:** this was assessed by the LAN as area of significant concern last year. As part of this year's refresh process the LAN recognised the need to differentiate its risk assessment to reflect the differing levels of risk between strategic and operational people management. In terms of strategic people management, the LAN has assessed this as an area of lower risk than in 2010/11 as the council has finalised issues related to Single Status and Equal Pay and the Chief Executive and new Director of Finance and Corporate Service are driving strategic change and working collaboratively with Stirling Council to consider how further capacity in people management arrangements can be made secured. However, the impact on staff of the council's change and service redesign agenda remains unclear at this stage and operational people management is therefore rated as an area of uncertainty. Grant Thornton will continue to assess progress as part of the annual audit process and this area will be kept under review by LAN members.

Scrutiny plan changes

16. A number of changes to the scrutiny plans for 2011/12 are proposed in response to the organisational changes that are taking place within the council.
17. Following a positive CP2 inspection, the link inspector to the Child Protection Committee will support improvement through ongoing engagement with partners, and support for self-evaluation activity.
18. HMIE are reviewing their planned scrutiny work for 2011/12 in light of the major organisational changes that are taking place within the council's education service and that of Stirling council. Discussions with the council on appropriate scrutiny activity, in terms of scope and timing, will take place over the spring period.
19. Details of planned scrutiny work is detailed in Appendix 1. The focus of the AIP and this Appendix is on 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 (e.g. schools and care homes) ongoing throughout the period of the AIP. 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.
20. National thematic scrutiny activity, such as ministerially-directed inspections (e.g. prison-based social work) and national performance audit studies undertaken by Audit Scotland on behalf of the Accounts Commission and Auditor General for Scotland, will also be taking place alongside the strategic scrutiny activity set out in the AIP. The LAN lead will liaise with the council where this work is likely to impact on Clackmannanshire council.

Review of 2010/11 planned activity

21. The 2010/11 scrutiny plan was substantively completed in accordance with the timetable reported.
22. Social Work Inspection Agency (SWIA) inspected prison based social work services in April/May 2010. This was a positive report with the prison based social work service at HMP Glenochil making a positive contribution, particularly to risk assessment and ICM processes. The service was valued by other staff working in the prison. Management of the team was strong, and the work of team members was well supervised and supported.
23. Less positively there had been difficulties in retaining staff and delays in recruiting staff. Clackmannanshire Council's senior managers had not sustained the necessary on-going working relationships with Scottish Prison Service senior managers to regularly monitor, review and where necessary update the service contract. Prison based social work team members were not well integrated with Clackmannanshire's other criminal justice services, wider council social work services and the Forth Valley Criminal Justice Partnership. SWIA identified nine areas for improvement.

24. SWIA began the process of completing their initial scrutiny level assessment (ISLA) on Clackmannanshire Council in 2010. This initially involved reading approximately 100 files during September 2010. SWIA will now commence the analysis of approximately 200 sources of evidence which Clackmannanshire is due to submit to SWIA by mid February 2011. Once the ISLA process has concluded an appropriate level and range of social work scrutiny activity will be discussed and agreed with the council.
25. Scottish Housing Regulator (SHR) completed its appraisal of the council's comprehensive self assessment of its housing service during 2010. This work, together with surveys of the Council's Registered Tenant Organisations, provided evidence of improved performance and outcomes for service users and confirmed that the Housing service has maintained its recent good progress. SHR is of the view that there are no significant risks evident and as a result, propose no specific scrutiny over the coming year.
26. The Care Commission carried out inspections of all 29 registered services in Clackmannanshire including Fostering and Adoption in accordance with the services regulatory support assessments. All are generally performing well and Care Commission has no significant or urgent concerns.
27. Grant Thornton's work on competitiveness in 2010 included an audit of the council's contract tendering and award arrangements. This review concluded that the council has adequate policies and procedures in place and generally follows those procedures in evaluating and awarding contracts. One example was identified where proper procedures had not been followed in the award of a small value service contract. The council has taken full robust action in relation to this matter and this is therefore no longer highlighted as an area of significant risk. Grant Thornton noted that STO arrangements have not been subject to review for some time. It was therefore recommended that the council should review STO arrangements to ensure that performance is measured on outcomes, in line with other council services. This will be reviewed in 2011 as part of Grant Thornton's annual audit work.
28. The Auditors also found that the council is developing a consistent approach to the use of option appraisal, including an equality impact assessment, within the Clackmannanshire Improvement Model. Following assessment using the PSIF framework, services are required to develop an action plan to ensure continuous improvement. Alternative Service Delivery Groups have been established to allow elected members to work with officers during option appraisals. It is currently too early to assess the success or impact of options appraisals as few services have undertaken full assessment to date. Grant Thornton will monitor progress here as part of the annual audit process to ensure the council can demonstrate competitiveness in its activities.

APPENDIX 1

CLACKMANNANSHIRE COUNCIL SCRUTINY PLAN	2011-12											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
HMIE are reviewing their planned scrutiny work for 2011/12 in light of the major organisational changes that are taking place within the council's education service and that of Stirling Council. Discussions with the council on appropriate scrutiny activity, in terms of scope and timing, will take place over the spring period.		HMIE engagement and scrutiny planning with council (tbc)										
Audit Scotland Fire & Rescue												
Adoption & Fostering (date to be confirmed)												
SWIA* began their initial scrutiny level assessment (ISLA) in 2010. This initially involved reading approximately 100 files during September 2010. Once the ISLA process has concluded an appropriate level and range of social work scrutiny activity will be discussed and agreed with the council.												
	2012-13											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Targeted work to assess the impact of the Transformation Programme in embedding performance management throughout the council and securing improved services and better outcomes for local people (Audit Scotland and external auditors)					Dates tbc							
The council will receive a Housing Benefit audit during 2012-13 as part of the Accounts Commission's Benefit Fraud Inspection work on behalf of the Department for Work and Pensions (DWP). The precise date of the work has yet to be determined.												
	2013-14											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved											
No additional work identified												

Footnotes

- The focus of the AIP is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level on-going throughout the period of the AIP. This will include, for example, school and residential home inspections. 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. HMIE, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate.
- *The new body, Social Care and Social Work Improvement Scotland (SCSWIS), will be in place from April 1st 2011 and will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- SCSWIS will undertake supported self evaluation work with councils during 2011. Planning is currently taking place and SCSWIS will contact LAN leads when the detail of the fieldwork is established.
- HMIE and Learning and Teaching Scotland are to form a new quality and improvement agency on 1 July 2011.
- The Accounts Commission has decided to undertake Best Value audits of Fire & Rescue Services and Authorities during 2011. Planning is currently taking place and Audit Scotland will contact LAN leads when the detail of the fieldwork is established.
- Audit Scotland also undertakes a series of national performance audit studies. Field visits to individual local authorities often form part of this work. When a visit is planned to a council this will be communicated to the council through the LAN lead.
- In April 2008, the Accounts Commission agreed to a request from the Department for Work and Pensions (DWP) to take over the Benefit Fraud Inspectorate's responsibility for inspecting housing and council tax benefit (benefits) services in Scotland. As Audit Scotland has no inspection function, this 'benefits performance audit' work has been incorporated into the annual audit of local government. The timing of the audits will be confirmed through the LAN lead.