

East Ayrshire Council

Assurance and Improvement Plan Update 2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for East Ayrshire Council was published in July 2010. That document set out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a shared 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 is 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 links to the proposed scrutiny response.
3. The LAN met again in November 2010 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.
4. This report is the result of the third shared risk assessment which began in November 2011. The risk assessment considers the audit and scrutiny risks in relation to the council strategic priorities, services and corporate governance framework. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
 - The council's own self-evaluation, performance reporting and supporting evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (SHR) (including published inspection reports and other supporting evidence).
5. The outcomes of that exercise are contained in this short report which summarises changes to risk assessments and proposed scrutiny responses. Appendix 1 to this report sets out a timetable for proposed audit and inspection activity between April 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment.

Summary

6. As was the case in the last AIP, the LAN has again concluded that there are no significant scrutiny risks in the council's services, outcomes and corporate governance framework. Two areas of uncertainty have been identified by the LAN. These relate to: the councils outcomes for improving health and wellbeing objective; and aspects of the social work service regarding outcomes for looked after children and care leavers, aspects of the assessment and management of risk of vulnerable people and aspects of strategic commissioning and planning. The reasons for the uncertainties are detailed below. In these areas work will be carried out as part of the ongoing base line scrutiny activity to gather more information and monitor the impact of council improvements. The updated position in these areas will then be reflected in scrutiny body reports or the next AIP as appropriate.
7. In the last AIP, areas of uncertainty were reported by the LAN in building works services, planning and development services and the improving community regeneration outcomes. As a result scrutiny work was carried out by the LAN in the council's building and works service to review the council's improvements to the response repairs services and thus reduce the risk of poor service delivery in this area. Also, the LAN is now satisfied that the council is more ably demonstrating how it is improving community regeneration and, consequently, the actions it is taking in the planning and economic development department. This has enabled the LAN to conclude that there are no longer areas of uncertainty in these areas. This is an improved position from the last AIP.
8. There is no scrutiny activity aimed specifically at East Ayrshire Council. This is reflected in Appendix 1. However, please note the footnotes at Appendix 1 which highlight the baseline scrutiny activity which will continue at unit level throughout the period of the AIP. This includes, for example, SHR work in connection with the councils approach to evictions, tenancy sustainment and 2012 homelessness target progress. Please also note that the recent ISLA follow up should be completed by Spring 2012.

National risk priorities

9. A number of core national risk priorities have been assessed in all 32 councils as part of this process. These are:
 - **The protection and welfare of vulnerable people (children and adults) including access to opportunities – No significant risks.** The council is continuing to work towards improving outcomes for looked after children through the investment in and re-design of services for children and families. School attendance and exclusions of looked after children are improving although national figures for the educational attainment of looked after children as school leavers in 2009-10 remains low and work is underway to increase positive destinations for care leavers. The council have worked with the Care Inspectorate in regard to several poorly performing regulated care services and have demonstrated their "duty of

care” by taking out moratoriums on admissions and removal of the quality award allowances. They have increased capacity to monitor the quality of care homes for older people by funding additional social worker posts and establishing a multi-agency team. The service has opened another new purpose built care home for children and young people and actively sought advice from a variety of sources including the Care Inspectorate, who have been impressed by the way they managed this particular piece of work.

- **Assuring public money is being used properly – No significant risks.** The council continues to demonstrate sound financial management and scrutiny arrangements.
- The council's corporate governance framework is effective in challenging the performance of services and driving improvements. The developing MIS performance management system (such as the dedicated portals for members to view performance information and statistical information on service delivery) allows systematic review of performance information for members and officers.
- The council has robust self-evaluation arrangements in place. All services of East Ayrshire Council undertake annual EFQM assessments. There are two exceptions which use more service specific self-evaluation tools. The Education Service uses the Quality Management in Education 2 (QMIE2) framework to self-assess. Similarly, the council has adopted the Care Inspectorate's Self Evaluation Model in Social Services.
- A rolling programme of Best Value service reviews is undertaken. The Governance and Scrutiny Committee's work programme includes a number of reviews of aspects of specific service provision, for example, winter road maintenance.
- The council is making preparations for its third "council-wide strategic self-assessment of performance". This process, led by the chief executive and executive directors, scores the council's performance against Audit Scotland's ten Best Value criteria.
- **How councils are responding to the challenging financial environment – Area of uncertainty.** The council enters these challenging financial times with usable reserves totalling £56.288 million (as at 31 March 2011) and a history of spending within its budgets. Reserves include an unallocated general fund balance of £11.350 million. This fund is expected to increase further during 2011/12 due to projected underspends and a review of committed general fund balances. Hence, uncommitted balances at 31 March 2012 are projected to be above the target range of two per cent (approximately £6.7 million) to four per cent (approximately £13.4 million) of gross expenditure.
- The Scottish Government issued the proposed financial settlement for 2012/15 in December 2011. This indicated that East Ayrshire Council will receive £236.752 million of revenue support in 2012/13, a reduction of £1.075 million (0.5 per cent) from 2011/12.

- The council have consulted extensively with stakeholders and have held a series of seminars with members to identify and consider the challenges facing the 2012/13 budget. A funding gap of £11.506 million was identified in November 2011 which will be met by management efficiencies and savings of £5.493 million, and by using £6.013 million of the uncommitted general fund balance. This was incorporated in the budget approved by members in December 2011 – the first council in Scotland to approve its 2012/13 budget.
- The council's budget strategy recognises that the use of balances in the 2012/13 budget will require a timely response in relation to future year's financial strategies. Hence, a comprehensive review of all aspects of the council's performance will be undertaken to allow appropriate recommendations to be made to resolve financial challenges. The (third council-wide) strategic self assessment will inform a further round of service reviews in all departments, with a view to designing a sustainable medium term financial strategy linked to the priorities and outcomes of the council.
- Overall, we are satisfied that the council is taking appropriate steps to manage the budget reductions in future years. This, and the financial stewardship demonstrated in previous years enabled the LAN to conclude that there are no significant risks regarding financial management.
- However, the unprecedented scale of the reductions being sought, combined with the need to ensure that savings are sustainable, means that the LAN considers there is a degree of uncertainty over their attainment and the impact that this will have on the services provided. The LAN will continue to keep the financial position of the council and its progress towards achieving sustainable budget reductions under review and report on it as part of the 2011/12 annual audit.

Areas of unchanged scrutiny risk assessment

10. This update focuses predominantly on those areas assessed as being uncertain or having significant risk. However, in the interest of providing a broader view of the council’s overall risk assessment, it is important to highlight those areas that were previously assessed as having no significant risks which, based on additional evidence in the current year, continue to be so. These areas are:

Service	Outcome	Corporate Assessment
Finance & Corporate Support	Promoting lifelong learning	Vision and strategic direction
Finance	Improving community regeneration	Leadership & culture
Human Resources	Improving community safety	Planning and resource alignment
Corporate Infrastructure		Partnership working and community leadership
Democratic Services		Community engagement
Legal, Procurement & Regulatory Services		Governance and accountability
Educational & Social Services		Performance management
Education		Challenge and improvement
Neighbourhood Services		Customer focus and responsiveness
Leisure, Street Cleansing,		Risk management
Waste Management, Community Safety		Competitiveness
Housing		Financial management
Roads & Transportation		Asset management
		Managing people
		Procurement
		Equalities
		Sustainability

11. The following table relates to issues where risks or uncertainties in the council's processes and activities were identified in the 2011/12 AIP and remain unchanged.

Area	Risk Assessment	AIP Update
<p>Corporate objective-Improving health and wellbeing</p>	<p>Area of uncertainty</p>	<p>The council and its partners have reported through the Community Planning/SOA Annual Performance Report 10/11 improvements in the progress of the majority of indicators. The report also highlights several initiatives and activities which have and will continue to contribute to improving health and wellbeing.</p> <p>The CHP has made some improvements in health statistics such as reducing emergency stays for people with angina by over 40%. However it also recorded a 40% increase in the rates of emergencies for people with chronic obstructive pulmonary disease; one of the highest amongst Scottish local authorities.</p> <p>Home care figures reported in Statutory Performance Indicators for 2010/11 are showing good performance. All indicators are above the Scottish median and show improvement from previous year's figures.</p> <p>While there has been some improvement in attendance at pools and libraries, the figures remain among the lowest per capita in Scotland. There has however been significant investment in new leisure facilities and steady year on year increases in attendances at leisure facilities as a whole.</p> <p>The LAN considers the effectiveness of the council and its partners' strategies can only be judged in the longer term and that a level of uncertainty on progress remains. The most recent CHP Health and Wellbeing profile (2010) shows no change in the health and wellbeing indicators since the 2008 CHP profile. The profile indicates that 27 out of 59 (46%) health and wellbeing indicators published by the NHS are statistically significantly worse than the Scottish average. This includes all cause mortality rates.</p> <p>No additional scrutiny work is planned, however, Audit Scotland will monitor progress against the single outcome agreement and the council's other plans as part of the annual audit.</p>

Changes to 2011/12 risk assessments

12. The following table relates to risk assessments that have been changed from the 2011/12 AIP.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
<p>Building and Works</p>	<p>Area of uncertainty</p>	<p>No significant scrutiny risks</p>	<p>The council has made changes to the way that it manages the Housing Asset Service (HAS). A joint scrutiny report conducted by Audit Scotland and the SHR concluded that there are now adequate governance arrangements in place for the HAS. In addition the council continues to make strong performance improvements in its housing repair service. Therefore the service is no longer considered to be a significant scrutiny risk area.</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			The action plan agreed with management will be followed up as part of the local audit work undertaken by Audit Scotland in conjunction with the Scottish Housing Regulator.
Social Work Services	No significant scrutiny risks	Area of uncertainty	As a result of the initial scrutiny level assessment (ISLA) conducted in 2011, no significant risks were identified in the following areas: governance and financial management, management and support of staff, assessment and care management, self-evaluation and service improvement and equalities. However, there were areas of uncertainty around some key areas: educational attainment for looked after children and outcomes for care leavers where performance has been slow to improve. Other uncertain areas included aspects of risk assessment and risk management practice, strategic commissioning and planning. Scrutiny took place in January 2012 and no further specific scrutiny work will be carried out in this area in 2012/13. However, the Care Inspectorate, through its link inspector, will monitor the councils' improvement plan.
Planning and economic development	Area of uncertainty	No significant scrutiny risks	<p>This service has a significant contribution to make to the council's strategic priority of regeneration.</p> <p>The council and its partners reported (through the Community Planning/SOA Annual Performance Report 2010/11) improvements in the majority of indicators. The report also highlights several initiatives and activities which have and will continue to contribute to improving community regeneration. Reported targets have been exceeded for business related activity and progress on town centre regeneration initiatives in Kilmarnock and Cumnock. Also, the proportion of householder planning applications dealt by the Council within two months has increased in the past year from 66.9% to 88.5% and for non-householder applications from 40.3% to 53.1%. The overall rate of 66.3% achieved by the council in 2010/11 is the Scottish average.</p> <p>The council and its partners have demonstrated a good understanding of the economic needs of the area through local research, consultation and surveys.</p> <p>The Cabinet approved a service restructure in June 2011 following the completion of a service review. The proposed organisational model realigns the functions of the department and allocates resources to address the identified economic challenges of the area. It is too early for the benefits of this reconfiguration to be realised.</p> <p>Due to these improvements this is no longer an area of uncertainty for the LAN. Audit Scotland will</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			monitor progress against the service plan and the council's other plans as part of the annual audit.
Improving community regeneration	Area of uncertainty	No significant scrutiny risks	<p>The council has clearly articulated objectives to achieve this outcome; however, external factors will inevitably have an influence on whether they can be fully realised. Given the current economic climate and the socio-economic issues within East Ayrshire, the council faces a level of uncertainty in achieving its objectives.</p> <p>The council and its partners have demonstrated a good understanding of the economic needs of the area through local research, consultation and surveys. The Community Planning/SOA Annual Performance Report 10/11 reported improvements in the progress of the majority of most indicators. The report also highlights a significant number of initiatives and activities which are contributing to improving community regeneration. Reported targets have been exceeded for business related activity and there has been progress with the council's flagship town centre regeneration initiatives in Kilmarnock and Cumnock.</p> <p>Due to these improvements this is no longer an area of uncertainty for the LAN. Audit Scotland will monitor progress against the single outcome agreement and the council's other plans, as part of the annual audit.</p>

Review of 2011/12 planned activity

13. The previous AIP update issued in May 2011 highlighted the scrutiny activity scheduled to take place in 2011/12. All of the scrutiny activity has been completed as noted below:

- East Ayrshire Council social work service submitted a progress report to elected members in August 2011 and to the Care Inspectorate on the action plan following the inspection of prison based social work services. A number of actions were reported as being complete with others well underway.
- Education Scotland conducted routine inspections with education establishments within East Ayrshire Council and all received positive reports. One school which received a negative report in 2008-09 has now made sufficient progress. No schools are currently involved in follow through activity with Education Scotland.
- SHR and Audit Scotland produced a joint report on the Housing Asset Service which provided generally positive feedback on progress made to date. The results of this work have been reflected in our updated risk assessment.

- The Audit Scotland review of fire and rescue services in Strathclyde has been carried out and the report was published in March 2012. There were no issues from the review impacting directly on East Ayrshire Council.
- The Care Inspectorate's 'initial scrutiny level assessment of East Ayrshire Council's social work services took place between July and October 2011 and was based on a scrutiny of 80 case records, analysis of documents provided by the council, key performance data and published scrutiny evidence. No significant risks were identified in the following areas: governance and financial management, management and support of staff, assessment and care management, self-evaluation and service improvement and equalities. However there were issues requiring to be addressed around some key areas, and scrutiny sessions commenced in January 2012 to focus on the following areas: outcomes for some groups of people who use services, aspects of risk assessment and risk management practice, strategic commissioning and planning. A draft report focussing on these areas was issued to the council for comment and, once agreed, will be published in Spring 2012. At the time of preparing this AIP update we have assessed this as an area of uncertainty as the LAN do not yet know the extent to which the recommendations made by the Care Inspectorate will be agreed, nor has the resultant improvement plan been determined. The findings from the published Care Inspectorate report and the action taken by management will be reflected in next year's AIP update.

14. The revised three year scrutiny plan for 2012-13 to 2014-15 is set out at appendix 1.

Scrutiny plan changes

15. As result of the LAN's updated risk assessments and revised work plans the following changes have been made to the scrutiny plan issued in May 2011:
- the social work file reading exercise originally planned for August 2012 was carried out during the 2011 ISLA
 - the Housing Benefit Performance audit which was previously scheduled for August 2012 was carried out in March/April 2012
 - a follow-up of Audit Scotland's national report Maintaining Scotland's Roads will be carried out in 2012/13. This does not result from the shared risk assessment but is national activity
 - the council will carry out a self assessment of its evictions and tenancy management arrangement in October 2012. This will be supported by SHR, who will monitor the outcome of the self assessment. It is not expected that this will require any on site scrutiny work by SHR
 - we are not aware of plans to proceed with the multi agency inspection of substance misuse. We have therefore removed this from appendix 1. Last year's AIP noted that there was the possibility of work in this area being carried out in 2013/14.

Appendix 1: Summary of scrutiny activity

Scrutiny activity in the shaded rows does not result from the shared risk assessment but is either at the request of the council eg supported self evaluation work or national activity eg national follow up work or activity requested by Ministers.

EAST AYRSHIRE COUNCIL	2012-13											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Maintaining Scotland's Roads (follow up of Audit Scotland national report)												
Self Assessment of evictions and tenancy sustainment arrangements (supported by SHR).												
	2013-14											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No specific scrutiny activity												
	2014-15											
Indicate scrutiny activity for rolling third year												
No specific scrutiny activity												

Footnotes

- The focus of the AIP Update 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.
- At the request of Scottish Ministers the Care Inspectorate will lead a **Joint Inspection of Children's Services** in each local authority area in Scotland. These inspections will commence in 2012/13 starting with a development site in April/May 2012 and a cycle of inspection of services for children which will report publicly from Autumn 2012. LAN leads and the council will be advised in due course.
- In addition, Audit Scotland will be working with scrutiny partners to pilot an approach to assessing the **delivery of outcomes by community planning partnerships**. Pilot sites will be confirmed with the LAN lead in due course.
- Audit Scotland undertake an annual rolling programme of **thematic performance audits**. The fieldwork sites are identified as part of the development of the scope for each individual audit. Fieldwork sites will be confirmed with LAN leads as each audit is developed.
- The **annual audit** of local government also comprises part of the baseline activity for all councils.
- 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 exact timing of the audits will be confirmed through the LAN lead.
- **Education Scotland**, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate the **Care Inspectorate** will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- Scrutiny bodies also reserve the right to make unannounced scrutiny visits.