

Shared risk assessment: Assurance and improvement plan 2011–14

East Ayrshire Council



East Ayrshire Council

Assurance and Improvement Plan

Update 2011–14

Introduction

1. The Assurance and Improvement Plan (AIP) for East Ayrshire Council published in July 2010, set out the planned scrutiny activity for the council for the period April 2010 to March 2013. This scrutiny activity was based on a shared risk assessment of the local area network (LAN) comprising representatives of the following audit and inspection bodies:
 - Audit Scotland
 - Care Commission
 - Her Majesty's Inspectorate of Education (HMIE)
 - Scottish Housing Regulator (SHR)
 - Social Work Inspection Agency (SWIA)
2. As part of the process of on-going scrutiny based on contemporary risk assessments, the local area network met in early 2011 to update the shared risk assessment and review the planned level of scrutiny appropriate to the council. The updated AIP draws on evidence from a number of sources, including:
 - reports and data from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence)
 - Audit Scotland's Best Value 2 'pathfinder' audit reported in April 2010
 - the annual report to members and the Controller of Audit for 2009/10
 - the council's own self-evaluation, performance reporting and supporting evidence
 - the 2009/10 Strategic Audit Risk Assessment (SARA) for East Ayrshire council.
3. This update summarises changes to risk assessments and scrutiny responses. Appendix 1 sets out a revised timetable for proposed scrutiny reviews.

Summary

4. Since our first assurance and improvement plan the council has received its BV2 pathfinder report. The report provided two judgements on the council's performance. It found that the council was improving well in the pace and direction of change and that the council was well placed to deliver future improvement. In particular the BV2 report noted that there was an embedded culture of continuous improvement and a well established and comprehensive approach to self-evaluation and review.
5. Although progress on some of the council's longer term aspirations in terms of health and economic regeneration remain difficult to assess, services generally perform well and the council has plans in place for further progress. Some of the processes in place to enable the council to deliver services have been improved and refined over the past year including the performance management system, procurement and asset management. The council and its partners continue to work collaboratively, through their community planning processes, in delivering improvements in services to citizens; this is exemplified by their continuing commitment to the co-location of multi-agency services.

Areas of on-going risks and uncertainties

6. 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	R/A/G	2011/12 Update
Improving community regeneration	Area of uncertainty	<p>The council has clearly articulated objectives to achieve this outcome; however, external factors will inevitably have an influence on whether they can be fully realized. The area has some complex structural socio-economic issues and the council faces some intractable challenges. A recent Experian resilience survey ranked the council in the bottom third of all Scottish councils. Over the past year key indicators have indicated no progress:</p> <ul style="list-style-type: none"> • The unemployment rate has risen from 5.5% to 6.1%. In addition, the gap between East Ayrshire and the national average has slightly widened since the baseline position at April 2007. • The business start-up rate has increased slightly and has returned to the rate of 2.5 per 1,000 adult population recorded in 2006/07. The national trend increased during 2009/10 from 3.5 to 3.8. The gap has increased between the rates recorded at local and national level. <p>Given the current economic climate, the council faces a level of uncertainty in achieving its objectives.</p> <p>The council is, however, making considerable progress with its plans for physical regeneration of its towns. Major regeneration projects are progressing in Kilmarnock, Cumnock, Galston and Newmilns.</p> <p>No additional scrutiny work is planned, however, through the</p>

Area	R/A/G	2011/12 Update
		<p>local audit team, Audit Scotland will monitor progress against the single outcome agreement and the council's other plans. We will comment in our annual report to members and the Controller of Audit as appropriate.</p>
Improving health and wellbeing	Area of uncertainty	<p>There is evidence that where the council and its partners target programmes of work to particular groups there are positive results. One example of this is the reported significant increase in children aged five with no sign of dental disease.</p> <p>However, as the effectiveness of the council and its partners' strategies can only be judged in the longer term, a level of uncertainty on progress remains. The most recent CHP Health and Wellbeing profile (2008) indicates that 27 out of 59 (46%) health and wellbeing indicators published by the NHS are statistically significantly worse than the Scottish average. This includes all cause mortality rates.</p> <p>No additional scrutiny work is planned, however, through the local audit team, Audit Scotland will monitor progress against the single outcome agreement and the council's other plans. We will comment in our annual report to members and the Controller of Audit as appropriate.</p>
Planning & Economic Development	Area of uncertainty	<p>This service has a significant contribution to make to the council's strategic priority of regeneration. The proportion of householder applications dealt with within two months has increased in the past year from 51.2% to 66.9% and for non-householder applications from 31% to 40.3%. Although these figures show improvement they should be treated with some caution. Previously (07/08 to 08/09) improvement has been followed by decline. It is, therefore, too early to judge whether improvement can/will be maintained. The service has recently undergone a service review and it is expected that this should drive improvement. Officers have also visited other councils to try to learn from practices elsewhere.</p> <p>No additional scrutiny work is planned, however, through the local audit team, Audit Scotland will monitor progress against the service plan and the council's other plans. We will comment in our annual report to members and the Controller of Audit as appropriate.</p>
Building and Works	Area of uncertainty	<p>Following a long trend of poor performance the council has made substantial changes to how it delivers its response repairs services. The maintenance of council housing was brought under housing management and work on other council buildings was let to a private sector provider.</p> <p>The new system for council housing repairs is a "by appointment" system. As this is completely different from the previous performance measure of time targets for completion, no directly comparable performance information is available. There is, therefore, some uncertainty over the impact of the changes on the council's reported response repairs performance.</p> <p>Following the preparation of an Improvement Agenda, management have reported that improvement actions have been completed in accordance with the agreed timescale. However, further work remains to be done to fully implement</p>

Area	R/A/G	2011/12 Update
		<p>some operational aspects of work underlying the Improvement Agenda.</p> <p>Having allowed the changes to bed in it is planned to carry out a review of performance during the current year. It is proposed that this be carried out as a joint exercise with the Scottish Housing Regulator. We will issue a report on our findings in due course and comment in our annual report to members and the Controller of Audit as appropriate.</p>

Changes to 2010/11 risk assessments

7. The following table relates to risk assessments that have been changed from the 2010/11 AIP.

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Reason for Change
Social Work Service	Area of uncertainty	No significant scrutiny risks	Social work services had fully met eight of the 15 recommendations and made substantial progress in four areas for improvement identified in the SWIA performance inspection. No significant concerns have arisen within services to children or adults. Further progress is required in the use of management and performance information about outcomes for people who use services and their carers and improving the quality and consistency of assessments and care plans, including assessing and managing risk, for children and families. The Care Commission identified contract monitoring and commissioning of a few services for older people as an area of uncertainty.

National risk priorities

8. A number of core national risk priorities will be considered across all 32 councils. East Ayrshire Council's position on the core national risk priorities is as follows:
9. **The protection and welfare of vulnerable people (children and adults) including access to opportunities – No significant risks.** The council is performing well against this national priority. The SWIA follow-up and the joint inspection of services to protect children, in 2010, found that substantial progress had been made in improving the assessment and management of risk to vulnerable children and young people in East Ayrshire. There is a need for the council to make more progress in measuring and evidencing the impact of its services to protect adults and children in need of support and protection. SCSWIS's on-going monitoring activity will focus on this priority in 2011.

10. **Assuring public money is being used properly – No significant risks.** The council demonstrates sound financial management. The council has a strong central finance function with influential leadership. The section 95 officer is an executive director and qualified accountant with significant local government service in senior finance roles. The council has a high quality internal audit section, with a good skill mix and strong support from the chief executive. The council also has an effective monitoring officer who provides robust advice as part of the governance process. Both asset management and procurement are also now making good progress.
11. **How councils are responding to the challenging financial environment – Area of uncertainty.** The council holds some £54 million in reserves after fully providing for anticipated equal pay compensation claims. Within the reserves, £9 million has been classified as an uncommitted General Fund balance. Budgets are generally well controlled although there is a history of significant budget surpluses. The most recent Finance and Service Strategy Report, covering the period to 12 December 2010, indicates that a budget underspend of some £4.7 million is being forecast, including £1.3m of in-year recurring savings identified as part of the Strategic Review of the Revenue Budget project (SRRB2). The executive director of finance and corporate support has presented a number of papers to cabinet clearly setting out the impact of the anticipated changes in central funding to the council. The council has responded to the new funding climate by formulating its forward financial strategy to address constraints to funding, including the necessity to build an adequate level of reserves to facilitate a significant reduction in the number of employees.
12. In 2011/12 the council met all of the conditions, including a freeze on council tax, set out by the Scottish Government to limit the central grant reduction to 2.8 per cent. In doing so some £8.8 million of savings have been factored into the revenue budget. In view of the recent announcement by the Minister for Finance and Sustainable Growth of “cash frozen” budgets for the years 2012/13 to 2014/15, similar savings will be required from the council’s budgets over the next three years. The scale of the proposed real terms reductions in expenditure inevitably creates a degree of uncertainty and this is compounded by the lack of certainty over future budget allocations, in that the 2012/13 to 2014/15 figures announced are clearly described as “illustrative”. While this remains an area of uncertainty we consider that the council’s financial position and its track record provide a sound basis to meet the challenging financial environment. Accordingly no additional scrutiny work is planned, however, we will continue to monitor the position as a normal part of the annual audit process.

Local priorities

13. Improving educational attainment is one of the council’s three strategic commitments as key priorities in the delivery of the community plan and the associated SOA. The focus of all educational establishments outlined in the council document ‘Priorities for Raising Attainment 2009-12’ is on raising standards of literacy and numeracy, and continuing to improve academic and vocational skills and knowledge to better prepare young people for life and work. As part of its on-going focus on raising attainment, the education authority has undertaken a range of well-judged approaches to

improving the quality of education for children and young people and raise levels of achievement.

These include:

- a focus on early intervention
- additional resources in staffing for language in primary schools
- CPD to support approaches to learning and teaching to engage learners
- managing behaviour
- increased involvement with colleges and community learning initiatives.

14. As a result of these approaches by the council, in a number of areas there are signs of positive change in levels of attainment. There remains scope for further progress, particularly at the secondary stages. By the end of P7, authority collated 5-14 attainment data for reading, writing and mathematics reflect a steady increase. Progress by the end of S2 has been more variable although there has been annual improvement since 2009. Over a number of years, at S4 - S6, SQA performance had been declining at all key measures until 2009 when there were signs of improvement. In 2010, performance by the end of S4 declined again. In contrast, performance by the end of S5 and S6 has continued to show improvement at SCQF levels 6 and 7. Overall, young people's attainment by the end of S4 is lower than that in comparator authorities and by the end of S5 and S6 is overall in line with that in comparator authorities. The measures that the council is taking are appropriate. It needs to ensure that quality improvement links with establishments are consistent, rigorous and focused on raising levels of attainment and that the early signs of improvement are sustained.
15. No specific scrutiny is planned. Inspections to date remain positive overall. Progress will be reviewed through link inspector activity.

Review of 2010/11 planned activity

16. Appendix 3 of the AIP issued in July 2010 highlighted the scrutiny activity scheduled to take place in 2010/11. All of the scrutiny activity has been completed.
- The SWIA performance follow-up inspection in 2010 found that social services had fully met eight of the 15 recommendations and made substantial progress in four. While some progress was made in relation to the remaining three recommendations, senior managers recognised that further improvements were still needed.
 - During 2010 HMIE inspected the council's education psychological service (EPS). A report issued in July 2010 was very positive about the council's EPS and assessed the service against 19 quality indicators of which 14 were rated as "very good" or above.
 - SHR have provided generally positive feedback but have commented on the uncertainty over the council house response repairs position.

- The Care Commission review of fostering and adoption services will be reported shortly.

Scrutiny plan changes

17. The Public Services Reform (Scotland) Act received Royal Assent on 28 April 2010. This Act established a new scrutiny body, Social Care and Social Work Improvement Scotland (SCSWIS) which will assume the existing responsibilities of the Care Commission and SWIA. The new body will also be charged with the responsibility for leading on the inspection of services to protect children. The Act removes the statutory minimum frequency of inspection and SCSWIS intends to adopt an inspection regime based on an assessment of risks. This means that risk aware councils providing good quality services will be inspected less frequently than is presently the case.
18. SWIA's initial scrutiny level assessment (ISLA) programme will continue into the first year or more of SCSWIS. The ISLA's are primarily desk based exercises, supplemented by case file reading. This work is focused on identifying risks in the planning and delivery of social work services, and planning targeted and proportionate scrutiny. An ISLA of East Ayrshire Council's social work services will take place in September 2011. The case file reading will involve local file readers and is scheduled to last up to four days. Any potential areas of risk requiring further scrutiny will be inspected in October 2011.
19. The revised three year scrutiny plan for 2011-12 to 2013-14 is set out at appendix 1.

Appendix 1 Summary of scrutiny activity

EAST AYRSHIRE COUNCIL	2011-12											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SWIA initial scrutiny level assessment (ISLA)												
Performance review of council house maintenance function - Audit Scotland, SHR												
Audit Scotland Fire and Rescue												
	2012-13											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Social work case file reading exercise - SCSWIS												
Housing Benefit audit (timing tbc)												
	2013-14											
Indicate scrutiny activity for rolling third year												
Possible multi-agency inspection of substance services – SCSWIS, SHR, Audit Scotland, HIS												

Notes

- 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 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. In 2010 the council received a generally positive report following Audit Scotland's risk assessment of the council's housing and council tax benefit service. A further risk based review is not planned until financial year 2012/13.