

# Shared risk assessment: Assurance and improvement plan 2011–14

Orkney Islands Council



# Orkney Islands Council

## Assurance and Improvement Plan

### Update 2011–14

#### Introduction

1. The Assurance and Improvement Plan (AIP) for Orkney Islands Council (OIC) 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 shared risk assessment. The Local Area Network (LAN) met in late 2010 to update the AIP, revise its assessment and consider the level of scrutiny required for the council. Representatives from the LAN met with the council in December 2010 to discuss initial findings including changes to risk assessments, scrutiny responses and illustrations of good practice. This update also provides a revised timetable for proposed scrutiny activity at Appendix 1.
2. The updated AIP draws on evidence from a number of sources including:-
  - evidence gathered from HMIE, Audit Scotland, SWIA, Scottish Housing Regulator, Care Commission
  - evidence provided by Orkney Islands Council
  - the annual report to the Controller of Audit and Elected Members for 2009/10
  - documentation from OIC and NHS Orkney following the formation of a Community Health and Social Care Partnership in April 2010.

#### Summary

3. The overall scrutiny risk assessment for Orkney Islands Council for 2010/11 was of a low risk council which had shown good self awareness and a positive response to recommendations to external scrutiny bodies.

#### Areas of On-going Risks and Uncertainties

4. The following table shows issues where risks or uncertainties identified in the 2010/11 AIP, remain unchanged.

Area	R/A/G	2011/12 Update
<b>An effective and efficient transportation network.</b>	<b>Area of uncertainty</b>	Continuing uncertainty about ferry investment. Scottish Government has indicated an unwillingness to provide funding. Council now considering its capital programme.  Restructuring of Marine Services is not on schedule. Council still considering pros and cons.

<b>Planning &amp; resource alignment</b>	<b>Area of uncertainty</b>	<p>Still uncertainty about funding and corporate governance of CHSCP. NHS Orkney not in a strong financial position, impact on Council not yet clear</p> <p>Council facing need to make significant cuts in budgets.</p> <p>More than half of the £4m budget reduction already achieved in current year through vacancy management and other reduction measures.</p>
<b>Partnership working and community leadership</b>	<b>Area of uncertainty</b>	Continued uncertainty about the governance arrangements and funding for the CHSCP, which is aligned.
<b>Customer responsiveness</b>	<b>Area of uncertainty</b>	Few services provided from its 'one-stop shop'. (BV1) Services operate on traditional 9-to-5 basis, with little flexibility or use of IT for making services more responsive to people in remote locations (BV1). Flexi-time being introduced to address this issue.
<b>Efficiency</b>	<b>Area of uncertainty</b>	<p>Overall efficiency savings monitored through budget reports, but limited information on efficiency savings for individual efficiency projects.</p> <p>The council does not currently have arrangements in place to demonstrate how its efficiency savings impact on service delivery.</p>
<b>Capital programme</b>	<b>Area of uncertainty</b>	Continuing slippage in capital programme. Spending re-profiled – accountable officer appointed for each project.
<b>Asset management</b>	<b>Area of uncertainty</b>	Council has made some progress, but strategic approach not yet established. Each service is currently developing an asset management plan. Separate Workstream set-up to address this matter.
<b>Procurement</b>	<b>Area of uncertainty</b>	Still in early stages of establishing effective procurement. Joint head of procurement (with NHS Orkney) appointed, currently developing procurement policy.
<b>Community social services</b>	<b>Area of uncertainty</b>	Outcomes are generally good, but there are still significant uncertainties relating to the CHSCP and its governance arrangements. Integrated structure and service delivery plan now identified and subject to consultation.
<b>Marine services</b>	<b>Area of uncertainty</b>	Continuing uncertainty about ferry investment. Scottish Government has indicated an unwillingness to provide funding. Council now considering its capital programme. Restructuring of Marine Services is not on schedule. Council still considering pros and cons.

## Changes to 2010/11 Risk Assessments

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Reason for Change
A healthy and caring community with health and care services for all who need them.	Uncertainty	No significant risk	<ul style="list-style-type: none"> <li>There is now a clear vision with an aim of an integrated staffing structure to be in place by April 2011.</li> <li>There have been key changes to the Senior Management of OIC social services – the interim Director since 2008 left in September 2010 and the Chief Executive of NHS Orkney has assumed interim responsibility for the CHSCP until a decision about permanent appointment is made. The role of Chief Social Work Officer has also been appointed since October 2010 on an interim basis.</li> </ul>
Public performance reporting	Area of uncertainty	No significant risk identified	<ul style="list-style-type: none"> <li>Council has started self assessment using best value toolkit</li> <li>Council's public performance reporting is scheduled over the calendar year – the council is on target to produce its report in January 2011.</li> <li>The policy officer has reviewed guidance on PPRg including other council approaches to PPRg.</li> </ul>
Managing people	Significant concern and risk	No significant risk	<ul style="list-style-type: none"> <li>Joint review by external audit and Audit Scotland carried out in 2010. While progress is still needed in some areas, council has made significant progress and shows good awareness of what still needs to be improved.</li> </ul>
Governance & accountability	No significant risk identified	Area of uncertainty	<ul style="list-style-type: none"> <li>Continued uncertainty about the governance arrangements for the CHSCP.</li> </ul>

## National Risk Priorities

5. **The protection and welfare of vulnerable groups** - no significant risks were identified in this area, reflecting positive conclusions in child protection services which have been maintained. Support for older people on the islands has also been good.
6. The impending introduction of a CHSCP in 2010 was identified as an area of uncertainty about both the impact on staff morale and evidence of improved service delivery. The subsequent slow pace of development of the CHSCP has not reduced levels of uncertainty among staff, nor enabled key areas

of service modernisation to be achieved. SWIA and the Care Commission have been jointly planning to inspect homecare in early 2011. The review of progress of the CHSCP will still be undertaken in September 2011 as planned, in order to evaluate progress towards service integration.

There has been more progress since the two chief executives took on progressing this development after October 2010.

7. **Assuring public money is being used properly** – No significant risks were identified. The council has been proactive in engaging local people in a consultation about its future spending priorities. It has also addressed the need to achieve future efficiencies with key partners – specifically on procurement with NHS Orkney and as a member of Scotland Excel and the Northern Territory Hub – no significant risks. It has also introduced measures to ensure that each service has an asset management plan.
8. **How councils are responding to the challenging financial environment** – area of uncertainty. The comprehensive spending review covering public sector expenditure for the period 2011-15 was announced in October 2010 and the Scottish Government has responded to this by announcing a single year Scottish budget for 2011/12. The council's prudent financial management, together with significant unallocated reserves has ensured that there is currently no change to the assessment of low risk in 2010/11. The next three years will present the council with major challenges and while investment to infrastructure in improved marine renewables has been possible, in this financial year, this type of long term commitment may become less possible in future years. The council is likely therefore to approve a budget for 2011/12 and only on an indicative basis until 2013/14.  
OIC has engaged across the islands with local people to consult on its 'tough time tough choices' options. This was led by the leader and chief executive of the council.

## Scrutiny plan programme

9. **Homecare review** – this will be carried out in May 2011 by the Social Care Social Work Improvement Service (SCSWIS).
10. **Capital projects** – work to be carried out by external audit in June 2011.
11. **Marine services** – noted that only sea staff remain in the company. The planned merger by 2011 was not on target and would be included in the Annual Report by the External Auditor by September 2011 and carried forward to November 2011 after new external auditor appointment was made.
12. **OH&C** – SCSWIS to consider outcomes and impact, along with external audit consider governance arrangements. Agreed to carry out work in early September 2011 – to allow new structure to be in place.

## Review of 2010/11 planned activity

13. The joint review by external audit and Audit Scotland on the council's workforce management arrangements concluded that whilst improvement is required, the council has overall made progress in this area and can demonstrate a good awareness of what still needs to improve. As a result of the findings from this review, the 2010/11 risk assessment has been revised from significant concerns to

no significant risks and concerns. An action plan was agreed as part of the joint review. Progress on implementing this action plan will be followed up as part of the annual external audit.

14. External audit carried out a review of the proposed governance arrangements for Orkney Health and Care prior to becoming a substantive service of the council and NHS Orkney in April 2010. The review made a number of recommendations on the governance arrangements and highlighted some of the issues over the operational delivery of the service. The council has since been addressing the recommendations raised in this report. There is however progress to be made to develop the CHSCP. It is intended that an integrated staffing structure will be implemented by April 2011. There has been a decision not to appoint a joint director at this time, and this will be reviewed once the proposed management structure is implemented. This role is undertaken by the chief executive of NHSO with the full support of the chief executive of OIC. A temporary appointment has been made to the post of chief social work officer.

## Appendix 2: Summary of scrutiny activity

Orkney Islands Summary of scrutiny activity												
2011-12 (Year 1)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Homecare Scrutiny												
CHSCP – review of outcomes and impacts by SWIA (Links to audit by Scott Moncrieff)												
CHSCP governance arrangements (SWIA and external audit)												
Audit Scotland Fire and Rescue												
Adoption and Fostering (tbc)												
Review of Marine Services restructuring												
Review of capital project management – external audit												
2012-13 (Year 2)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SWIA file reading – children with disabilities												
External audit review of procurement												

### 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.