

Shared risk assessment: Assurance and improvement plan 2011–14

North Ayrshire Council



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Assurance and Improvement Plan

Update 2011–14

Introduction

1. The Assurance and Improvement Plan (AIP) for North Ayrshire Council was published in July 2010, (http://www.audit-scotland.gov.uk/work/scrutiny/docs/North_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 autumn 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, scrutiny responses and good practice.
2. The updated AIP draws on evidence from a number of sources, including:
 - the annual audit report to the Controller of Audit and elected members for 2009/10 (http://www.audit-scotland.gov.uk/docs/local/2010/fa_0910_north_ayrshire.pdf)
 - the council's own website, self-evaluation and supporting evidence
 - the Best Value 2 report published by Audit Scotland (<http://www.audit-scotland.gov.uk/work/bestvalue2.php>)
 - evidence gathered from HM Inspectorate of Education (HMIE), Social Work Inspection Agency (SWIA), the Scottish Housing Regulator (SHR) and the Care Commission (CC) (including published inspection reports and other supporting evidence).
3. Over the past year, the council has made encouraging progress in a number of important areas. The chief executive has demonstrated strong leadership skills and has set out a clear vision for the council. Overall, the council recognises that there are a number of important areas where there are on-going risks and uncertainties and it has put in place measures to address these. Whilst it is too early to see the impact of any changes, the LAN is confident that the council will continue to improve and will address the areas of risk and uncertainty

Areas of on-going risks and uncertainties

4. All areas of risk or uncertainty from the AIP of 2010/11 have been revised

Changes to 2010/11 risk assessments

5. 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
Working and Training	Uncertainty	No significant risk	The council is making progress in some of the key performance measures against this theme and in taking forward plans for the regeneration of the area. It is recognised that the current financial downturn poses significant risks to the financing of regeneration plans. Progress has been made in this area and therefore there are no significant risks. The LAN will continue to monitor.
Healthy and Active	Areas of significant risk	No significant risk	Whilst more progress is needed in addressing these areas, there are many examples of good initiatives at an operational level. Available measures indicate comparatively poor health outcomes including notable differences in mortality rates from respiratory and coronary heart disease for those in the more deprived areas. However many of these indicators are long term and will take time for interventions to show in the measures. The partnership recognises this and since review of the Community Health Partnership (CHP) in 2008 much of the strategic work of the CHP has been establishing new structures and strategies to take forward its priorities. This area has been re-assessed as having no significant risks.
Caring and supportive	Uncertainty	No significant risk	Outcome measures indicate that progress is being made in caring for and supporting the most vulnerable people in the area. An inspection of services to protect children was undertaken in April and May 2010. This was again a positive inspection with evaluations of good and very good. Chief Officer's and the Child Protection Committee (CPC) provided strong leadership and partnership working had improved. There has been some good progress in supporting other groups of vulnerable people. Overall, progress has been made in this area and there are no significant risks.
Social services and health	No significant risks however there are some areas of uncertainty	Area of uncertainty relating to strategic planning and strategic partnership with health. Significant risk regarding risk assessment and management.	Adult and children's social services show an overall positive picture of improving performance. Some positive work on outcomes for looked after children. The council has made progress on some aspects of commissioning. However, there has been little progress on developing an overarching commissioning strategy for social services or identifying joint priorities and opportunities for collaborative commissioning with health. A number of serious issues were identified in relation to adherence with financial regulations and standing orders. A new corporate director has been put in place, and the departmental structure is being modified. SWIA conducted an Initial Scrutiny Level Assessment (ISLA) in autumn 2010. The ISLA results are set out in detail under Review of Planned Scrutiny. Concerns were raised about

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Reason for Change
			threshold and prioritisation issues in child care, with some children waiting too long before being allocated a social worker. Risk assessment and management was evaluated as an area of significant risk. This last area will be the subject of early follow up scrutiny while areas of uncertainty will be examined further in late spring.
Infrastructure and Design -Asset management and repairs	Area of uncertainty	No significant risks	Whilst the council's approach to asset management has begun to improve, it will take more time for the impact of this to be realised. The LAN is content that there are no significant risks in asset management and repairs and will continue to monitor progress in further improvement.
Vision and strategic direction	Uncertainty	No significant risk	Leadership from members has developed with cross-party engagement supporting an improved pace of change. The chief executive shows strong leadership and commitment to driving positive change in the council. There is a good level of awareness amongst members and senior officers of areas for improvement. Positive assessment of impact of chief executive. This has been assessed as having no significant risks.
Partnership working and community leadership	Uncertainty	No significant risk	North Ayrshire Council shares a clear strategic focus with its partners on addressing the challenges facing the local community. Partnership working is maturing however there have been tensions in the relationship between the council and NHS Ayrshire and Arran. Both organisations recognise this as an area for improvement and are actively addressing it. Elected members are developing their leadership of community planning. This area has no significant risks.
Governance and Accountability	No significant risk	Areas of significant risk	There has been a lack of adherence to financial regulations and standing orders in some service areas. The council has put in place arrangements to minimise the risk of this continuing. However, it is too early to assess their impact and overall effectiveness. As a result this area has been identified as having areas of significant risk.
Performance Management and Improvement	Uncertainty	Areas of significant risk	Performance management arrangements need to improve significantly. The LAN recognises that while performance management arrangements have been slow to develop the council is beginning to make progress in this area. Performance management arrangements need to be embedded throughout the council and in the community planning arrangements. The pace of implementation since June 2009 needs to be sustained. This is an area of significant risk.
Use of resources	Uncertainty	No significant risk	Work remains to be done in developing the council's approach to asset management and working with partners to rationalise assets. A

Area	2010/11 Risk Assessment	2011/12 Risk Assessment	Reason for Change
			robust medium term strategic plan is also needed to provide a common framework for members and officers in planning and taking forward decisions about resources. This area may also be impacted by continued uncertainty regarding the recovery of £15 million deposited in Icelandic banks prior to their collapse in 2008. The council has recognised that improvement is needed in this area, and have plans in place to address highlighted concerns. This area has been identified as having no significant risks.

National risk priorities

The protection and welfare of vulnerable people (children and adults) including access to opportunities.

6. Overall, there are no significant risks in this area. Outcome measures indicate that progress is being made in caring for and supporting the most vulnerable people in the area.
7. An inspection of services to protect children was undertaken in April and May 2010. This was again a positive inspection with evaluations of good and very good. The Child Protection Management Information Framework had been revised and this was linked well to national and local priorities for services.
8. Services have improved the quality of provision to children and families with a range of difficulties. Improvement has been made to services for children living away from home.
9. Overall, chief officers and the CPC provide strong leadership and partnership working has improved. The integrated children's services plan includes a number of supporting strategies. The Integrated Resources pilot (children affected by disability) was also successful and a pan-Ayrshire CABD integrated service is planned as a result. Progress has been made with developing strategies such as a 'Family Support and Parenting Strategy. An early years' action plan is being developed to support implementation locally of the national Early Years Framework.
10. There has been some good progress in supporting other groups of vulnerable people. For example, delayed discharges from hospital have been successfully addressed. However, on adults with learning disabilities and respite for adults figures produced by social services are lower than the national average on important service indicators. Steady improvement has been made since 2006/07 with the total number of hours homecare for older people, although the level remains a little below the national average at 477.1 hours per 1,000 people over 65 in 2008/09 compared to 497.5 nationally. The proportion of older people receiving intensive home care services has met the partnerships target for 2009/10.

Assuring public money is being used properly

11. The council recognises that urgent action is required to reduce costs for future years. The council's change programme is focusing on service development and improvement and is considering different delivery options that will offer cost savings. While the council has been able to manage its revenue expenditure to a satisfactory standard, the lack of an over-arching financial strategy will make it difficult to assess the overall impact of reduced funding across the organisation going forward.
12. The council has implemented a capital working group which is attended by senior officers from each service and chaired by the corporate director (finance and infrastructure). The purpose of the group is to strategically manage and monitor the capital programme. The council's management of its capital spend has been less effective with continued slippage and failure to implement the planned capital programme on an on-going basis. The LAN considers this to be an area of significant risk.

How councils are responding to the challenging financial environment

13. The Comprehensive Spending Review covering public sector expenditure for the period 2011/15 was announced in October 2010. The Scottish Government responded to it by announcing a single year Scottish budget for 2011/12 and this creates an uncertainty over medium term financial planning. 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.
14. The council's budget gap for the three years 2011/12 to 2013/14 was initially estimated at between £40 million and £45 million. Following the UK Government's emergency budget on 22 June 2010, the approved budgets for 2011/12 to 2013/14 were revised to reflect an anticipated reduction in Government funding. When the final settlement was announced in December 2010 and, with a range of efficiency measures already made, savings and efficiencies of approximately £37 million were therefore forecast as being required over the three year period.
15. In recognition of the financial challenges to be addressed by the council, and to provide Elected Members with choice, services were asked to develop proposals for achieving a 20 per cent reduction in planned expenditure over the next three years. The council needs a robust medium term strategic financial plan to provide a common framework for members and officers in planning and taking forward decisions about resources.
16. The council has been slow to develop its approach to asset management. It recognises this as an issue and has recently prepared a draft corporate asset management strategy and improvement plan.

Scrutiny plan changes

17. The LAN has identified a number of areas where there is uncertainty and also where there are risks. As a result, changes have been made to the scrutiny plan to allow the LAN to gather information and assess progress. The changes are as follows:

- Follow up activity is planned in Social Services and Health by SWIA by way of follow up scrutiny to the recent ISLA. This has been discussed with the council and there will be a particular focus on practice in relation to risk, outcomes, case management and partnerships.
(March / May 2011);
- Whilst there have been no changes to the overall level of risk in education, the LAN is monitoring the council's progress in improving secondary attainment. There are encouraging signs of progress and District Inspector HMIE will work with the council and continue to monitor its progress. This will be reported to the LAN. (Autumn 2011);
- Best Value – Governance and accountability and performance management and improvement will be reviewed and reported through the annual members report.

Review of 2010/11 planned activity

18. In April and May 2010, HM Inspectorate of Education (HMIE) led a joint inspection of child protection services in North Ayrshire. The inspection was very positive with four out of the six evaluations graded as very good and two as good. A number of strengths were identified. These included the quick response of staff to children needing help, good communication and trusting relationships among staff and strong leadership and teamwork to improve outcomes for children and families. North Ayrshire Council agreed to improve the assessment of risks and needs, focusing on outcomes for children and families and to strengthen approaches to reviewing the quality of services and more fully involving staff, children and families in this work.
19. Audit Scotland carried out a Best Value 2 Audit in September of 2010. Whilst the audit acknowledged the increase in the pace of change in the council since 2009, it did recognise that progress had been slow in addressing key issues raised in the first best value report in 2005, particularly in relation to implementing effective performance management arrangements. The BV2 performance assessment provides two judgements on council performance. The council's overall performance is satisfactory and it has fair prospects for future improvement. A number of improvement areas have been identified including embedding performance management arrangements and aspects of resource management. The audit report recognises that the pace and direction of change being established across the council should result in further improvements in key areas.
20. SWIA also carried out an initial scrutiny level assessment (ISLA) in the autumn of 2010. This found no significant risks regarding staffing or equalities. Areas of uncertainty were financial planning, outcomes, assessment and case management, self-evaluation and partnership working. Risk assessment and management emerged as a significant risk and as such, will be the subject of follow-up scrutiny in May 2011.
21. SHR carried out an appraisal of the council's self-assessment of its progress against its housing service improvement plan. Progress was identified in a number of important areas. For example, 64 per cent of the council's housing stock achieves the SHQS at November 2010 which compares well to the Scottish average. The council has excellent up-to-date stock condition information on all Scottish Housing Quality Standard elements. Further areas were identified for scrutiny as detailed above.

Appendix 1 Summary of scrutiny activity

NORTH AYRSHIRE COUNCIL SCRUTINY PLAN	2011-12											
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Scrutiny activity year 1												
Audit Scotland/HMIE – Best Value with an Education component.												
SWIA – ISLA follow-up												
Audit Scotland Fire and Rescue												
	2012-13											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No specific work												
	2013-14											
Indicative scrutiny activity for rolling third year												
No specific work												

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.