

Shared risk assessment: Assurance and improvement plan 2011–14

South Ayrshire Council



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Assurance and Improvement Plan

Update 2011–14

Introduction

1. The Assurance and Improvement Plan (AIP) for South Ayrshire Council was published in July 2010, (http://www.audit-scotland.gov.uk/work/scrutiny/docs/South_Ayrshire.pdf) setting out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a scrutiny risk assessment. The local area network (LAN) reconvened in the winter of 2010, to update the AIP, revise the risk assessments and consider the level of scrutiny required for the council. The update includes a short report which summarises any changes to evidence, risk assessments and scrutiny responses.
2. The updated AIP draws on evidence from a number of sources, including:
 - The annual audit report to the elected members and the controller of audit for 2009/10 (http://www.audit-scotland.gov.uk/docs/local/2010/fa_0910_south_ayrshire_council.pdf).
 - The council's own website and supporting evidence.
 - The follow up Best Value report published by Audit Scotland June 2010 (http://www.audit-scotland.gov.uk/docs/local/2010/bv_100625_south_ayrshire.pdf).
 - Evidence gathered from Her Majesty's Inspectorate of Education (HMIE), the Social Work Inspection Agency (SWIA), the Scottish Housing Regulator (SHR) and the Care Commission (including published inspection reports and other supporting evidence).

Summary

3. Over the past year the council has continued to address the significant challenges it faces. Although we have highlighted ongoing areas of risk and uncertainty we are confident in the council's ability to manage these risks. As a collective group the LAN have commented positively on officers' and elected members' commitment to continuous improvement and their responsiveness to scrutiny.

Risk assessment changes

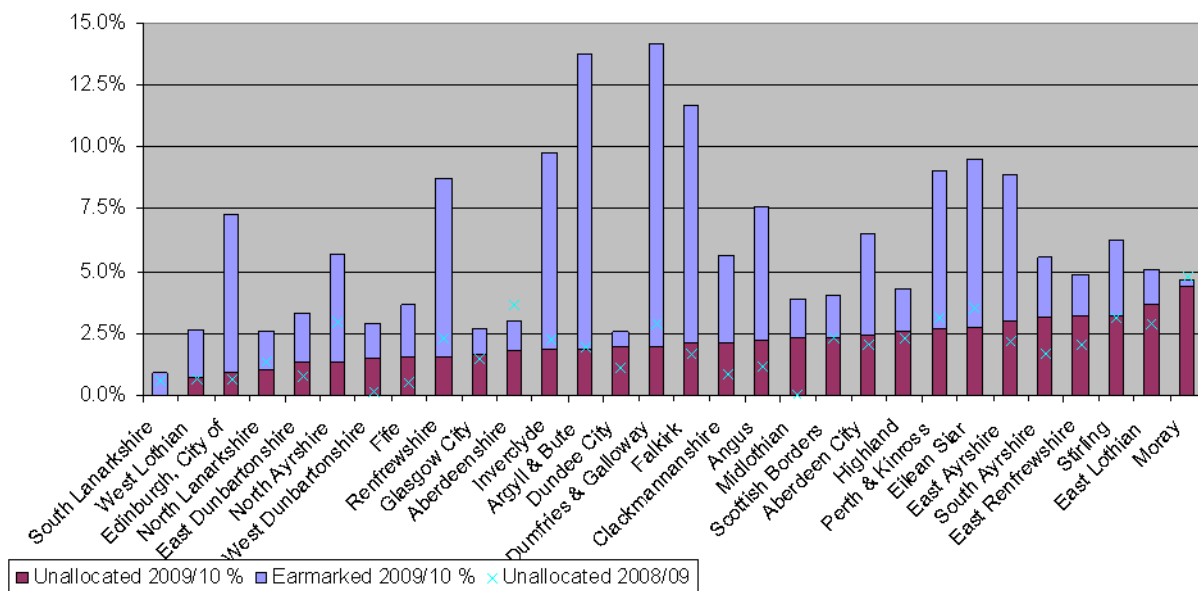
4. Since July 2010, a number of changes have taken place within South Ayrshire including a public consultation on key decisions to be taken by the council to achieve significant savings. The council has also been subject to a follow through child protection inspection by HMIE, a review of recruitment practices by the Care Commission, a follow up inspection by SWIA and a review of adoption and fostering as part of the National Scrutiny Schedule for 2010/11.
5. The council has made good progress in building its financial reserves and is currently forecasting to have a total general fund balance of £11.23 million at 31 March 2011. This is a significant achievement

given the council's position as at 31 March 2007 when it had a £0.51 million negative general fund balance and also taking into account the financial constraints in the current economic climate. Budgetary control arrangements are robust and the council has shown a good understanding of the financial challenges it faces. It has been proactive in managing budget reductions. However, the council does not yet have any medium or longer term financial plans.

- The exhibit below shows general fund balances as a percentage of net cost of services for all councils in Scotland. South Ayrshire Council's unallocated general fund balance as a proportion of net cost of services at 31 March 2010 was one of the highest in Scotland. The council is currently reviewing its reserves strategy in light of the progress made.

Exhibit

General fund balances (as a proportion of the net cost of services)*



* excluding Orkney Islands and Shetland Islands, which hold large reserves and balances arising mainly from harbour and oil-related activities.

Source: Audit Scotland

- We are also pleased to report that the council has continued to make good progress in many other areas identified in the original AIP of July 2010. The council has reduced risks in a number of areas of significant concern including housing management, financial management, and use of information communications technology. It has also made good progress in addressing some of the areas of uncertainty identified in the AIP, for example in healthy and caring, equalities, community safety, development and environment, vision and strategic direction, leadership and culture, community engagement, asset management, people management, procurement, and sustainability.

8. Progress has continued with performance management and improvement over the past year. However, the council recognise there is still a need to make performance management more effective. It is planned that the new performance management system will be operational from April 2011. This should make performance management more efficient and streamlined. It is important that the council makes sure that performance information effectively supports decision-making and scrutiny. Audit Scotland will carry out a discrete piece of work during 2012/13 on performance management arrangements. This will include a review of the council's arrangements for self assessment against best value criteria.

Areas of on going risks and uncertainties

9. The following risks in the council's processes and activities were identified in the 2010/11 AIP and remain unchanged.
- **Prosperous.** A lot of good initiatives are underway and there has been some progress in terms of economic development. The council appears to be moving in the right direction but the current economic climate is still cause for concern with no indication of any significant change. This area will be monitored through the annual audit process.
 - **Planning and resource alignment.** The council has made good progress with its corporate, directorate and service plans. However the council must ensure it maintains the pace of change to ensure all outstanding issues such as the fusion between the corporate and community plans, the link between plans and resources and prioritisation within plans are addressed. This will be monitored through the annual audit process.
 - **Partnership working and community leadership.** There have been improvements within the community planning partnership. The council could make more use of the community planning partnership in considering how it can join up services to make better use of resources and improve outcomes. The council is starting to progress work on community empowerment, for example with the Maybole Pathfinder. This work is at an early stage and will be monitored as part of the annual audit process.
 - **Public performance reporting.** Public performance reporting arrangements have still to be revised. The council's approach to public performance reporting is being updated. This area will be monitored through the annual audit process.
 - **Efficiency.** The council has achieved its planned savings for 2009/10 and is on target to achieve planned savings for 2010/11. However, significant concerns remain due to the current economic climate. There is a need for the council to make further savings of between £22 million and £35 million over the next two years. Again this will be monitored through the annual audit process.

National risk priorities

10. 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, which is encapsulated in the council's defined outcomes.** The council is performing well against this national priority in some indicators relating to vulnerable children and

families. The SWIA follow up inspection in 2010 found that substantial progress had been made in improving the assessment and management of risk to vulnerable children and in the assessment and support for children in kinship care placements. No significant concerns have been identified in relation to adults in need of support and protection. However, the directorate needs to make more progress in measuring the performance and evidencing the impact of its services to protect adults and children. SWIA's on-going monitoring will focus on this priority in 2011. HMIE will also carry out a full child protection inspection in November 2011.

- **How councils are responding to the challenging financial environment.** The Comprehensive Spending Review covering public sector expenditure for the period 2011/15 was announced in October 2010 and the Scottish Government responded to it by announcing a single year Scottish budget for 2011/12 and this creates an uncertainty over the medium term. The financial climate will 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 and will be kept under review by LAN members. The council continues to be proactive in responding to the current financial environment but given the strategic uncertainty in this area the LAN has therefore concluded that this is an area of uncertainty. No additional scrutiny work is planned but it should be noted that this is a fundamental feature of the existing annual audit process and Audit Scotland will routinely continue to monitor the financial position of the council.
- **Assuring public money is being used properly.** 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 a plan is in place to drive corporate improvement. The council has a number of ongoing developments aimed at strengthening its approach to securing best value. The council's progress in securing improvements will continue to be reviewed as part of the annual audit process.

Outcomes

Healthy and caring

11. There are no significant concerns in this outcome area. However, performance indicators for coronary heart disease, asthma, and the dosage of anti-depressants being prescribed give rise to some concern. In some areas of this outcome, no up to date data is available. The council is responding to an ageing population which is more pronounced than in the rest of Scotland and the service demands which follow. This area will be followed up as part of the annual audit process.

Safe

12. A lot of initiatives are underway, many with partners and indications are that desired outcomes are being achieved. We have no significant concerns in this areas and no additional scrutiny is planned.

Learning and achieving

13. Education in South Ayrshire continues to perform well over a range of measures. Attainment and achievement of most young people continues to improve. There are no significant risks in this area, beyond a need to monitor the quality of psychological services because of recent high staff turnover. The HMIE district inspector will continue to monitor the performance of educational psychological services.

Clean and attractive

14. There are no significant concerns in this area. The council has continued to make good progress with zero waste targets. The cleanliness index has increased but the percentage of the population rating their neighbourhood as very good has fallen slightly. No additional scrutiny is planned in this area.

Services

15. No significant concerns have arisen within corporate services.
16. The pan Ayrshire regulatory service has encountered legal issues regarding the governance of the planned shared service. However, we have been advised that the three councils have agreed to progress operational integration within current governance arrangements as a matter of urgency. Effort continues to be directed at concluding the assessment of alternative shared governance arrangements.
17. Substantial progress has been made in addressing just under half of the 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 service planning with links to resources, commissioning, use of management and performance information, workforce and locality planning.
18. The council reports that it has made improvements in a number of its housing services. This includes rent collection, tenant participation and in its services for homeless people. It is delivering a programme of new council houses and is also in the final stages of developing its new housing revenue account business plan. The council has advised the SHR that the housing business plan will be fully funded for Scottish Housing Quality Standard (SHQS) works. Its plans and progress in delivering the SHQS will continue to be monitored by the SHR. Some uncertainties remain around the more recent performance of its anti-social behaviour services and in its lettings.

Corporate assessment

19. The council has made good progress in meeting objectives in its improvement programme. A number of the improvement areas will take several years before recently introduced arrangements are embedded in working practices.
20. There are no significant concerns with regards to vision and strategic direction, leadership and culture, community engagement, governance and accountability, risk management, use of resources, or

sustainability. Within these areas there is some risk regarding issues identified in the 2010 staff survey, the council's investment in an Icelandic bank which collapsed in October 2008, the significant reductions in resources available for capital investment, the continued roll out of Oracle e-financials modules and with social work services where contracts are not in place for all providers and collaborative contracts.

Review of 2010/11 Planned Activity

21. **Best value follow up review, June 2010-** The council received a follow up best value audit report in June 2010. The Accounts Commission was pleased with the council's good progress in addressing many of the issues identified in the initial best value report. The Commission welcomed evidence that many elements of best value were now in place. However it was noted that many of the developments were still at an early stage although it was recognised that the council was aware of the challenges it faces. Performance management and improvement, community engagement and partnership working were identified as areas requiring further improvement.
22. **SWIA performance inspection-** During 2010, SWIA monitored the implementation of recommendations made in the performance inspection (2009) and carried out a follow up inspection visit in September 2010. It found that the executive director and heads of service were developing a cross-directorate approach to developing services and much work had been done to establish structures and processes necessary to modernise service management and delivery. Evidence of the impact of this work was gathering momentum but the challenge for the directorate will be to make the new systems work to produce and deliver results. There was evidence that progress had been made towards meeting all the recommendations.
23. **SHQS review by SHR-** The review was carried out at the end of January 2011 and the findings have already been covered in paragraph 19 above.
24. **The Care Commission review of recruitment-** The Care Commission met with council officers in June 2010 and as a consequence of these discussions and the provision of evidence demonstrating improvements, it was found that the previously agreed recruitment requirements had been met. The revised recruitment and monitoring procedure for excepted posts is now more rigorous and includes checking all professional registers as appropriate. The Care Commission were able to re grade this quality statement as "4 – Good".
25. **The Care Commission review of adoption and fostering-** The fostering and adoption team have recruited "sessional" workers to ensure timescales are met in regard to fostering and adoption assessments. The council has also employed other staff to ensure service users' needs are being met.

Scrutiny plan changes

26. In 2012-13 SWIA plan to carry out file reading and a desk-based risk assessment. This will determine the level of any additional scrutiny required.

27. As previously mentioned, in paragraph 8, Audit Scotland plan to carry out a discrete piece of work on performance management arrangements during 2012/13.
28. The revised three year scrutiny plan for 2011-12 to 2013-14 is included in the appendix below.

Appendix 1 Summary of scrutiny activity

SOUTH AYRSHIRE COUNCIL	2011-12											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Full child protection inspection (HMIE).												
Audit Scotland Fire and Rescue												
	2012-13											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SWIA initial scrutiny level assessment (ISLA)												
Follow up of best value audit including a discrete piece of work on performance management												
	2013-14											
Indicative scrutiny activity for rolling third year												
Review of best value arrangements												

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. In 2009 the council received a positive report following Audit Scotland's risk assessment of the council's housing and council tax benefit service. Therefore, a further risk based review is not planned until financial year 2012/13.