

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

East Renfrewshire Council



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## Assurance and Improvement Plan

### Update 2011–14

#### Introduction

1. The Assurance and Improvement Plan (AIP) for East Renfrewshire Council was published in July 2010. It set 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 (LAN) met in late 2010 to update the AIP, revise its assessment and reconsider the level of scrutiny required for the council. This update comprises comments on area of on-going risks and uncertainties, notes on changes to risk assessments and assesses how national risk priorities are reflected within the council. It also notes changes to our scrutiny plan for the council and comments on scrutiny activity undertaken in 2010/11.
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. During the past year, the council has been proactive in addressing the financial challenges it will face over the near future and has taken action to address previous concerns in areas such as procurement and road conditions. Furthermore, the council has continued to develop its Public Service Excellence programme in order to improve the manner in which services are delivered to the public. The council continues to have many strengths particularly the way its Education Department achieves high standards across schools and services. It also enjoys a good reputation for the range of services it provides to protect children.

#### Areas of on-going risks and uncertainties

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

5. **Housing Strategic - Priority 6 – Significant risk.** Risks still exist in the strategic target associated with improving housing conditions. The council is still waiting on data on the condition of its housing stock in order to inform what needs to be done to meet the 2015 Scottish Housing Quality Standard. Recent on-site inspection work by SHR has provisionally indicated scope for improvement across a range of housing and homelessness services. This is consistent with the council's own recent Housing Action Plan which highlights a number of operational areas for improvement.
6. Furthermore, revised practices associated with the council's house allocation processes have been introduced to address weaknesses recently identified by the council's internal audit. As indicated in last year's AIP, the LAN proposes to continue with its phased scrutiny activity on both housing stock and general housing governance issues. In addition, SHR will closely monitor the council's progress in addressing the weaknesses identified during the recent on-site inspection work.
7. **People management – Corporate Assessment 17 – Uncertain.** A programme of staff reductions has been implemented and further staff reductions are planned. All redundancies are subject to a business case analysis considering the effect on the organisation prior to their agreement. The council's workforce plan was approved in January 2010 and an updated workforce plan, reflecting the outcome of the budget process, will be presented to the council's CMT in April. This will reflect the workforce implications of budget decisions and planned efficiencies and will review the future workforce reduction target. Vacancy restrictions and other workforce planning measures will continue including targeted restructurings in a range of support areas. A number of the council's Public Service Excellence projects will enable many of these restructurings through a reduction in duplication, greater use of IT systems, leaner processes and overall improved efficiency. Employee costs are also being reduced in other ways apart from headcount including pay restraint and changes to terms and conditions. Revised terms and conditions have recently been accepted by trade union members of the council.
8. The council has modernised its HR system over recent years and in the LAN's opinion, given the scale of planned staff reductions and the nature of changes of how some services will be delivered, the council's workforce planning arrangements should be examined. The nature and scope of the proposed scrutiny will be informed by any available self assessments.
9. This area of uncertainty will be covered in the proposed audit work.
10. **Asset management – Corporate Assessment 17 - Uncertain.** This was previously recognised as an area where uncertainties existed regarding the effectiveness of the actions planned by the council. This is still the situation. The council is still waiting for information on the condition of its housing stock (see paragraph 6 above). Asset management plans are being rolled out across the other asset categories. These incorporate steps to rationalise the council's property estate and reduce the maintenance backlog associated with council properties. Insufficient time has elapsed to demonstrate what impact these measures will have. Uncertainties in this area therefore remain. Scrutiny activity to comprise general monitoring and specific work on the actions taken to improve the condition of council houses.

## Changes to 2010/11 Risk Assessments

11. These comments relate to risk assessments that have been changed from the 2010/11 AIP.
12. **Care for Older People - Strategic Priority 3 — Previously uncertain now no significant risk.** The council has taken action to address previous concerns. The CHCP is continuing to develop and implement its older people's strategy with an increasing focus on enablement. The council directly provides two care at home services which support these developments. The Care Commission has assessed that one is performing to an adequate standard in relation to the quality of care and support and to a good standard in relation to the quality of staffing, management and staffing. They found the other to be very good in all aspects of the service inspected.
13. Against the backdrop of an expected significant increase in the demand for services due to demographic changes, the council's performance in relation to the purchase or provision of care at home services has improved with a 17 per cent increase in the number of home care hours they deliver. The level of provision is tracking towards the average for Scotland. We note that the council has recently begun consulting on the possible outsourcing of services and this may be an area of future scrutiny activity.
14. **Condition of Roads – Strategic Priority 5 – Previously a significant risk now no significant risk.** Last year's AIP referred to the condition of the local road network as posing a significant risk. Additional investment was made in 2010/11 by the council in its road and winter maintenance programmes although it was recognised that substantial extra investment was required to improve the standard of the council's road network (44 per cent of the network is considered in need of maintenance). This priority was recognised by the council in February 2011 which approved a £1 million (85 per cent) increase in its structural repair budget for carriageways in 2011/12. Against a scenario of reductions in cash resources overall, the council believes that this prioritisation of investment in roads will make a significant difference to road users and is a clear demonstration of its commitment to address public concerns. This investment is additional to funds being made available by the Scottish Government to the council for road repairs in 2010/11.
15. **Procurement – Corporate Assessment 17 – Previously uncertain now no significant risk.** This was an area of potential concern in the last AIP. Good progress has been made by the council in developing better processes to ensure that the principles of good practice are followed with particular improvements in the promotion and embedding of the council-wide approach to procurement. While scope exists for further improvements in areas such as supplier management, etc, there is a strong commitment within the council to improve. As a result, the LAN no longer considers this area as one likely to create a significant risk for the council.

## National risk priorities

16. East Renfrewshire Council's position on topics identified as being of national importance is as follows:

17. **The protection and welfare of vulnerable people (children and adults) including access to opportunities – No significant risk.** Regarding children a recent HMIE inspection report was very positive about the council's arrangements for child protection with particular praise for the way in which staff across services share responsibility for keeping children safe and addressing their needs. The council's fostering and adoption services meet the criteria for a reduced frequency of inspections with a re-inspection anticipated during 2012/13. The council has sound policies and procedures in place to ensure they meet the needs of adults in relation to adult support and protection. They have quality assurance processes in place to ensure that these are working well to meet need.
18. The council is in the process of implementing its older people's strategy. A partnership group involving social and health members of the CHCP are monitoring the implementation. SWIA will continue to monitor the implementation of the plan alongside monitoring of the impact of the revised budget.
19. **Assuring public money is being used properly – No significant risk.** 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. Proper scrutiny of activities is undertaken by both members and officers. The council has a particularly effective audit committee which operates in line with best practice. This committee is supported by an effective internal audit section whose work is thorough, reliable and clearly demonstrates independence. The council has introduced a programme, "Public Service Excellence", which is designed to focus on how services can be delivered through more modern and faster techniques. The council has also adopted a Public Service Improvement Framework to promote continuous improvement.
20. **How councils are responding to the challenging financial environment –Uncertain.** The council has strong financial management processes on which to help it address its' current significant cost and funding pressures. During 2010, in anticipation of the likely funding shortfall the council will face following this year's Scottish Government budget, East Renfrewshire Council senior management and members considered various budgetary options for its services. The public have and continue to be consulted on the council's proposals to close the expected £32 million funding gap by 2013/14. The main priority for the council is a balanced budget and its proposals out for consultation comprise a mixture of efficiency measures (eg pay restraint, revised terms and conditions on staff), increased fees and charges and service redesigns and reductions (requiring a significant reduction in staffing levels). The scale of this reduction in activity has not been faced in recent times and the ability of all councils to achieve the necessary budgetary savings in a timely manner will be challenging. Although the Scottish budget is not known beyond 2011/12, the UK Government announcement in October 2010 outlined all Scotland resource allocations for each year to 2014/15. On the basis of this announcement, the council has put in place appropriate measures to plan ahead for those cuts and has taken early action to address future financial difficulties over the three year period of this AIP.
21. The council is currently reviewing how its proposed measures will affect its Single Outcome Agreement commitments and is working with partners to determine the impact of their separate budget settlements on the council's SOA. The effect of budget cuts on outcomes was one of the major considerations behind this year's budget proposals with a clear priority being given to protect

outcomes where possible. It is planned that a report on the outcome of the review and update to the SOA will be brought to Cabinet in April/May 2011 once the council's and Partners budgets are confirmed. No additional scrutiny work is planned on the manner in which the council continues to respond to the current financial environment as this is a fundamental feature of the annual audit planning process.

## Scrutiny plan changes

22. Appendix 1 lists the LAN's proposals for scrutiny activity over the next three years. The proposals are drawn from the programme announced last year, amended to reflect what we perceive to be changing priorities. In the interests of minimising the size of the inspection footprint in any one year and due to the efforts made by the council in improving its procurement arrangements, our proposal for a review into the commissioning of social care has been moved by two years to 2013-14. This is to accommodate the proposed examinations of the council's workforce planning arrangements and fostering and adoption inspection. The scrutiny action previously noted on the development and implementation of the council's Older People Strategy will now be covered by routine inspectorate monitoring.

## Review of 2010/11 planned activity

23. Following an appraisal of the council's self-assessment, in early November 2010 the Scottish Housing Regulator carried out a targeted on-site inspection of the following areas of the services provided by the council:
- Access to housing and lettings
  - Re-letting of houses
  - Tenants' rent arrears
  - Responsive repairs and gas safety testing
  - Homelessness service
24. While the report has yet to be published, the initial findings presented to council's managers, found a variety of weaknesses in the council's performance, some of which were significant. Once the report is finalised and published, the Regulator would expect the council to re-act to its findings by introducing a series of improvement actions to address all of the weaknesses highlighted.

## Appendix 1 Summary of scrutiny activity

EAST RENFREWSHIRE COUNCIL SCRUTINY PLAN	2011-12											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Scrutiny activity year 1												
Joint phased scrutiny response on housing issues (SHR/AS) – b/f from 2010/11 AIP.												
Audit Scotland Fire and Rescue												
	2012-13											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Review the adequacy and effectiveness of workforce planning arrangements (AS)												
Fostering and Adoption inspection (CC)												
	2013-14											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved											
Examining the arrangements for commissioning social care (procurement) – b/f from 2010/11 AIP.	SWIA, AS											

### 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. HMle, 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. A review of the council's housing and council tax benefit service was undertaken in 2010.