

REPORT TO: POLICY AND RESOURCES COMMITTEE - 9 MAY 2011
REPORT ON: ASSURANCE AND IMPROVEMENT PLAN UPDATE 2011-2014
REPORT BY: DIRECTOR OF FINANCE
REPORT NO: 242-2011

1 PURPOSE OF REPORT

To provide elected members with an update on the Assurance and Improvement Plan 2011-14 that was recently issued by Audit Scotland on behalf of the various regulatory bodies responsible for scrutinising the services provided by the Council.

2 RECOMMENDATIONS

It is recommended that elected members note the information contained within this report and in the attached Assurance and Improvement Plan Update 2011-14.

3 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4 MAIN TEXT

- 4.1 The Assurance and Improvement Plan 2010-13 (AIP) was issued by Audit Scotland in June 2010 on behalf of the various scrutiny bodies that are responsible for reviewing services provided by the Council including Audit Scotland, Care Commission, HM Inspectorate of Education, Scottish Housing Regulator and Social Work Inspection Agency. Through working together and sharing knowledge, expertise and information, this collaborative approach aims to maximise the efficiency and effectiveness of external scrutiny arrangements and minimise the impact scrutiny activity has on the Council. The AIP 2010-13 and Shared Risk Assessment was submitted to the Policy & Resources Committee on 23 August 2010 (please refer to report 410-2010). The AIP included a summary of the agreed programme of work that detailed all planned scrutiny activity at both a corporate and service level to be undertaken by the various inspection bodies during this period.
- 4.2 During the last few months, an interim review of progress on the AIP has been undertaken. This interim review considered the impact of new evidence emerging from scrutiny activity, the Council's own information and other relevant data available on assessment of risk and future scrutiny plans. The AIP update 2011-14 summarises the outcome of this review together with an updated timetable of planned scrutiny activity for the period April 2011 to March 2014.
- 4.3 The AIP update details that scrutiny activity undertaken during 2010/11 was 'largely' as planned. The Social Work Inspection Agency Initial Scrutiny Level Assessment was delayed although has now been completed and the findings are being considered by the Council. Where relevant, further details of the findings of this assessment together with any action required to be taken by the Council will be reported to members in due course.

- 4.4 Overall, the various scrutiny activities undertaken during 2010/11 recognised that the Council has continued to make improvements in its arrangements for delivering services to citizens. Services to protect children and young people received positive follow up and HM Inspectorate of Education reports have also continued to be positive. These improvements have reduced the level of risk and uncertainty in a number of key areas, and details of these specific improvements are included within the AIP update.
- 4.5 The AIP acknowledges that a number of improvements have been made following the Housing Regulator's inspection, notably that significant progress has been made in areas of access, gas safety and performance and development review, however, concerns have been raised regarding the prospects of the Council delivering the Scottish Housing Quality Standard for all housing stock by 2015.
- 4.6 Clearly officers are aware of the risks on delivery of the Scottish Housing Quality Standard (SHQS). The Director of Housing has completed a review of the SHQS standard delivery plan and has agreed with tenants through scenario planning where the risks lie, i.e. on capital receipts, potential higher prudential borrowing and rent increases. The SHQS Project Board has developed a risk management matrix and reassesses risks and effective risk management every quarter. The Housing Capital Plan 2011-2016 reflects the latest assessment of the work required to deliver the SHQS by 2015.
- 4.7 The AIP update highlights the significant level of financial pressures being faced by the Council and acknowledges the progress made to address these challenges through the establishment of the Changing for the Future Programme. It concludes that the Council is generally well placed to manage the challenging financial environment and there are no significant scrutiny risks relating to financial management.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

The Chief Executive and Depute Chief Executive (Support Services) have been consulted on the content of this report.

7 BACKGROUND PAPERS

None.

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DIRECTOR OF FINANCE

28 APRIL 2011

Dundee City Council

Assurance and Improvement Plan

Update 2011–14

Introduction

1. The Assurance and Improvement Plan (AIP) for Dundee City Council was published in July 2010. It set out the planned scrutiny activity for the council for the period from April 2010 to March 2013. Planned scrutiny was proportionate, based on an assessment of scrutiny risks.
2. In early 2011 the local area network (LAN) undertook an interim refresh of the AIP. It considered the implications of new evidence emerging from scrutiny activity, the council's own information and other readily available data on its assessment of risk and future scrutiny plans. This report summarises the outcomes of this exercise. Appendix 1 provides an updated timetable of planned scrutiny for the period April 2011 to March 2014.

Summary

3. Over the past year, the council has continued to make improvements in its arrangements for delivering services to its citizens. Services to protect children and young people received a positive follow-up report in February 2011 and HMIE school inspectorate reports have continued to be positive. This has reduced risk and uncertainty in a number of areas, but increasing concern has also emerged about the prospects for delivery of the Scottish Housing Quality Standard (SHQS) for all council housing stock by 2015.

Review of 2010/11 planned activity

4. Scrutiny during 2010/11 was largely completed in line with the plan set out in the AIP. At the council's request the Scottish Housing Regulator undertook a short focussed exercise in relation to access, lettings and gas safety. The Social Work Inspectorate's Initial Scrutiny Level Assessment was delayed due to the extreme weather conditions in December 2010, but has now been completed. The findings of the ISLA will be shared with the council and in agreement with the council targeted scrutiny is planned for the end of April, beginning of May 2011.

Risk assessment changes

5. Overall, the LAN has recognised that improvement has been achieved in a number of areas, reducing risk and uncertainty for a number of the issues previously highlighted. However, the LAN recognises that serious concerns are developing regarding the council's capacity to meet the SHQS by 2015.

6. Key areas where risk and uncertainty was considered to have reduced included:

- Learning & culture – uncertainty over future progress in delivering on this strategic priority has reduced overall. Inspections of the learning communities surrounding Baldragon HS and Harris Academy were both very positive. Overall it was concluded there were no significant concerns in relation to this strategic priority.
- Child protection – overall renewed leadership and direction by the Chief Officers' Group and Children & Young Persons Protection Committee has resulted in very positive and encouraging progress in driving forward improvements in performance. Significant developments have taken place in the early recognition, immediate response and assessment of concerns about children at risk. Strong evidence of improved partnership was evidenced through the Multi Agency Action Team, improved child protection guidance, information sharing and standardised formats within and across services and improved joint decision making in child protection cases. There is a strong commitment and a growing enthusiasm amongst staff to learn about and adopt good practice and to identify strengths and areas for improvement.

In view of the progress made by the council and its partners, the risks are reducing in this area and it is no longer considered an area of significant concern. However, there is still work to be done and, overall, child protection is an area of uncertainty. This area will be reviewed through a Joint Inspection of Services to Protect Children in 2012.

- Education – positive inspection outcomes across the spectrum and an improving trend at 5+ at level 3 following a greater focus on awards for lower attaining pupils indicate that the level of risk is reducing and overall there are no significant concerns. The LAN identified some areas of uncertainty surrounding attainment which, although improving, notably the three year average for the percentage of S4 roll attaining at key levels by the end of S6, remains below the national average at all key measures. There is uncertainty about MCMC, where the council has implemented a number of positive improvement measures but their sustainability is at risk when government funding ends after March 2011. HMIE will review attainment levels and positive destinations data annually with the education service. We also noted that the Head of Support for Learning will retire in 2011

and two education managers have retired, none of whom will be replaced. Details of how the education service will restructure to cover these posts are still being finalised.

- Housing – concise and focussed scrutiny work by the Scottish Housing Regulator noted significant progress had been achieved in the areas of access, lettings and gas safety and that a new performance and development review process has been introduced for staff. Some performance issues were identified around the council's approach to homelessness; clarification is being sought on these. In general the LAN recognises an overall reduction in the level of risk in this area with the exception of the SHQS (refer to paragraph 7).
- Challenge & improvement – departments such as housing, education and social work have introduced a number of new procedures and arrangements, which over time should help to improve performance. Improvements have been noted via the introduction of the Scrutiny Committee and a review of meeting schedules. However, these changes are relatively new and their full impact will take time to become evident.

The council's 'Changing for the Future' programme seeks to drive change in response to the current financial environment. A cross-party member/officer group, the Changing for the Future Board was established to oversee the programme. However, this has not been supported by all elected members. The LAN considers that the level of risk is reducing in this area and that overall this is now an area of no significant concerns. Some specific uncertainties do, however, remain about the effectiveness of elected member oversight of the change programme and scrutiny more generally.

- Procurement – improvements in council's procurement arrangements resulted in an improved procurement capability assessment (conformant), an improvement that was noted as significant by the Improvement Service. The Tayside Procurement Consortium has made good progress in the implementation of the Tayside Procurement Strategy 2008-2011. It was concluded that there were now no significant concerns in relation to procurement.
- Equalities – the council has introduced a series of equalities working groups and themed action groups to support the achievement of equalities objectives. During 2009/10 service departments undertook a range of equality impact assessments to demonstrate that they have due regard to the elimination of unlawful discrimination and, whenever possible have identified and put into place measures to reduce any potential barriers and enhance equality. The LAN considers that the risk has reduced in this area and no significant risks have been identified.

7. There was one area where it was considered that serious concerns had emerged about the level of risk. The council is required to ensure that its social housing stock meets the SHQS by 2015. At present the LAN has concerns over the rate of progress and the sustainability of financing and its impact on housing rents. The Scottish Housing regulator will undertake further work on the council's progress towards the SHQS during its scheduled scrutiny work later this year.

National risk priorities

The protection and welfare of vulnerable people (children and adults)

8. The Care Commission have reported positively on the quality of educational establishments and services for children & young people, older people, and homecare. The council's secure accommodation establishment was highlighted as an area where improvements were required. There will be no reduction in the planned scrutiny level for inspection of such establishments.
9. This scrutiny priority will be considered further as part of the Initial Scrutiny Level Assessment (ISLA) undertaken by SWIA and the baseline multi-agency Child Protection (CP2) inspection planned for February 2012. At present the LAN considers this to be an area of uncertainty.

Assuring public money is being used properly

10. The annual audit has confirmed that at the corporate level, the council has appropriate arrangements in place to help prevent and detect fraud, inappropriate conduct and corruption. Self-evaluation and improvement processes are improving, the scrutiny framework has been reviewed and the timetable of Council meetings revised. However, scope remains for elected member scrutiny of decision making and performance to further improve through reviewing the quality of the information provided and supporting them through appropriate training. The local auditor will monitor this through follow-up of progress on the council's BV2 action plan. The overall assessment is that this is an area of no significant risk.

The council's response to the challenging financial environment

11. Like all public sector organisations the council faces significant financial pressures as a result of the economic downturn and the outcome of the national spending review. The council has shown an understanding of the financial challenges it faces and has made early progress in addressing these. It has established the "Changing for the Future" programme, with 34

projects grouped under four main sub-programmes: service prioritisation, reshaping the delivery model, assets, enabling the change, to deliver the changes needed.

12. 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 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. 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 intended 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.
13. However, the council is generally well placed to manage the challenging financial environment and there are no significant scrutiny risks in the council's financial management. It has robust budgeting procedures in place, has shown a good understanding of the financial challenges it faces and has been proactive in preparing financial plans to manage budget reductions.

Scrutiny plan changes

14. The individual exercises included in the forward scrutiny plan for the council are generally consistent with that previously established. The reduction in risk summarised above will have the effect of narrowing the scope of a number of these with the exception of progress in delivering the SHQS which will be subject to targeted scrutiny by the Scottish Housing Regulator.

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.
- 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.