

Shared risk assessment: Assurance and improvement plan 2011–14

West Dunbartonshire Council



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Assurance and Improvement Plan

Update 2011–14

Introduction

1. The first Assurance and Improvement Plan (AIP) for West Dunbartonshire Council 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 scrutiny risk assessment undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies.
2. The aim of the shared risk assessment process was to focus scrutiny activity where it was most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this linked to the proposed scrutiny response.
3. The LAN reconvened in January 2011, to update the AIP, revise the risk assessments and consider the level of scrutiny required for the council over the three year period 2011-14. The outcomes of that process are set out in this AIP refresh document which summarises any changes to evidence, updates risk assessments, and sets out proposed scrutiny responses.
4. The updated AIP draws on evidence from a number of sources, including the following 2010/2011 planned activity.
 - Annual Report to Members from the External Auditors in respect of the 2009/10 annual audit.
 - Review of progress on Best Value improvement actions by External Auditors.
 - SWIA follow up inspection.
 - Care Commission's inspection of Adoption and Fostering Services and the programme of inspections of regulated care services for adults and children.
 - Review of performance, including; Single Outcome Agreement performance and SPIs and outcomes of establishment level inspection work.

Summary

5. Over the past year the council has continued to make progress on its strategic priorities and continues to deliver a range of high quality public services. There is evidence that members and officers are beginning to work more productively together with elected members taking some difficult decisions. There have also been indications of improvements to the budgeting process. All of this indicates improvements in leadership and strategic direction. These improvements are however quite recent and therefore their full impact has yet to be demonstrated.

Areas of on-going risks and uncertainties

6. The table below indicates areas where risks or uncertainties were identified in the 2010/11 AIP and which remain unchanged.

Area	2010/11 Risk Assessment	2011/12 Update
Regenerating and growing our local economy	Significant risks and concerns	This was identified as an area of significant risk in the 2010/2011 AIP and as part of the SRA refresh process the LAN reviewed progress in this area, with reference to local outcome indicator evidence. Whilst a number of important developments have taken place recently, including the approval of an economic development strategy the LAN has concluded that this area remains an area of significant risk, largely as a result of the economic downturn and the council's own assessment of the impact this is having in West Dunbartonshire. This area will be considered by Best Value Audit work in 2012/13.
An improving council/ Performance Management & Improvement	Areas of uncertainty	The 'an improving council' outcome remains an area of uncertainty as it was last year. There is evidence of recent improvement in the council, for example in terms of the budget process and the reserves position, and more productive working between officers and members aligned to clearer strategic priorities. Although the council continues to develop its performance management arrangements the LAN considers that the full impact of the improvement is yet to be demonstrated and so this remains an area of uncertainty.
Use of resources – assets	Areas of uncertainty	Following consultation the council has agreed a strategy for rationalising and improving the primary school estate which is supported by an implementation plan. There is a significant area of uncertainty in relation to the outcome of proposals for partial housing stock transfer. While progress has been made across a broad range of asset management areas overall the impact of this is yet to be demonstrated and this remains an area of uncertainty overall.

Risk assessment changes

7. The updated shared risk assessment for 2011/12 remains largely unchanged. Some priorities have moved from areas of uncertainty to having no significant risks and others have moved in the other direction from no significant risk to areas of uncertainty. Where there are individual changes to scrutiny risk, these are identified below.
8. **Outcomes.** For 2010/11, the delivery of five of the seven outcomes by the council was identified as having no significant risks. The outcome areas 'Safe & Strong', 'Sustainable & Attractive Living Environments', and 'Education & Lifelong Learning' continue to have no significant risks.
9. 'Health and Wellbeing' is no longer an area of uncertainty as more information was available this year to carry out the risk assessment and it is now categorised as having no significant risks. 'Affordable and sustainable housing' has moved from as having no significant risks to being an area of uncertainty as a result of the current uncertainties around the proposed stock transfer and limited evidence of a contingency plan should the proposal not be accepted by local tenants. No specific scrutiny activity is planned in this area beyond the LAN monitoring the progress being made by the council.
10. **Services.** For 2010/2011, the LAN concluded that services generally performed well. This continues to be the case and overall council services are considered to have no significant risks. Services performance will continue to be monitored through on-going inspection work at the establishment level and through liaison with district inspectors.
11. **Corporate Assessment.** In 2010/2011, no significant scrutiny risks were identified within the corporate assessment for partnership working and community leadership, community engagement, governance and accountability, use of resources (for people management, procurement and ICT), equalities and sustainability. This risk assessment continues to be the case for 2011/12.
12. The risk assessments of vision and strategic direction and use of resources (financial management) have moved from being areas of significant risk to being areas of uncertainty. This is as a result of the council starting to address a range of issues during 2010, including proposals for the delivery of leisure services, housing stock transfer, an improvement to the financial position and budgeting process. The full impact of these developments has yet to be demonstrated and the LAN therefore considers there to be remaining areas of uncertainty. This area will be considered by Best Value Audit work in 2012/13.
13. In terms of financial outlook, an area we assessed as part of financial management in 2010/11, our assessment is that this is an area of uncertainty. This is as a result of the economic downturn and the impact of budget pressures being experienced by all public sector organisations.

National risk priorities

14. 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).
- Assuring public money is being used properly.
- The council's response to the challenging financial environment.

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

15. The LAN has not identified any significant scrutiny risks for the council for this national risk priority, based on the assessment of the relevant outcome areas and the performance of social work services. The Care Commission have reported positively on the quality of care services and the SWIA follow up inspection noted positive progress on the improvement plan. Overall the LAN considers this not to be an area of significant risk.
16. This outcome will be considered as part of the Initial Scrutiny Level Assessment (ISLA) review planned by SCWIS for March 2012. It will also be considered as part of the ministerially-directed Child Protection 2 inspection which is planned for October/November 2011.

Assuring public money is being used properly

17. Assurance on the financial position of the council has been obtained through the annual audit process conducted by KPMG and with reference to our risk assessment of the council's use of resources under the corporate risk assessment.
18. The council set a revenue budget of £249.1million for 2010/11. The budget included £2.1million of management adjustment savings and £2.6million of council approved savings in order to achieve a balanced budget. The approved savings are monitored by a Strategic Finance Working Group and management put in place actions to secure the full amount of savings in the year.
19. Given the uncertainties identified in the corporate risk assessment in relation to vision and strategic direction, financial and asset management and performance management and improvement, the LAN considers this to be an area of uncertainty. It will therefore be considered as part of the Best Value Audit work planned for 2012/13.

The council's response to the challenging financial environment.

20. Like all public sector organisations West Dunbartonshire Council faces significant financial pressures as a result of the economic downturn and the outcome of the national spending review.
21. 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 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.

22. The council carried out a mid-year review/advanced budget consultation at a special Council meeting on 14 October 2010, which informed the balanced budget position for 2011-12. The council accelerated the budgeting timetable for 2011-12 to allow more time to develop and scrutinise savings options. The budget gap has been communicated to staff and the general public through a series of budget road-shows. These events were also used to generate ideas of savings options.

Engagement between the local area network and the Council

23. The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face. The LAN therefore plans to meet with the council's management team during the late summer/early autumn to discuss progress in this area prior to the start of the 2012 SRA/AIP refresh process. As part of that meeting the LAN will consider how best to approach the planned Best Value-related scrutiny activity in 2012-13 which will be focusing on the impact and effectiveness of the council's improvement agenda and its response to the challenging financial environment. This work will assess the extent to which the council, working with its partners, is delivering the planned improvements in efficiency and cost reduction and securing better outcomes for citizens and service users.

Scrutiny plan changes

24. **2010/2011** - There were no changes to the 2010/11 scrutiny plan.
25. **2011/2012** - In the first AIP the scrutiny schedule included the possibility of a Best Value Audit during 2011/12. On the basis of this more recent risk assessment and the range of improvements that the council is currently making to its management arrangements we consider that a BV audit is not required during 2011/12, but should be considered as part of the scrutiny response for 2012/13. The key rationale for this proposed change of timing is that much of the recently introduced improvement activity taking place within the council, whilst positive, has yet to fully demonstrate its impact in terms of improved outcomes. The LAN believes that were the BV audit to take place in 2011/12 there would be a risk that it would be too soon to form secure judgements on the effectiveness of the council's change programme. Deferring the work until 2012/3 (subject to the outcome of the annual shared risk assessment refresh process) should allow the council to demonstrate more clearly the improvements it is making. This will allow the BV audit work to provide a more useful independent assessment of progress to date and identify areas where further improvement may be required. The timing of any future BV audit work will though be reviewed as part of the next risk assessment. In the meantime the appointed auditor will continue to closely monitor the progress the council is making.

26. **2012/2013** - We anticipate undertaking some targeted BV2 audit activity to assess the extent to which the council, working with its partners, is delivering the planned improvements in efficiency and cost reduction and securing better outcomes for citizens and service users. This work will provide public assurance on the progress that the council is making with its improvement agenda. The BV audit work will focus on the areas of significant and risk and uncertainty and will be informed by the next risk assessment.
27. **2013/14** – At this stage, there is no planned activity beyond on-going audit and inspection work.

Review of 2010/11 planned activity

28. The 2010/11 scrutiny plan was substantively completed in accordance with the timetable reported.

Appendix 1 Summary of scrutiny activity

WEST DUNBARTONSHIRE COUNCIL SCRUTINY PLAN												
2011-12												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SCSWIS - Joint inspection of services to protect children, including Adoption and Fostering												
Audit Scotland Fire and Rescue												
2012-13												
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Targeted BV2 audit to assess the extent to which the council, working with its partners, is delivering the planned improvements in efficiency and cost reduction and securing better outcomes for citizens and service users. Timing tbc.												
SCSWIS – Initial Scrutiny Level Assessment (ISLA)												
2013-14												
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved											
No other specific audit/inspection work is planned beyond on-going audit work, inspection work at establishment level and through liaison with district inspectors												

Footnotes

- The focus of the ALP 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 ALP. 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.