

# WEST DUNBARTONSHIRE COUNCIL

## Report by Chief Executive

Council: 29 June 2011

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### **Subject: Shared Risk Assessment - Assurance and Improvement Plan 2011-14**

#### **1 Purpose of Report**

- 1.1** This report presents to members an Assurance and Improvement Plan (AIP) scorecard report for 2011/12 which is attached at Appendix 3.

#### **2 Background**

- 2.1** In response to comments from Councils over several years about the burden of the scrutiny regime in place, Professor Lorne Crerar was commissioned to conduct a review of regulation, audit, inspection and complaints handling of public services in Scotland. Following this review it was determined that scrutiny of public services needed to be streamlined.
- 2.2** The result is that, in common with all 32 Councils, the scrutiny bodies operating in West Dunbartonshire Council (WDC) have adopted a shared risk assessment and the output from this collaborative approach is the Assurance and Improvement Plan (AIP).
- 2.3** The AIP draws on the work and experience of a number of scrutiny bodies including:
- Audit Scotland
  - Care Commission
  - HM Inspectorate of Education
  - Scottish Housing Regulator
  - Social Work Inspection Agency
  - KPMG, External Auditor
- 2.4** The objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the Council.
- 2.5** The initial AIP was first brought to Council at the meeting on 25 August 2010<sup>i</sup>. An update was provided to the Improvement & Efficiency Executive meeting on 30 September 2010 and to Council at the meeting on 27 October 2010.<sup>ii</sup> A further update was provided to Council on 23 February 2011<sup>iii</sup>.

- 2.6** The first AIP for WDC was published in July 2010, setting out the planned scrutiny 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.
- 2.7** The LAN reconvened in January 2011 in order to update the AIP, revise the risk assessment and consider the level of scrutiny required for the Council. The updated AIP has drawn on evidence from a number of sources, including the following 2010/2011 planned activity:
- Annual Report to Members from the External Auditors
  - 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

### **3 Main Issues**

#### **3.1 Scrutiny Risk**

**3.1.1** The "Shared risk assessment: assurance and improvement plan 2011-14" report is attached at Appendix 1 to this report.

**3.1.2** As is noted at paragraph 5 of the Audit Scotland report,

*"Over the past year the council has continued to make progress on its strategic priorities and outcomes to deliver a range of high quality public services. There is evidence that members and officers are beginning to work more effectively 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"*

**3.1.3** The AIP sets out the planned scrutiny activity for West Dunbartonshire Council for the period April 2010 - March 2013 based on the scrutiny risk assessment of the Council. Scrutiny risk is the risk that will trigger scrutiny activity and not the inherent risk for example as in the risk of harm to an individual. Risk is defined as:

- "Red", where there are significant concerns which would indicate the need to undertake some scrutiny activity in order to provide

public assurance. WDC has one “red” areas in the 2011 assessment (see paragraph 3.2.1 below);

- “Amber”, where there are areas of uncertainty or gaps in the information available to determine whether or not scrutiny is necessary. WDC has seven “amber” areas in the 2011 assessment (see paragraph 3.3.1 below); and
- “Green”, where there are no significant concerns. WDC has 20 “green” areas in the 2011 assessment.

**3.1.4** At Appendix 2 to this report is attached an analysis of the changes to West Dunbartonshire Council’s Shared Risk Assessment from 2010 to 2011. The content of Appendix 2 can be summarised as follows:

<u>Area</u>	<u>2010 Assessment</u>		<u>2011 Assessment</u>	
	<u>Significant risks and concerns (Red)</u>	<u>Area of uncertainty (Amber)</u>	<u>Significant risks and concerns (Red)</u>	<u>Area of uncertainty (Amber)</u>
Outcome areas	1	2	1	2
Services	0	0	0	0
Corporate Assessment	2	2	0	5
<b>Total</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>7</b>

**3.1.5** As can be seen from the analysis in the above table, and in further detail in Appendix 2, for the first shared risk assessment WDC had three “red” areas and four “amber” areas. In the 2011 assessment there is one “red” areas and a total of seven “amber” areas.

### **3.2 Area of Significant Risks and Concerns**

**3.2.1** One area of significant risks and concerns was identified in the 2011 assessment:

- Outcomes relating to *regenerating and growing the local economy* – 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 that it is having in West Dunbartonshire. This area will be considered by Best Value Audit work in 2012/13. (see table at paragraph 6 of the Audit Scotland report attached at Appendix 1))

### 3.3 Areas of Uncertainty

#### 3.3.1 Seven areas of uncertainty were identified in 2011:

- *Affordable and sustainable housing* – This has moved from “no significant risk” as a result of the uncertainty around the proposed stock transfer and limited evidence of a contingency plan should the proposal not be accepted by local tenants.
- *An Improving Council* – There is evidence of recent improvement in the Council, for example in terms of the budget process and the reserves position and a number of initiatives are under way. However, the LAN assessment is that the improvement is not yet sufficient to move this area to no significant risk.
- *Performance management and improvement* – 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* – The Council is consulting in relation to the schools estate and has plans to deliver on its overall asset strategy. There is a significant area of uncertainty in relation to the outcome of proposals for partial housing stock transfer. While some progress has been made on asset management overall the impact of this is yet to be demonstrated and this remains an area of uncertainty.
- The risk assessment 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 a result of the Council starting to address a range of issues in 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. These areas will be considered by Best value Audit work in 2012/12.
- *use of resources – financial outlook* – This is a new area of assessment - in 2010 this was assessed within financial management. It has been assessed in 2011 as an area of uncertainty as a result of the economic downturn and the impact of budget pressures being experienced by all public sector organisations.

(see paragraphs 6 to 13 of the Audit Scotland report attached at Appendix 1)

### 3.4 National risk priorities

3.4.1 A number of core national risk priorities are being applied to all 32 Councils, these being:

<u>Area</u>	<u>WDC Risk Assessment</u>
The protection and welfare of vulnerable people (children and adults)	No significant risk
Assuring public money is being used properly	Area of uncertainty
The council's response to the challenging financial environment	Area of uncertainty

### 3.5 Council Response






#### Assurance and Improvement Plan Scorecard

3.5.1 Departments have already identified through their departmental planning process actions to deliver on these key areas discussed at paragraphs 3.2.1 and 3.3.1 and the strategic / high level elements of these have been brought together in an AIP scorecard report for 2011/12 which is attached at Appendix 3 of this report.

3.5.2 The focus of the AIP is on the one “red” and seven “amber” areas. However, Executive Directors have been asked to ensure that appropriate actions are contained within their service plans to ensure that the remaining 20 areas continue to be assessed as having no significant risk, i.e. “green” status. In Appendix 4 of this report a note is provided on each “green” area in terms of achievement, progress and ongoing activity in order to maintain a “green” status.






3.5.3 For 2011/12, Audit Scotland have confirmed that WDC can merge the Best Value Improvement Plan into the Assurance and Improvement Plan, so that only one scorecard report rather than the previous two reports is now required in Covalent.

3.5.4 The status column in Appendix 3 and the tables shown below provide a visual aid to assessing the status of each action, i.e.:

Action Status	
	Cancelled
	Overdue; No longer assigned
	Unassigned; Not Started; Check Progress
	Resuming; In Progress; Assigned
	Completed






**3.5.5** Table 1 below summarises the status of actions across the one “red” areas and seven “amber” areas referred to respectively at paragraphs 3.2.1 and 3.3.1 above:

**Table 1**

<b>Action Status</b>						
<b>Area</b>	<b>Category</b>	<b>Page Refs. in App 3</b>	Green  	Amber 	Red  	<b>Total</b>
<b>1 – Outcome Assessment</b>						
1.1 Regenerating & Growing Our Local Economy	Significant risks and concerns		7	0	0	7
1.2 Affordable and sustainable housing	Area of uncertainty		3	0	0	3
1.3 An Improving Council	Area of uncertainty		8	0	0	8
<b>Total</b>			<b>18</b>	<b>0</b>	<b>0</b>	<b>18</b>
<b>2 – Corporate Assessment</b>						
2.1 Vision & Strategic Direction	Area of uncertainty		8	0	0	8
2.2 Performance Management & Improvement	Area of uncertainty		9	0	0	9
2.3 Use of Resources – Financial Outlook	Area of uncertainty		3	0	0	3
2.4 Use of Resources – Financial Management	Area of uncertainty		4	0	0	4
2.5 Use of Resources – Assets	Area of uncertainty		8	0	0	8
<b>Total</b>			<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>
<b>OVERALL TOTAL</b>			<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>

**3.5.6** Table 2 below summarises the status of actions across the three core national priorities referred to at paragraph 3.4.1 above.

**Table 2**

<b>Action Status</b>						
<u>Area</u>	<u>Category</u>	<u>Page Refs. in App 3</u>	Green  	Amber 	Red  	<b>Total</b>
<b>3 – National Risk Priorities</b>						
3.1 The protection and welfare of vulnerable people (children and adults)	No significant risk		2	0	0	2
3.2 Assuring public money is being used properly	Area of uncertainty		1	0	0	1
3.3 The council's response to the challenging financial environment	Area of uncertainty		1	0	0	1
<b>Total</b>			<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>

**3.5.7** It is intended that the first update of the new AIP will be submitted to the Council meeting on 28 September 2011, with further updates being provided on a quarterly basis.

### **Improvement & Efficiency Executive**

**3.5.8** The Improvement & Efficiency Executive (I&EE) was set up as a result of a decision made by Council in February 2008 in order to provide a further level of scrutiny, in particular for the Best Value Improvement Plan. The first meeting of the I&EE took place on 23 April 2008. Over the past fifteen months, the I&EE has been scheduled to meet on four occasions, namely:

- 13 April 2010 (meeting took place)
- 17 June 2010 (meeting abandoned as only one Elected Member attended)
- 30 September 2010 (meeting took place)
- 11 February 2011 (meeting cancelled on day before)

**3.5.9** In view of the BVIP merging with the AIP it is recommended that the I&EE be discontinued, with the AIP and other papers as appropriate being reported directly to Council.

## **4. People Implications**

**4.1** There are no people implications.

## 5. Financial Implications

- 5.1 For financial year 2010/11, a budget of £108,500 was set aside for improvement activities associated with the Best Value Improvement Plan. Expenditure against this budget can be summarised as follows:

	£
Senior Manager Network	8,288
Culture Change	8,989
Clyde Valley "E" Learning	13,688
Quality Scotland membership fee	2,125
Miscellaneous	865
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	£33,955
	=====

- 5.2 A budget of £20,000 has been set aside for Best Value Improvement Plan related activity during 2011/12, against which no expenditure has as yet been allocated.

## 6. Risk Analysis

- 6.1 The Strategic Leadership Group recently held a session at which the Council's strategic risks were re-evaluated. Following discussions, five strategic risk themes were identified, one of which is "External Scrutiny", reflecting the Council's commitment to the local government inspection process.

## 7. Equalities, Health & Human Rights Impact Assessment (EIA)

- 7.1 No issues are identified at this stage regarding potential equality impact of this action plan.

## 8. Conclusions and Recommendations

- 8.1 Members are asked to note the progress that has been made across the Council during 2010/11, per Appendix 1, in relation to the areas of concern as identified in the first Shared Risk Assessment, issued in June 2010.
- 8.2 Members are asked to review and comment on the progress of the new Assurance and Improvement Plan for 2011/12.
- 8.3 Members are asked to note that for 2011/12 the Best Value Improvement Plan has now been merged into the Assurance and Improvement Plan.



- 8.4 Members are asked to agree that the Improvement & Efficiency Executive be discontinued with reports on the Assurance and Improvement Plan for 2011/12 and other papers as appropriate being submitted directly to Council.

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**David McMillan**  
**Chief Executive**  
**Date: 21 June 2011**

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- Appendix 1:** Shared Risk Assessment - Assurance and Improvement Plan 2011/14
- Appendix 2:** Analysis of Changes to West Dunbartonshire Council's Shared Risk Assessment from 2010 to 2011
- Appendix 3:** Assurance and Improvement Plan Update for 2011/12 – Scorecard Report
- Appendix 4:** Assurance and Improvement Plan – Summary of Ongoing Activity in “Green” Category Areas
- Background Reports:** See links below
- Wards Affected:** All

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i [West Dunbartonshire Council \(25 August 2010\). Report to Council - Shared Risk Assessment: Assurance and Improvement Plan](#)

ii [West Dunbartonshire Council \(27 October 2010\). Report to Council - Shared Risk Assessment: Assurance and Improvement Plan](#)

iii [West Dunbartonshire Council \(23 February 2011\). Report to Council - Shared Risk Assessment: Assurance and Improvement Plan](#)

<http://www.audit-scotland.gov.uk/work/scrutiny/aip.php>