

Shared risk assessment: Assurance and improvement plan 2011–14

Dumfries & Galloway Council



Dumfries and Galloway Council

Assurance and Improvement Plan

Update 2011–14

Introduction

1. The Assurance and Improvement Plan (AIP) for Dumfries and Galloway Council was published in July 2010, setting out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a risk assessment. As part of the process of on-going scrutiny based on current risk assessments, the local area network met in January 2011 to update the AIP, revise its assessment and reconsider the level of scrutiny required for the council. This update includes a short report which summarises any changes to risk assessments and scrutiny responses. It also provides a revised summary of planned scrutiny at Appendix 1.
2. The updated AIP draws on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2009/10.
 - The council's own website and supporting evidence.
 - Evidence gathered from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).

Summary

3. Over the past year the council has been proactive in ensuring improvements and has introduced a significant programme of planned changes. There is now a clearer vision and direction and political and corporate leadership has improved. While we have highlighted a number of on-going areas of risk and uncertainty, mainly within areas of corporate activity rather than service delivery, we note the positive action taken by the council to date to drive forward the necessary improvements and strengthen its corporate capacity by the appointment of an assistant chief executive. The possible impact of the recent reductions in staffing on the council's capacity to deliver change should however be kept under review. The council is well aware that core to the success of the change programme will be securing improvements to performance management and reporting. We will continue to monitor the progress and impact of the council's planned changes as part of the annual audit and engagement process.

Areas of on-going risks and uncertainties

4. The following table relates to issues where risks or uncertainties in the council's processes and activities were identified in the 2010/11 AIP and remain unchanged.

Area	2010/11 Risk Assessment	2011/12 Update
Wealthier and fairer (an innovative and prosperous economy)	Area of uncertainty	The impact of cuts to public sector funding is still unknown and has yet to be reflected in SOA monitoring. The council acknowledges concerns over future uncertainties and pressures on affordable housing and maintaining the infrastructure.
Education	No significant concerns	<p>In the 2010/11 AIP, Educations Services were assessed as being an area of no significant concern, while this still applies in 2011/12 and overall HMIE inspections of schools and services remain positive, there are a number of specific areas of uncertainty.</p> <ul style="list-style-type: none"> ▪ The authority faces exceptional challenges in addressing the projected reductions in public spending. In particular these reductions have potential implications for leadership and quality improvement at central and district level. Previous models of quality improvement will no longer be viable and there will be a need for proportionality in relation to supporting and challenging schools. Proposals to reduce posts at Directorate and District level have implications for curricular support and quality assurance at a time when schools are taking forward <i>Curriculum for Excellence</i>. <p>The council is taking mitigating action including:</p> <ul style="list-style-type: none"> ▪ Progressing work on the transformative change required in how the authority links to its schools. This includes the further development of the traffic lighting in relation to school improvements ▪ Utilising head teachers' skills and time to expand links with other services and with area frameworks. Discussions are on-going on the operation from August 2011 of extended quality improvement teams. Interim arrangements for quality improvement will be in place from April 2011 to August 2011. ▪ Encouraging cluster and peer working to the full.
Social Work: <ul style="list-style-type: none"> ▪ Accommodation for looked after children and young people ▪ Staff management and supervision ▪ Evaluation of outcomes ▪ Changes to locality structures 	Area of uncertainty	<ul style="list-style-type: none"> ▪ There are a number of children placed by other councils in small privately run units across the area. This has implications for resources for health and education. ▪ The attainment levels of looked after children are improving but there is still a significant gap compared to all pupils in Dumfries and Galloway. ▪ There have been meetings between management and staff about the new locality structure and the process is on-going. Progress has been made in locality working but some aspects are still being developed. It is too early to assess the impact of the changes and risks to service delivery remain. Potential future review by SWIA of sustaining change and staff development. ▪ There continue to be some teething troubles with the implementation of Frameworki. The development of performance and outcome measures is still on-going.
Social Work: <ul style="list-style-type: none"> ▪ Impact of recession 	Area of significant	<ul style="list-style-type: none"> ▪ Budget pressures and increasing demands on social work services still pose a significant risk.

Area	2010/11 Risk Assessment	2011/12 Update
<p>and increased demands on services from ageing population</p> <ul style="list-style-type: none"> ▪ Continuing underspending on resource transfer funding 	<p>concern</p>	<ul style="list-style-type: none"> ▪ At 31.3.10 the council was still carrying an accumulated underspend on resource transfer funding of £2.3 million. This is to be addressed in 2010/11 through a Change Fund set up to support the personalisation agenda and the promotion of early intervention. A report on how the Change Fund will operate is to be members on Social Work Services Committee in February 2011. ▪ Care Commission inspections have highlighted a need for greater focus to be given to the quality grades achieved by services in the purchasing of Care at Home provision. ▪ The number of complaints received by the Care Commission in relation to the cutting back in care packages is on the increase. This is particularly evident in Care at Home provision. ▪ Specific SWIA scrutiny activity planned
<p>Planning and Environmental Services /Social Work Homelessness Services</p>	<p>Area of uncertainty</p>	<ul style="list-style-type: none"> ▪ The council is to carry out a self assessment of its homelessness service in the light of results and recommendations of the 2007 homelessness inspection report. ▪ The council is under pressure to ensure readiness for the changes in homeless legislation from 2012.
<p>Planning and Environmental Services Roads and Street Lighting</p>	<p>Area of significant concern</p>	<ul style="list-style-type: none"> ▪ Roads condition below national average. Overall 44.8% of road network should be considered for maintenance treatment. ▪ Significant funding gap in future funding of Roads repairs. Roads and Infrastructure Asset Management plan estimates at least additional £6.4 million required each year to maintain roads, lighting columns and other paved areas in current condition. £2.5 million budget available for 2011/12. ▪ Total level of investment required to address roads maintenance backlog not yet identified by the council. ▪ Assessment of performance in these service areas will be covered in Best Value audit work planned
<p>Community and Support Services</p>	<p>Area of uncertainty</p>	<ul style="list-style-type: none"> ▪ Major restructuring planned as part of the council's span of control framework. This is likely to see significant reduction in management posts. There is uncertainty over future impact of loss of senior management expertise. ▪ Discussions with the liquidator of the Annandale and Eskdale Sports and Leisure Trust are still on-going and outstanding payments owed to the council have yet to be settled. ▪ Introduction of a Leisure and Sport Strategy is still outstanding.
<p>DG First</p>	<p>Area of uncertainty</p>	<ul style="list-style-type: none"> ▪ The success of the commissioning model on improving services and ensuring competitiveness is still unknown. The financial, competitiveness and performance frameworks that underpin the commissioning model are being developed.

Area	2010/11 Risk Assessment	2011/12 Update
		<ul style="list-style-type: none"> ▪ The managing director and a senior manager are to leave council as part of management restructuring. ▪ There has been progress in strengthening governance by introduction of a separate DG First Management Sub Committee which met for the first time in June 2010. ▪ Marked improvement in performance reporting and management.
Corporate assessment areas		
Community Engagement: <ul style="list-style-type: none"> ▪ Local Area Management 	Area of uncertainty	<ul style="list-style-type: none"> ▪ The council's new Area Management Framework was agreed by full council October 2010. Significant changes proposed to role of Area Committees in decision making and performance management. New approach to be fully implemented by April 2011. Challenging timeframe for the council within which to implement new roles for members and operate quite a sophisticated performance reporting regime at area levels.
Governance and Accountability	Area of uncertainty	<ul style="list-style-type: none"> ▪ Members have expressed their concerns over the need for improvements to the processes to ensure committee recommendations and decisions can be readily tracked and kept under review. Some committees have started to receive progress reports on implementation of decisions eg Resources Committee October 2010. Area of uncertainty with respect to Area Management Framework where Area Committees are to receive annual progress reports. ▪ Significant changes are to be made to the role of members at area committees re decision making powers and performance management responsibilities as part of the council's Area Management Framework - some arrangements are due to start April 2011. ▪ Considerable control weaknesses existed in the payroll system in 2009/10. Contributing factors were the roll out of the new HR and payroll system at the same time as the implementation of the single status pay and grading structure. Audit has yet to confirm improvements made to controls in 2010/11.
Performance Management and Improvement	Area of significant concern	<ul style="list-style-type: none"> ▪ Stronger performance management culture now evident at senior management level mainly through new approach of chief executive and monthly one to one meetings which are now cascading to middle management. Performance reporting to committee, however, remains under-developed. This limits the ability of elected members to scrutinise the council's performance including its progress with improvement. ▪ Quarterly performance reports are being made to the Strategic Partnership on all performance targets that are the responsibility of the council. ▪ Service Plans are beginning to identify clearer strategic priorities that link to the SOA. This is not yet however fully in place and council aims to have updated service plans by March 2011 along with improved performance reporting to committee.

Area	2010/11 Risk Assessment	2011/12 Update
		<ul style="list-style-type: none"> ▪ Scrutiny Committee's review of the effectiveness of the Corporate Policy Committee's monitoring of council's Corporate Plan was inadequate. Learning points were need for more member training, more robust PIs and need for evidence based SMART objectives to apply to priorities. ▪ A new organisation development framework (ODF) was approved by members in June 2010. The council is in the process of identifying clear milestones to demonstrate its progress against best value. ▪ The council's approaches to demonstrating the competitiveness of services are under developed. It is too early to assess the success of the Commissioning model in addressing this. ▪ The development of risk management is still on-going and the council needs to ensure service risk registers are complete and up to date. The quality of service risk registers is not consistent across the council. Weaknesses in risk management identified as area of control weakness in annual controls assurance statement prepared by Chief Internal Auditor and separately disclosed in 2009/10 Statement on System of Internal Financial Control. ▪ Public performance reporting has been reviewed with the key improvement being the inclusion of more information on the council's website. ▪ Assessment in these areas will be covered in Best Value audit work planned
Use of resources		
Financial Management	No significant concerns	<ul style="list-style-type: none"> ▪ Overall the council's main financial systems operate within a sound control environment ▪ The council has strengthened its budget planning process through greater elected member involvement and public consultation and needs to build upon the recent development of budget information provided to elected members through the activity based budgeting exercise ▪ Impact assessment screening has been carried out on all budget savings/income generation options including some with external stakeholders. The Equalities and Human Rights Commission endorsed the approach as good practice. ▪ A resourcing protocol has been agreed between the key public sector partners to assist in joint projects and arrangements.
Financial Pressures	Area of uncertainty	<ul style="list-style-type: none"> ▪ The council has agreed unprecedented levels of savings and income generation options for 2011/12 of £15.8 million. ▪ The impact of the planned cuts in funding and the council's actions to secure savings on the continued provision and standard of council services has yet to be seen ▪ As the grant support settlement announced by the

Area	2010/11 Risk Assessment	2011/12 Update
		Scottish Government is only for one year, there will continue to be uncertainty over medium term financial planning.
Asset Management	Area of significant concern	<ul style="list-style-type: none"> ▪ The council's first Corporate Asset Management Plan was approved by members in November 2010. While this is a positive step the council acknowledges that it still has some way to go before it is planning and managing its assets at a corporate level and has set out an action plan for the development of a corporate asset management strategy by September 2011. ▪ There continues to be significant pressures from the backlog in property repairs- Property asset management plan identifies capital investment requirement of £62.9 m for maintenance and £37m for development – therefore total investment need of approximately £100m. No long term financial strategies yet to address this ▪ Assessment this areas will be covered in Best Value audit work planned
Workforce Management	Area of significant concern	<ul style="list-style-type: none"> ▪ The council recognises that its approach to workforce management requires further development and has identified a number of key improvement actions including requirements such as: identifying the gap between current and future service requirements, ensuring a workforce planning process is in place across all services and ensuring personal development plan interviews take place for all staff. This has now been consolidated into the Corporate Action Plan as part of the Organisational Development Framework. ▪ The council is currently going through a major restructuring and staff reduction exercise. This is likely to see considerable reductions in senior managers and a loss of experience and expertise ▪ Assessment this areas will be covered in Best Value audit work planned
Sustainability	Area of uncertainty	<ul style="list-style-type: none"> ▪ A flood risk management team has been established and subsidised flood protection products have been delivered to households and businesses ▪ The council is in the process of developing a Zero Waste Investment Plan ▪ The council has worked with the Crichton Trust to progress one of three exemplar Scottish Sustainable Communities Initiative projects. ▪ There is still limited evidence available to demonstrate that sustainable development is an integral part of service planning and delivery across the council.

Changes to 2010/11 Risk Assessments

5. The following table relates to areas where the update review carried out by the local area network highlighted a change in the initial risk assessments.

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Comments
Social Work: <ul style="list-style-type: none"> ▪ Prison based services 	No significant concerns	Area of uncertainty	There are significant staffing shortages in prison based social work services. There is a risk in terms of the assessment of prisoners and the timeous delivery of parole reports. The service has developed an improvement plan and the service is being actively managed through the improvement plans. It is too early to assess the delivery of improvements.
Strategic Housing Services	Area of significant concern	No significant concerns	Relationships between the council and DGHP have improved. Governance arrangements have been strengthened through the Housing Sub Committee.
Vision and Strategic Direction	Area of significant concern	Area of uncertainty	The council needs to continue to increase its pace of change to deliver Best Value. It has taken measures to improve political and corporate leadership, and it now has a clearer vision and direction. An organisational development framework (ODF) is in place to drive corporate improvement. These changes are relatively recent and it is therefore still too early to assess their full impact. The leadership panel extended its remit in December 2010 to include national (COSLA) issues and a defined link with the ODF leadership activity.
Partnership Working and Community Leadership: <ul style="list-style-type: none"> ▪ Development of Community Health and Social Care Partnership 	Area of significant concern	Area of uncertainty	<p>Progress has been made. Framework agreement established for the CHSCP in March 2010. Partnerships agreements also now in place. It is too early to assess the successful implementation of joint working agreements.</p> <p>A review of other key thematic partnerships has been undertaken and the results are being used to improve communication and shared focus on the SOA and council priorities.</p>
Equalities	Area of uncertainty	No significant concerns	<p>The council's process and toolkit for impact assessments have been rolled out across all services and screenings are regularly carried out as part of the decision making process.</p> <p>Considerable training has now been given to members and officers on diversity awareness and equality issues,</p>

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Comments
			<p>including the new legislation which came into force throughout 2010/11.</p> <p>Agreement in principle has been reached with public sector partners (NHS, Constabulary and Fire and Rescue Service) about sharing professional resources and arranging joint training.</p>
<p>Equalities: Disabled access to public buildings</p>	<p>Area of significant concern</p>	<p>No significant concerns</p>	<p>Considerable progress in securing improvements to access to public buildings. Improved performance in the 2009/10 SPIs when 64% of buildings suitable for disabled people compared with 47% in previous year. Although improving, this should still be an area to be closely monitored by the council.</p>

National risk priorities

6. A number of core national risk priorities have been identified and these are reflected in the national scrutiny priorities which have been considered in the shared risk assessment for all councils. Dumfries and Galloway Council's position on these national risk priorities is as follows:

The protection and welfare of vulnerable people (children and adults) including access to opportunities – No significant risks. Our shared risk assessment has identified areas where the council is performing well against this national priority. A continued area of significant concern is the impact of the recession and the financial pressures being faced by Social Work services and the increasing demands from an aging population. Other than any national scrutiny directed by the Scottish Government with respect to this priority, there is minimal specific scrutiny work planned for 2011/12 in this area.

7. ***Assuring public money is being used properly – No significant risks.*** The regularity of expenditure is examined as part of the annual financial audit process. Within the council there are several mechanisms which assist in providing assurance that public funds are not misused. Scrutiny of activities is undertaken by both members and officers. The council is going through a period of significant change and have a number of on-going developments aimed at strengthening its approach to securing best value. An organisational development framework is in place to drive corporate improvement. Other key developments are the commissioning model and the new area management framework. The council's progress in securing improvements will continue to be reviewed as part of the annual audit process.

8. ***How councils are responding to the challenging financial environment – Area of uncertainty.*** As is the case across the public sector the council is facing significant financial pressures and is planning ahead to secure the required levels of budget cuts. The council has agreed total savings and income generation options for 2011/12 of £15.8 million. The impact of the planned cuts in funding and the council's actions to secure savings on the continued provision and standard of council services has yet to be seen. In addition, as the grant support settlement announced by the Scottish

Government is only for one year, there will continue to be a degree of uncertainty over medium term financial planning. The council has carefully managed their budget in previous years and had accumulated at 31 March 2010 general fund balances of £ 52.4million, of which £ 30.3 million was earmarked for future costs on the PFI and PPP schemes. At £7.3 million, unallocated reserve balances were in line with the council's agreed minimum target. The council's good track record in financial management should serve it well when addressing its current significant costs and funding pressures. The actions taken by the council in addressing the financial pressures will continue to be monitored as part of the annual audit process.

Review of 2010/11 planned activity

9. As included in the 2010-11 assurance and improvement plan the areas of activity in 2010/11 included:
 - Social work inspection agency (SWIA): a review of prison based social work services was completed. This identified significant staffing shortages in the social work team. The findings have been reported to management and an improvement action plan agreed. Progress in securing improvements will be monitored in 2011/12. Other scrutiny activity was carried out on looked after children's services, occupational therapy services, the development of the locality structure and staff support and management. The findings from these reviews have been discussed with management and a final report is currently being prepared.
 - Scottish Housing Regulator (SHR): consideration was given to the council's progress against the improvement plan agreed following the review of homelessness services in 2007. Limited progress has been made to date and following on from this the council has agreed to complete a further self assessment of homeless services with assistance from SHR.
 - Care Commission: an inspection of Fostering and Adoption services was carried out in December 2010. This is at the final stages of completion and will be reported to management once finalised.
10. Progress has been made in implementing the best value audit approach to Police Authorities, with the first round of reviews now complete. The timing for the best value review of Dumfries and Galloway Police Authority has yet to be finalised. The Accounts Commission has approved the best value audits of Fire and Rescue Services, with all services in Scotland to be subject to a best value audit in 2011/12.

Scrutiny Plan 2011/12 to 2013/14

11. The summary of planned scrutiny for the three year period to 2013/14 is shown at Appendix 1. There is limited scrutiny planned for 2011/12, namely, a review of the council's self-evaluation of the homelessness service and a best value review of the Fire and Rescue Service.

Other than the inspection of housing and council tax benefits, the scrutiny planned for 2012/13 and 2013/14 is less certain. The need for a best value 2 audit will depend on the outcome of the follow up work to be carried out as part of the annual audit process over the summer of 2011. The focus of any future best value 2 audits will be on areas considered by the LAN as being of significant concern. As

shown in the table at paragraph 4 above, there are five areas highlighted as being of significant concern, three of which fall under the corporate assessment areas of performance management, asset management and workforce management. Progress in these areas along with areas of uncertainty will be kept under review by the annual audit process and on-going monitoring by the inspectorates.

Appendix 1 Summary of scrutiny activity

Dumfries and Galloway Council Scrutiny Plan	2011-12											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SHR: Review of self evaluation of homelessness services. ¹												
Audit Scotland: Best value review of Fire and Rescue Services. ¹												
HMIC/AS D&G Police (dates to be confirmed)												
Adoption and Fostering (dates to be confirmed)												
2012-13												
Audit Scotland: Inspection of Housing and Council tax benefits (timing to be determined) ¹												
HMICS and Audit Scotland: Best Value Audit of Police (timing to be determined) ²												
SWIA and Audit Scotland: proposed joint work on Best Value 2 Audit (review areas and timing to be determined). Includes proposed review of sustaining change and staff development and performance management (timing to be determined) ²												
SWIA: Supported self evaluation of key areas to be discussed and confirmed with management (timing to be determined) ²												
2013-14												
SWIA: Proposed review of sustaining change and staff development and performance management (timing to be determined) ²												

¹ New scrutiny work identified in this scrutiny plan update

² Planned scrutiny work carried forward from previous AIP

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.