

Shared risk assessment: Assurance and improvement plan 2010–13

East Ayrshire Council



social work
inspection agency



THE SCOTTISH
HOUSING
REGULATOR



HMIe

improving Scottish education
leasachadh foghlam na h-Alba



AUDIT SCOTLAND

Contents

1. Introduction	2	4. Delivering outcomes for communities	9
The Assurance and Improvement Plan	2	Strategic priorities	9
Why have we prepared this AIP?	2	Area of good practice	10
What do we mean by a scrutiny risk?	3	Services	11
What does proportionate scrutiny mean?	4	Implications for scrutiny activity	13
Baseline scrutiny activity	4	5. Corporate assessment	14
2. Summary	5	Implications for scrutiny activity	16
Local risk priorities	5	6. Conclusion	17
National risk priorities	6	Appendices	18
3. The council's context	7	Appendix 1	18
Self-evaluation	7	Appendix 2	29
		Appendix 3	37

1. Introduction

The Assurance and Improvement Plan

1. This Assurance and Improvement Plan (AIP) is the product of a collaborative approach adopted by the following scrutiny bodies operating in East Ayrshire Council:
 - Audit Scotland
 - Care Commission
 - Her Majesty's Inspectorate of Education (HMIE)
 - Scottish Housing Regulator (SHR)
 - Social Work Inspection Agency (SWIA).
2. The AIP sets out the planned scrutiny activity for East Ayrshire Council for the period from 2010 to March 2013 based on the local area network's (LAN) shared risk assessment of the council. The scrutiny activity is designed to be proportionate to the assessed risks.

Why have we prepared this AIP?

3. The overall 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. This will be achieved by:
 - jointly identifying and monitoring key scrutiny risks through the sharing of intelligence and information
 - coordinating the timing and approach of our audit, inspection, regulation and improvement support activity
 - drawing on each other's work to avoid duplication of effort
 - building on each other's work to maximise its value.
4. The AIP draws on a number of sources of information, including:
 - reports and data from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence)
 - the Best Value 2 'pathfinder' audit conducted by Audit Scotland during 2009/1
 - the annual report to members and the Controller of Audit for 2008/09²

¹ [East Ayrshire Council - Best Value 2 pathfinder audit](#)

² [East Ayrshire Council - Report to Members and the Controller of Audit on the 2008-09 Audit](#)

- the council's own self-evaluation and supporting evidence
- the 2008/09 Strategic Audit Risk Assessment (SARA) for East Ayrshire Council.

What do we mean by a scrutiny risk?

5. All local government scrutiny bodies have agreed the definition of shared risk assessment as:

'A joint approach using key information about local government to plan scrutiny activity that is proportionate and based on risk'

6. In assessing risk we consider the scope and significance of an issue and the likelihood of an undesirable outcome. Where we assess a specific area as being subject to significant level of risk this normally indicates that we would need to undertake an appropriate level of scrutiny activity in order to provide public assurance. However, a significant issue, well managed by an aware council, may not present a high risk. We also identify areas of uncertainty where insufficient evidence is available to make a judgement, where the evidence is unclear or where the impact of any action taken by a council to address an area of concern is unclear.

7. Significant concerns identified through the shared risk assessment may include areas where the available evidence indicates that:

- Performance is poor, slipping or not improving.
- Service or outcome standards are unacceptable.
- Improvement is not on track to achieve a target.
- Locally agreed priorities do not reflect evident and pressing need.
- Insufficient account is being taken of inequality.
- Insufficient account is being taken of people whose circumstances make them vulnerable or who are at risk of avoidable harm.
- There are question marks about the sustainability of current performance or the achievement of improvements.
- Processes to support continuous improvement are not well established or are ineffective.

8. We recognise that risk levels will change as significant events occur and as councils take action to address identified risks. Scrutiny bodies, through local area network contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the LAN lead, in consultation with other LAN members will update the AIP as appropriate. LAN members will draw any significant matters to the attention of the LAN lead as they arise. The LAN lead will determine what action should be taken in terms of initiating contact with other LAN members.

9. The council is expected to initiate contact with the LAN lead where significant events occur that are likely to influence scrutiny activity. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.

What does proportionate scrutiny mean?

10. When considering the appropriate level of scrutiny activity for each council we consider the following points to ensure that is proportionate.
 - Is scrutiny activity the best driver for improvement?
 - If so, how can we tailor that activity to the areas where it will have the most impact?
 - How can we tailor that activity in terms of its frequency, intensity and scope?
 - What is the minimum level of scrutiny required to provide assurance to the public?
 - How can we work together to minimise the impact of the scrutiny activity on the council?

Baseline scrutiny activity

11. 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 ongoing 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 statutory 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. In addition, other work may be undertaken as a result of a specific Ministerial request.

2. Summary

East Ayrshire Council is very self aware and has a track record of continuous improvement. The council knows where changes are required and has good plans in place to deliver improvements. It has a good record of delivering service reviews that result in improvements to processes, services and outcomes. The council's governance and scrutiny arrangements are, generally, sound. The council was an enthusiastic participant in the BV2 pathfinder programme and, in a very positive report, was assessed as 'improving well' in respect of pace and direction of change and 'well placed' to deliver future improvement. The LAN has concluded that there are no significant areas of concern which would require specific scrutiny input.

Local risk priorities

12. The LAN's shared risk assessment identified a small number of areas of service provision where sufficient information is not yet available to allow the LAN to fully conclude on the progress. Social Work Services, in particular, has been the subject of continuing efforts to address resource issues and re-configure service delivery. It will also be important for the Education Service to ensure that an upturn in educational attainment is sustained. These issues will be kept under review by routine scrutiny activity undertaken by HMIE, SWIA and the Care Commission, and, where appropriate through joint exercises with Audit Scotland.
13. East Ayrshire has some longstanding demographic, social and economic challenges. The council and its community partners demonstrate a very good awareness of the challenges the area faces and respond in a proactive and innovative way. The council demonstrates the clear vision and leadership needed to drive the community planning agenda and make improvements for its citizens through joint working.
14. In each of the Community Planning Partnership priority areas there is a wide range of initiatives, demonstrating strong partnership working and a clear focus on having a positive impact on the community. In the last year, the partnership reported that it fully achieved 76 per cent of its planned outputs, with good progress being made against a further 19 per cent. Council services perform relatively well and customer satisfaction indicators are, on the whole, positive.
15. The council has received generally positive reports from inspectors, scrutiny and audit agencies, and services have shown an overall improvement trend although some longer term outcome indicators in areas relating to economic regeneration and health remain below the national average. The council has effectively completed its Best Value Improvement Plan (reported September 2006). The council was an enthusiastic participant in the BV2 pathfinder programme and, in a very positive report, was assessed as 'improving well' in respect of pace and direction of change and 'well placed' to deliver future improvement.
16. In November 2008 a workshop for elected members facilitated by Professor Alan Alexander, identified three strategic commitments as key priorities for the council in the delivery of the community plan and the associated single outcome agreement (SOA). These commitments are: regenerating town centres; improving educational attainment; and building new council housing.

17. The council manages its resources well, and continues to develop its approach to making the most of its people, money and property in support of delivering its priorities. A new IT based performance management system is being rolled out across the council. Improved access to good quality performance information for managers and councillors will sharpen focus on improvement across the council.
18. Elected members and senior managers work effectively together and the political environment is courteous and professional. Governance arrangements are well developed and, on the whole, effective. There have been two high profile incidents in recent years which have been attributable to a failure of governance arrangements. Management and member response to these incidents have been uncompromising and effective.

National risk priorities

19. National risk priorities have been identified by the Scottish Government and these are reflected in national scrutiny priorities which are considered in the shared risk assessments for all councils. Risk assessments against these priorities are not separately recognised; instead they are reflected in the relevant outcome, service and corporate assessments. The following paragraphs summarise the position at East Ayrshire Council for each of the national priorities.
20. **Protection, welfare and access to opportunities for: children, adults in need of support and protection, and older people.** This area has been considered by the LAN as part of the assessment of the council's Social Work Service. A SWIA follow-up inspection is to be undertaken in May/June 2010. The council is to produce a housing improvement plan for by late 2010; this will be reviewed by SHR and further scrutiny action initiated as appropriate. We have identified this as an area of no significant risks. Progress against previous inspection reports will be assessed in the follow-up inspections.
21. **Assuring public money is being used properly.** Coverage of this priority is a routine element of the annual audit activity. The council's governance arrangements are, generally, sound. The council is set to undertake a second strategic review of its revenue budget in 2010/11. The BV2 Pathfinder report (publication date April 2010) is very positive. We have identified this as an area of no significant risks.
22. **The impact of the recession.** This area forms a routine element of the annual audit activity, and of ongoing monitoring activities of other scrutiny bodies. The council is relatively strongly placed in terms of reserves after having made full provision for potential liabilities. We have identified this as an area of no significant risks although we have noted that external variables are a source of uncertainty to the council achieving its aims.

3. The council's context

23. East Ayrshire covers an area of 490 square miles in the south west of Scotland, bordered by five other local authorities. The population of the council area is around 120,000, with 37 per cent of the population living in the main population centre, Kilmarnock. The area is a contrasting mix of urban and rural and of relative affluence and deprivation. The relatively high proportion of the population who live in deprived areas brings with it challenges in terms of health, education, social inequality and community safety. The local partnership has a good understanding of these issues and they are reflected in their strategic priorities for the area.
24. East Ayrshire Council has 32 elected members. The political make-up, following a by-election in October 2009, is 15 Labour, 14 SNP and three Conservative members.
25. After the 2007 elections, a minority SNP administration was established and it adopted a cabinet model for decision-making, with spokespersons for five thematic portfolio areas. The leader of the main opposition group has a position on the cabinet. The leader of the Conservative group is the chair of the Governance and Scrutiny Committee, with a member of the administration in the vice-chair role.
26. A review of the political governance arrangements was submitted to the council in October 2009. As a result, an additional position on the cabinet for the main opposition party was agreed. The council has also agreed to increase the frequency of full council meetings to increase the opportunity for scrutiny and challenge of cabinet decisions by all elected members and has reviewed the current portfolio arrangements to ensure better links with community plan themes.
27. East Ayrshire Council has a strong track record of working with partners to develop and work towards a shared vision for the area. The East Ayrshire community planning partnership's stated vision is: *East Ayrshire will be a place with strong, vibrant communities where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people's needs.* The council and its community planning partners are currently undertaking the four-yearly formal review of the Community Plan.

Self-evaluation

28. The Crerar Review published in September 2007 recommended that more emphasis should be placed on self-evaluation in determining the level and depth of scrutiny applied to Scottish public sector bodies. COSLA and SOLACE recognise that self-evaluation is part of good management and councils are expected to have systems in place that enable them to be aware of how they are performing in achieving their corporate objectives and whether their services represent value for money in terms of cost and quality.
29. All services of East Ayrshire Council undertake annual EFQM Excellence Model assessments using the Quality Scotland 'Pathway Improvement' tool. There are two exceptions which use more service

specific self-evaluation tools. The Education Service uses the Quality Management in Education (QMIE) framework to self assess. Similarly the council has adopted the SWIA Performance Improvement Model (PIM) in Social Services. Each service then develops an improvement action plan which it implements during the subsequent year.

30. The council's second strategic self-assessment of performance was undertaken by the corporate management team, supported by Alastair MacNish OBE as its "critical friend", in late 2008 and reported to cabinet in April 2009. This self-assessment process rated the council against the ten Best Value criteria and 21 subheadings, as described in the statutory Best Value guidance. The impact of this on our planned work is that we will be able to place reliance on the council's own self-assessments falling under the areas being reviewed.
31. As part of the of the 2009/10 revenue budget process, a programme of 22 business reviews was established. This was in addition to the rolling programme of best value service reviews already in place. The Governance and Scrutiny Committee has a work programme of scrutiny reviews, selected from topics submitted for consideration by members of the committee.
32. The council also performs an annual review of its governance arrangements in accordance with the 'Delivering Good Governance in Local Government Framework'.
33. As part of its Best Value improvement agenda the council carried out a strategic review of its revenue budget (SRRB) under the guidance of Professor Arthur Midwinter, an independent specialist in public finance. Fundamental to the council's SRRB initiative was a comparison of the council's spending on services with its expenditure needs as measured by grant aided expenditure (GAE) and with similar councils. The review was designed to ensure that the council received its fair share of national resources and that the resources available were directed in a way that supported the council's strategic objectives. This was an effective piece of work and signalled an improvement in the strategic financial planning process. The council committed to establishing this exercise as a key part of its three year budget setting processes, SRRB2 will commence in March/April 2010.
34. The local area network has used evidence from a number of sources to inform the shared risk assessment of East Ayrshire Council. We have placed reliance on the council's self-evaluation evidence, where we are not aware of any specific risks, using it to ensure that external scrutiny is well targeted and proportionate.

4. Delivering outcomes for communities

Strategic priorities

35. The East Ayrshire community plan was endorsed by all core community planning partners in 2003 as the “sovereign planning document” for the East Ayrshire area and adopted by the council as its strategic plan. Accordingly, the community plan articulates the council’s strategic priorities, which are:

- Promoting lifelong learning.
- Delivering community regeneration.
- Improving health and wellbeing.
- Improving community safety.

36. The council is performing well against many of the targets it has set itself to assess delivery of its four strategic objectives. There are concerns, however, about the prospects for improving opportunities for local communities as a consequence of the economic downturn in the Scottish, UK and global economies. Similarly, community partners have a great deal of work ahead if they are to address established patterns of poor health outcomes across local communities.

Promoting lifelong learning

37. There are no significant risks identified. The council has range of objectives and is monitoring these on an annual basis. It is clear about the areas for improvement and the associated timescales. The council should, however, consider reviewing its objectives to ensure they are sufficiently challenging and continue to address the required outcomes (developing literacy skills, maximizing funding, improving access for younger people).

Improving community regeneration

38. Given the current economic climate, there exists uncertainty in the council achieving its anticipated regeneration outcomes. As was demonstrated by the confirmation of closure of Diageo’s plant in Kilmarnock in 2009, the council’s ability to influence key aspects of this objective has limitations. Recognising this challenge, the council is participating in an all-Ayrshire employment task force to promote a coordinated approach in supporting the county’s wider local economy. The council had previously prioritised the regeneration of town centres as one of its three immediate strategic objectives and is implementing regeneration plans for Kilmarnock, Cumnock and Galston town centres.

39. The council has made some progress in getting people into work and training, however unemployment rates remain above the Scottish average and business start up rates are falling and below the national average.
40. Progress on key objectives including improving business space and promoting strategic business locations has been slower than anticipated. There has been a focus on increasing qualifications and improving employment opportunities for young people although it is too early to assess the impact these activities have had.

Improving health and wellbeing

41. There is evidence that where the council and its partners target programmes of work to particular groups there are positive results. However, there is a risk that ineffective targeting of work will not address underlying health issues and will not deliver the outcomes anticipated. The effectiveness of the council and its partners' strategies can only be judged in the longer term, meantime a level of uncertainty on progress remains.
42. Average life expectancy for males is less than the national average and death rates from heart disease has increased in the past few years. The gap in health indicators between deprived areas and more affluent areas is increasing. Substance abuse is much higher than the national average.

Improving community safety

43. The council and its partners have established a risk management centre to support developments in community safety. There has been a positive impact in recent years in relation to community safety statistics including increasing domestic abuse incidents reported and a significant reduction in the number of fatalities due to road traffic accidents.

Area of good practice

44. East Ayrshire Council has a strong track record of working with partners to develop and work towards a shared vision for the area. East Ayrshire Community Planning Partnership demonstrated early commitment to co-location work with the development of the Dalmellington Area Centre, which opened in 2001. The partnership continues to successfully progress the co-location agenda in East Ayrshire. The co-location centres provide improved access to services for local communities, improved integrated working of the partners as well as capital and revenue efficiencies. There are now five area centres including the £9.4 million North West Kilmarnock Area Centre, and facilities in Drongan, Stewarton and the new Crosshouse Area Centre which opened in April 2010. Further projects are in development including expansion of the services available at the Dalmellington facility.
45. The services currently available at the Dalmellington centre include: GP practice; dental services; podiatry; optometry; midwives and community nursing; the council's local office services, registration office, housing, social work and community learning and development; and Strathclyde police have a 24 hour service at the centre.

46. The third of the partnership's area centres, in North West Kilmarnock, opened in March 2007. It is an impressive facility providing a range of primary care and other services in one of the most deprived areas of East Ayrshire. The services at the centre include:
- housing and social work services
 - crèche, nursery and family centre
 - community facilities, fitness suite and games hall
 - GP practice
 - ten dental surgeries including a teaching facility
 - physiotherapy suite and services
 - nutrition and diet therapy, occupational therapy, speech and language therapy, music therapy, art therapy
 - podiatry
 - midwives, community nursing, community learning disability services
 - Alzheimer's Scotland day care facility, elderly mental health, psychiatry, psychology, community mental health, child and adolescent mental health.
47. The co-location has demonstrated improved working between the services and brought some services, previously located in the area's major hospital, closer to the community. An example of the direct impact on the community is the dental facility which has provided good access to dental health care in an area where dental health is poor and registrations have been low. Recent statistics show a substantial improvement in the dental health of children in the area.

Services

48. East Ayrshire Council is performing relatively well and many statutory performance indicators (SPIs) exhibit a trend of improvement. However, there are a number of SPIs which exhibit static or deteriorating performance. The residents' survey and the Scottish Household Survey (2007) indicate a relatively good level of satisfaction with council services, though residents are more inclined to think the council offers good value for money than high quality services. The paragraphs below identify only those services where there is sufficient uncertainty about the level of risk, to require some additional scrutiny activity.
49. Planning and economic development: Area of uncertainty. The SPIs reported for the planning function indicate that performance in this section has deteriorated significantly. The results from 2007/08 appeared to show encouraging signs that a relatively poorly performing section had taken steps to improve. Householder applications dealt with within two months rose in 2007/08 from 79.2 per cent to 82.2 per cent. This has now reduced to 51.2 per cent, which ranks the council 31 out of 32 Scottish local authorities. For non-householder applications dealt with within two months, performance is

similarly poor, having dropped from 43.2 per cent in 2007/08 to 31.0 per cent, ranking the council 31st in Scotland.

50. The economy and employment remain challenging issues for East Ayrshire. General economic regeneration in the area has been impeded by the recession and the recent announcement by Diageo to close a major whisky bottling plant in Kilmarnock (700 jobs), this followed the closure of a significant employer (180 jobs) in January 2009. The council and its partners have reassessed the broader regeneration strategy. An East Ayrshire employment task force has been extended to include the other two Ayrshire council areas, in order to seek coordinated approaches to support the wider local economy. An all party task force has been set up to address the impact of the closure of the Diageo plant, involving elected members, the local MSP and MP for the area and other regeneration agencies.
51. **Social work: Area of uncertainty.** SWIA carried out a performance inspection of Social Work Services in 2009 and made 15 recommendations. The council has agreed an action plan for implementation which responds to the performance inspection recommendations and is making progress in addressing these. The council has provided evidence to demonstrate progress made and this will be considered by SWIA, during their follow up inspection which commenced in May 2010, to ensure that sufficient progress has been made to mitigate the identified risks, in particular, in Children and Families Services.
52. Two new heads of service took up post in the beginning of 2009, by which time serious budget problems had been recognised. The council established a 'sustainability board' to identify resource issues and re-configure the service, as necessary, to sustain the service into the future. SWIA commenced their follow-up inspection during May 2010, following which we expect to be able to clarify the level of risk, and consequent scrutiny required. The local external audit team and SWIA will collaborate to assess whether the service's sustainability issues have been adequately addressed and the medium term projections for the service.
53. The Care Commission reported concerns over the standard of care for older people provided by external providers and the service's response to poor standards. The Care Commission graded home care as good but recommended closer monitoring of consistency and quality. Both SWIA and the Care Commission concluded that the council provided good direct services to older people.
54. The Care Commission reported, in respect of looked after children, that the council had insufficient accommodation in both numbers and building structure to meet the needs of young people with some homes being over their registered numbers.
55. **Housing: Area of uncertainty.** This is based upon generally good performance in housing management but uncertainties over Scottish Quality Housing Standard (SHQS) plans/progress and also weaker performance in aspects of services delivered to homeless people. The service is also undergoing a significant reorganisation, with council dwelling repairs being brought under integrated housing management. The transformation required will inevitably generate risk. Our approach will be

to monitor how the service manages its risks in these areas and how it measures and reports its performance.

56. SHR is expecting the council to produce an improvement plan by late 2010, after which it will be reviewed and further scrutiny action identified as required.
57. **Building and works: Area of uncertainty.** Considerable comment has been made elsewhere on the issues arising in council's Building and Works STO. After a detailed and rigorous investigation, the council has adopted an improvement plan aimed at addressing the issues identified. Among these were the outsourcing of maintenance work on public buildings other than council houses and the incorporation of the remaining in-house element into Housing Services under unified management.
58. The uncertainty identified here relates primarily to the risks which we associate with changing the working practices and governance arrangements established by the STO and the consequential risk of failure to achieve a best value service to tenants and failure to achieve SQHS by 2015. Specific work will therefore be needed, once that transition is complete, to enable us to obtain the assurances necessary as to the new service's ability to deliver best value.

Implications for scrutiny activity

59. In respect of the two areas of uncertainty recognised above, relating to Housing Services and Social Work Services, scrutiny work has already been arranged by the relevant inspectorate. Both SHR and SWIA have planned specific focused work which will allow us to resolve the uncertainty identified here and determine the level of risk to which the council is exposed. In respect of the other two areas of uncertainty recognised above, relating to the former Building and Works STO and to planning and economic development. The former will be addressed in part through the SHR's planned review of the council's improvement plan, and partly by the external audit team conducting some focused audit procedures on transactions which may materially affect the 2009/10 financial statements. The uncertainty attendant on planning and economic development will be addressed by monitoring management action to address the Planning Service's performance and progress against the council's regeneration agenda.

5. Corporate assessment

60. The council and its partners have a clear and ambitious vision for East Ayrshire, based on a sound understanding of the area and the needs of local communities. Elected members and senior managers work effectively together and the political environment is courteous and professional.
61. Partnership working in East Ayrshire is well established and effective. The council and its partners work together to understand the challenges faced by the community and address these actively. This is evident in initiatives across all of the thematic priorities in the Community Planning Partnership. For example, partners have worked closely to develop a risk management centre, to enhance community transport arrangements, to improve engagement with young people and to promote physical activity and awareness of substance abuse issues. However, progress towards some longer term aspirations remain difficult to assess, particularly in areas relating to economic regeneration and health.
62. The chief executive provides strong and clear leadership for the council. There is a constructive and motivated culture evident both from elected members and officers. There is an embedded culture of continuous improvement and a well established and comprehensive approach to self-evaluation and review, which has resulted in improvements to processes and impact in important areas. Governance arrangements are well developed and, on the whole, sound.
63. The council is acutely aware of the new financial environment within which it is expecting to operate. It has made full provision for potential equal pay compensation claims and expected losses on Icelandic bank investments. The reserves position at 31 March 2009 is shown in the table below.

Reserve	(£'million)
General fund	27.009*
HRA	2.226
Repairs and renewals	6.569
Capital fund	15.712
Total	51.516

* Includes £20.408 million "specifically earmarked"

64. The council's budget for 2010/11 included an efficiency target of £7 million and estimates that it will need to reduce expenditure by around £35 million over the period 2011/14. Plans to achieve these reductions are being developed and the SRRB2 exercise will be a key element in formulating the council's approach over the next few years. The council is to review spending across all services, benchmark spending against comparator councils, compare spending against GAE allocations, examine non-statutory expenditure and examine quality of service provision.

65. The council's management arrangements are well developed and continue to improve. In particular, service planning arrangements have been further developed and are now more closely linked to budgets. The service plans show clear links to the community planning priorities. They also include some resource management information. The council recognises that their arrangements for aligning plans and resources can be further improved and plans are in place to address this from 2010/2011.
66. The council's asset management planning was initially slow to develop. However, over the past two years considerable progress has been evident. An updated strategic asset management plan was approved by the Cabinet in October 2009. It is anticipated that this plan will provide the framework for the delivery of improvements in the use of the council's assets.
67. East Ayrshire Council is actively engaging with the national procurement agenda, as embodied in Procurement Scotland and Scotland Excel. All three 'category' A contracts have been signed off by the council and take up of 'category' B contracts has occurred wherever the council is not already tied into existing contractual arrangements. During the summer of 2009 Audit Scotland performed a survey of all Scottish councils in order to gauge progress nationally. Results indicate that in comparison to other councils, East Ayrshire Council's procurement arrangements were well developed. In respect of the number of contracts let and the proportion of suppliers with which the council has contracts in place, East Ayrshire Council was in advance of its peers.
68. The council demonstrates good awareness of equalities issues and has made progress in developing processes and structures to promote equalities. The council has in place equalities networks for race, gender, disability and older people to support engagement with different equalities groups. Equality schemes and action plans are in place and progress is now being reported to Cabinet. The council has established an equalities strategy group, chaired by the chief executive, which meets quarterly. The council recognises the need for further progress with development and embedding of the arrangements. The council has recently adopted an equalities and impact assessment toolkit to support consistent consideration of equality and diversity issues in the development of policies, plans and strategies.
69. The council approved its Sustainable Development Strategy in January 2009, promoting improvements in environmental sustainability, in particular waste management, energy efficiency, sustainable procurement and biodiversity. Social and economic sustainability are implicit in the Community Planning Partnership's priorities and action plans, particularly in relation to town centre regeneration. Sustainability is highlighted as one of the five priorities for improvement resulting from the 2008 strategic self assessment, particularly in the areas of regeneration, social services and waste management.
70. Progress continues to be made in how the council manages its people. The cabinet agreed a workforce strategy in May 2008 and workforce planning has been introduced into service planning arrangements. The council recognises the need for further progress in and development of this area and is currently implementing an improvement programme. SPIs for sickness absence levels present a mixed picture. Following implementation of a number of improvement actions to address declining performance in this area, the council's position seems to have stabilised.

71. The council and its partners involve the community in a number of ways, including a residents' panel, a three yearly residents' survey, local area forums and stakeholder group forums, such as equalities and youth forums. Consultation with young people in youth forums on tackling anti-social behaviour and substance misuse has contributed effectively to the community safety agenda. The annual budget consultation and engagement exercise is well established in the council. The council's effort to renew the school estate was subject to extensive consultation with the communities affected.
72. A new IT based performance management system is being rolled out across the council. The system will provide improved access to customised and up to date information. Improved access to good quality and up to date performance information will allow managers and members to focus more effectively on service improvement.
73. The survey of residents and the Scottish Household Survey 2007 indicate a relatively good level of satisfaction with council services. Those services with declining satisfaction levels are outweighed by those with improving satisfaction levels. SPIs demonstrate a similar overall pattern of improving services.

Implications for scrutiny activity

74. The absence of any identified significant risks from our corporate assessment of the council means that we will not be conducting any specific scrutiny work in this area during 2009/10. During 2010/11, however, we expect the performance management system to become fully bedded-in, and some work will need to be done by the local external audit team to assess the operation and reliability of the new system.

6. Conclusion

Summary of planned scrutiny activity

75. The appendices to this plan show a summary of the evidence we considered and the overall risk assessments made by the LAN on the outcome, service and corporate risk assessments. They show what scrutiny response the LAN has decided is appropriate in each area. The shared risk assessment process is designed to ensure the level of scrutiny activity is proportionate based on the assessed risks. These results are then reflected in the AIP at Appendix 3 which sets out the basis of our scrutiny risk assessment and the planned scrutiny activity for East Ayrshire Council for the period from April 2010 to March 2013.

Appendix 1

Performance assessment East Ayrshire Council			
Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
Promoting lifelong learning	No significant scrutiny risks	<p>There are no significant risks identified. The council has a range of objectives and is monitoring these on an annual basis. It is clear about the areas for improvement and the associated timescales.</p> <ul style="list-style-type: none"> • The proportion of the workforce in the area with no qualifications has reduced from 13.2 per cent to 11.4 per cent since 2006/07. • The proportion of residents participating in training or learning experiences has increased since the 2005 survey from 23 per cent to 29 per cent in 2008. • The residents' survey indicates this is not reflected across the whole population, where the proportion with a recognised qualification has reduced from 59 per cent to 54 per cent. • Efforts to target learning opportunities at specific user groups are proving effective. An increased number of disabled people are accessing learning opportunities. Initiatives to improve adult literacy and numeracy are making progress with increased numbers of volunteer tutors and high levels of participation in projects. 	<p>Audit Scotland – the local audit team will monitor progress against single outcome agreement outcomes.</p> <p>HMIE - ongoing District Inspector monitoring of positive and sustained destinations for young people. (HMIE)</p>

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
Improving community regeneration	Area of uncertainty	<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 realized. Given the current economic climate, the council faces a level of uncertainty in achieving its objectives.</p> <ul style="list-style-type: none"> • The council has made some progress in getting people into work and training, however unemployment rates remain above the Scottish average. • No (net) new jobs were created in 2008/09 and since 2006/07 the business start up rate has reduced slightly from 2.5 per 1,000 adult populations to 2.4 in 08/09. This goes against the national trend which has shown an increase from 2.8 to 3.5 over the same period. • Progress on key objectives including improving business space and promoting strategic business locations has been slower than anticipated. • There has been a focus on increasing qualifications and improving employment opportunities for young people although it is too early to assess the impact these activities have had. 	<p>Audit Scotland – the local audit team will monitor progress against single outcome agreement and the council’s various community regeneration projects.</p>
Improving health and wellbeing	Area of uncertainty	<p>There is evidence that where the council and its partners target programmes of work to particular groups there are positive results. However, as the effectiveness of the council and its partners’ strategies can only be judged in the longer term, a level of uncertainty on progress remains. The most recent CHP Health and Wellbeing profile (2008) indicates that 54% of the indicators used are “significantly worse” than the Scottish average with only 18% significantly better.</p> <p>East Ayrshire CHP - Health & Wellbeing Profiles 2008</p> <ul style="list-style-type: none"> • Life expectancy at birth has improved in parallel with the Scottish average. However, all cause mortality rates and mortality rates from heart disease are significantly worse 	<p>Audit Scotland – the local audit team will monitor progress against single outcome agreement outcomes.</p>

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>than the Scottish average.</p> <ul style="list-style-type: none"> • Mortality rates from stroke or cancer are not significantly different from the Scottish average. • Older people receiving care at home is significantly above the Scottish average. • Alcohol related deaths over the last five years are significantly lower than the Scottish average. • The residents' survey indicates an increased proportion of residents feel negatively about their general health and the percentage of adults who say they smoke has increased slightly, from 35 per cent in 2005 to 36 per cent in 2008. • Substance abuse is much higher than the national average. • Further information is needed in relation to progress against many of the objectives (tobacco cessation support, breastfeeding, sexual awareness, safer alcohol levels, dietary requirements, and drug awareness). 	
<p>Improving community safety</p>	<p>No significant scrutiny risks</p>	<p>The council and its partners have established a risk management centre to support developments in community safety. There has been a positive impact in recent years in relation to community safety statistics including increasing domestic abuse incidents and a significant reduction in the number of fatalities due to road traffic accidents.</p> <ul style="list-style-type: none"> • Action by the partnership is having a positive impact on community safety, with violent crimes having reduced in 2008/09 from 330 to 245. • In 2007/08, almost 9,500 hours of additional police patrols in the most disadvantaged areas across East Ayrshire supported increased detection rates in targeted communities to 73 per cent. This scheme has subsequently been rolled out to another ward area with historically high levels of crime. 	<p>Audit Scotland – the local audit team will monitor progress against single outcome agreement outcomes.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
<p>Corporate Support</p> <p><i>Personnel</i></p> <p><i>IT</i></p> <p><i>Democratic Services</i></p> <p><i>Legal, Procurement & Regulatory</i></p> <p><i>Community Planning & Partnership</i></p>	<p>No significant scrutiny risks</p>	<p>This is an effectively led department, with several high quality heads of service.</p> <ul style="list-style-type: none"> • Equal pay and single status issues have been quickly engaged with and effectively addressed. • The council has an appropriate IT infrastructure and good quality support is provided to staff by the service. The forthcoming restructure will see the head of this service also take on responsibility for asset management. • Personal development plans for members are now in place, though the overall process has taken longer than expected. • Good progress has been measured against the national procurement agenda. The council is also meeting its targets for the roll out of PECOS, despite some delays integrating it into the financial ledger. • East Ayrshire Council collaborates with neighbouring councils in the delivery of some aspects of environmental health service and is developing a more integrated approach to providing Ayrshire-wide Trading Standards Services. • The council has an excellent level of engagement with the community planning agenda and partner organisations. It is proactive in dealing with its partners and has worked successfully to develop a culture of mutual trust and co-operation. 	<p>Audit Scotland – the local audit team will monitor progress.</p> <p>Audit Scotland – the local audit team will perform some routine testing in compliance with Code of Audit Practice obligations.</p> <p>Audit Scotland – the local audit team will monitor progress.</p> <p>Audit Scotland – the local audit team will monitor progress.</p> <p>Audit Scotland – the local audit team will monitor progress.</p> <p>Audit Scotland – the local audit team will monitor progress against community plan targets.</p>
<p><i>Planning & Economic Development</i></p>	<p>Area of uncertainty</p>	<p>This service area was highlighted in the 2006 BV audit report as an area for improvement. The economic downturn has resulted in a significant reduction in the workload for the service and a significant reduction in the value of the work being processed. The service has recently undergone a service review and it is expected that this should drive improvement.</p>	<p>Audit Scotland – the local audit team will review the outcome of the service review and consider whether the recommendations and action plan are adequate. We will comment as necessary. We will monitor the progress of the section's</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
		<ul style="list-style-type: none"> The proportion of householder applications dealt with within two months has decreased in the past year from 82.2 per cent to 51.2 per cent and for non-householder applications from 43.2 per cent to 31.0 per cent. This service has a significant contribution to make to the council's strategic priority of regeneration and the council needs to consider how this can be best addressed. 	performance.
<p>Education & Social Services</p> <p><i>Social Work</i></p>	<p>Area of uncertainty</p>	<p>The Executive Director has a substantial portfolio to manage and is responsible for in excess of 50% of the council's net service expenditure.</p> <ul style="list-style-type: none"> SWIA carried out a performance inspection of social work services in 2009 and made 15 recommendations. The council has agreed an action plan for implementation of the performance inspection recommendations and is making progress in addressing these. The council has provided evidence to demonstrate progress made and this will be considered by SWIA during their follow up inspection which commenced in May 2010 to ensure that sufficient progress has been made to mitigate the identified risks, in particular in children and families services. Five of the 15 recommendations related specifically to children and families services. Whilst there are new management arrangements within the service, improvements have still to be evidenced in improved outcomes for children e.g. young people waited too long for permanency planning arrangements and most reports were not submitted to the Children's Reporter on time. Outcomes for looked after children need to be improved. The lack of suitable local resources resulted in children and young people placed out of authority. This had a major impact on the budget overspend. More information will be available following SWIA's follow-up inspection in May/June 2010 to clarify the level of risk. 	<p>SWIA follow up inspection in May/June 2010. 2 days file reading and 3 days fieldwork to scrutinise progress in implementation of the recommendations, focusing on children and families services and the problem of sustainability in relation to the provision of social work services. The local external audit team will provide input on financial aspects.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
	<p>No significant scrutiny risks</p> <p>No significant scrutiny risks</p> <p>Area of uncertainty</p> <p>Area of uncertainty</p> <p>No significant scrutiny risks</p> <p>No significant scrutiny risks</p>	<ul style="list-style-type: none"> • HMIE carried out a joint inspection of services to protect children in late 2009 and reported that the Child Protection Committee was well led and focused but that some children's risks and needs were not always addressed quickly enough and in a few cases children were left at risk for too long. • SPIs for both adult and children's services have been variable. Two new service heads were appointed for the start of 2009, by which time serious budget problems had surfaced. The council has established a sustainability board to address this issue, common across Scottish local authorities. • Concern remains that the commissioning of adult services does not take sufficient account of the quality grades awarded by the regulator. This concern extends to both the internal procurement of services as well as the ongoing monitoring of placements or packages of care. • Care Commission reported that the council had insufficient accommodation in both numbers and building structure to meet the needs of young people with some homes being over their registered numbers. • SWIA reported that community care services performed better than children and families services and provided good quality services to the majority of adults needing intervention. As part of the sustainability action plan, the council is in the process of modernising home care services and reviewing high cost care packages. Tightening up of the eligibility criteria may result in people waiting longer for an assessment/service. • SWIA led a multi-agency pilot inspection of learning disability services provided by NHS Ayrshire & Arran and the three Ayrshire local authorities in 2006 and carried up a follow up inspection in 2008. Good progress had been made on all aspects of the delivery plan in 	<p>HMIE – services for children link inspector will maintain contact with services to support improvements.</p> <p>Audit Scotland – the local audit team will monitor council's improvement actions as part of normal activity.</p> <p>Ongoing inspection activity by the Care Commission of regulated services.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
	<p>No significant scrutiny risks</p>	<p>response to recommendations.</p> <ul style="list-style-type: none"> In respect of Criminal Justice, SWIA completed an inspection in East Ayrshire in January 2007, as part of a national programme of criminal justice inspections. Further information was requested to evidence progress in certain areas of practice. In July 2009, SWIA concluded the inspection, noting that most of the key areas for improvement had been met. 	
<p><i>Education</i></p>	<p>No significant scrutiny risks</p>	<p>HMIE note that in relation to the National Performance Framework, all inspections since August 2008 in nursery, special and secondary sectors have resulted in positive inspection reports. In the primary sector, only one was not positive. In the secondary inspections, links with community learning have overall been positive. The authority is keen to improve these links further and has begun planning, with HMIE, training for some key authority personnel.</p> <ul style="list-style-type: none"> Achievement including attainment: an increasing number of children and young people are involved in wider achievement activities including volunteering, eco and enterprise activities, sporting and leadership programmes, authority wide initiatives in music and dance, and national programmes including Duke of Edinburgh and John Muir awards. The authority has focused with some success on reducing the number of exclusions, on improving attendance and on improving attainment. Authority data shows that attainment at 5 – 14 in primary schools in reading, writing and 	<p>Progress will be reviewed through link inspector activity.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>mathematics has been improving over a number of years. In secondary schools, it has been more variable. Since 2004 attainment of young people from S4 to S6 in SQA examinations has been declining. In 2009, there was an improvement in attainment at 5 – 14 and at a number of key measures in SQA performance. While this data does not indicate an improving trend, educational attainment at the secondary stage is not currently a significant risk. The proportions of looked after/looked after and accommodated young people leaving care who achieved at least a basic qualification in one subject and at least a basic qualification in both English and maths has increased notably albeit from a very low baseline. The authority is continuing to develop its approaches to improving achievement for all young people and for those at risk of missing out, for example, through purposeful links with colleges and a recently developed mentoring initiative.</p> <ul style="list-style-type: none"> • The Pathfinder BV2 identified educational attainment, one of the council's three priorities, as one of its areas of focus. The findings indicate that while progress with improving educational attainment has been slow there are recent signs of positive change. They also recognise that the council is very self aware and can demonstrate a strong track record of delivering improvement. 	
<p>Neighbourhood Services</p> <p><i>Refuse Collection, Street Cleansing, Waste Management</i></p>	<p>No significant scrutiny risks</p>	<p>The Executive Director's remit includes housing, building & works, refuse collection, waste management and community safety, and since April 2010, planning and economic development. There is considerable variation in the quality of individual services. This department is now managed by the previous Executive Director of Corporate Services.</p> <ul style="list-style-type: none"> • Reported customer satisfaction and SPIs for these services are generally relatively positive. Satisfaction with housing and housing repairs services has increased between 2005 and 2008. Satisfaction levels have 	<p>Scrutiny activity will be confined to review of the council's statutory (if appropriate) and internal indicators.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
<p><i>Community Safety</i> <i>Roads & Transportation</i> <i>Leisure</i></p>		<p>increased for parks and open spaces, recreation and sports facilities, swimming pools and leisure facilities.</p> <ul style="list-style-type: none"> • The council's 2008 Strategic Self Assessment of Performance indicated that "Roads and Bridges Maintenance have been and are still critically underfunded". Following recent public consultation, £40 million of extra capital expenditure has been agreed over the next 10 years. • The council was performing relatively strongly for recycling for a few years, but other councils have now caught up. Dealing with residual waste is an issue in terms of the EU Landfill Directive but the council is co-operating with other Ayrshire councils to tackle this. • The council's 2009/10 SOA includes the target of increasing recycling rates to 43% in 2010 and 45% by 2011. In 2008/09 the council recycled 42.1% of its municipal waste. 	
<p><i>Housing</i></p>	<p>Area of uncertainty</p>	<p>SHR 2008 inspection noted the Council performs well in a range of housing management service areas. It is good at meeting housing need, good at dealing with anti-social behaviour and excellent at collecting rent. Work is ongoing to address areas of improvement.</p> <ul style="list-style-type: none"> • It is developing the coverage and quality of its stock condition data and aims to have 100% coverage by 2010. It uses 5 year investment programmes which SHR reported in 2008 as having spent on target. • EAC does not have an asset management strategy for its housing stock. SHR also noted data gaps in respect of progress towards achievement of the SHQS. This was confirmed by EAC's own strategic review in 2009 and in respect of new build asset management. 	<p>SHR will review the Improvement Plan expected in late 2010. Further scrutiny work for 2011 will be based on that review.</p> <p>Audit Scotland – the local audit team will monitor the progress of the HRA revenue and capital budgets.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
		<ul style="list-style-type: none"> • SHR reported poor statutory gas safety check performance in 2008. Since 2008 a significant (unaudited) improvement in performance has been reported. Housing responsive repair performance has been poor for a number of years although SHR noted some early indications of improved performance and tenant satisfaction levels following a recent service review. • Homeless Strategy 2006/09 and action plan achieved some but not all of the target timescales. The SHR areas of improvement in homelessness include the provision of out of hours accommodation, access to independent advice and support for those at risk and transparency of investigation and decision making. The 2008/09 SPIs and the inspection improvement plan suggest there may have been some improvement and progress in this area. SHR expects to receive an Improvement Plan update from EAC in Quarter 3 2010. • Tenant satisfaction with its landlord role (in its 2007 survey) was 74%. • Rents and management and supervision costs compare well to the National figure. 	
<i>Building and Works</i>	Area of uncertainty	A very poorly performing section with recent well publicised issues relating to alleged malpractice and weak governance. Radical action is being taken to improve the section by amalgamating it with housing and introducing more private sector provision.	Audit Scotland – the local audit team will monitor council's improvement actions as part of normal activity. We will perform in depth audit of the section in 2011/12. This will be dependant on the input of internal audit, possibly a shared exercise.

Appendix 2

Corporate assessment East Ayrshire Council			
Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Vision and strategic direction	No significant scrutiny risks	<p>There is broad agreement among audit and inspection agencies that the council and its partners have a clear and ambitious vision for East Ayrshire, based on a sound understanding of the area and the needs of local communities.</p> <ul style="list-style-type: none"> • A strong Chief Executive leads a team which works well together to deal with strategic issues. • The Community Plan is the council's overarching planning document and its strategic objectives are now reflected in service level plans. There is a clear commitment to partnership working with other strategic partners. • The SOA links readily to the Community Plan and was prepared on a community planning basis a year early, reflecting the council's community planning based approach to service delivery. • The Community Plan's original six priorities were merged into four from the start of 2009/10, to better align the council's performance management with that required for the SOA. • Twenty four aims underpin the four priorities three of which have been identified by the administration as primary strategic commitments for the council: 'improving educational attainment', 'regenerating our town centres' and 'building new local authority housing'. 	No specific scrutiny activity.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<p>Partnership working and community leadership</p>	<p>No significant scrutiny risks</p>	<p>Partnership working in East Ayrshire is well developed and is one of the council's areas of strength for which they were commended in the 2006 BV report and the subsequent BV2 pathfinder report.</p> <ul style="list-style-type: none"> • The key partners share ownership of the community planning priorities and the underlying objectives for the community. • The sense of common purpose is clear at the strategic level of the partnership and is also evident in activity on the ground. There is a highly effective Community Planning and Partnership Manager in place who makes things happen. • Examples of the strong engagement by partners include the successful progress and high standard of the co-location programme. The Health Board and police lead on two of the community planning themes. • The council has formed a strategic alliance with community planning partners to align budgetary contributions aimed to address shared priorities. • An Ayrshire wide group, chaired by the Executive Director of Education and Social Services, has been established to develop data sharing partnership and information sharing protocols. • An Ayrshire-wide Emergency Planning Service is now in operation from Prestwick Airport. 	<p>No specific scrutiny activity.</p>

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Community engagement	No significant scrutiny risks	<p>The partnership involves the community in a number of ways, including a residents' panel, a three yearly residents' survey, local area forums and stakeholder group forums, such as equalities and youth forums.</p> <ul style="list-style-type: none"> • Consultation with young people in youth forums on tackling anti-social behaviour and substance misuse has contributed to the community safety agenda. • The three local area forums were established in April 2008. These allow the partners to involve local communities in issues such as local area regeneration, anti-social behaviour and road safety. • Action plans are produced reflecting local area forum views and participants are provided with feedback on progress. An evaluation exercise at the end of the first year of the forums showed very positive responses from participants. 	No specific scrutiny activity.
Governance and accountability	No significant scrutiny risks	<p>The decision making and scrutiny structure is clear and agendas, minutes and reports are easily accessible to the public on the council's website. Meetings, including those of the cabinet are held in public. Overall we are satisfied with the council's financial systems and with the corporate governance arrangements in place.</p> <ul style="list-style-type: none"> • Arrangements for elected member training and personal development have been slow to progress. Effective scrutiny by elected members was highlighted in the 2006 BV report as an area for improvement. However, the recent BV 2 pathfinder audit report recognised that improvements to arrangements, such as personal development and performance reporting, would provide the opportunity for elected members to now increase their role in driving best value and scrutinising and challenging performance. 	Audit Scotland – the local audit team will assess performance in this area as part of the statutory annual audit process.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<ul style="list-style-type: none"> In October 2009 the council approved changes to governance arrangements, including increased frequency of full council meetings and an additional member of the cabinet from the main opposition group. 	
Performance management and improvement	No significant scrutiny risks	<p>Public performance reporting documents are generally very readable and the council's website is accessible and informative. The council has been actively developing its performance management arrangements. A new IT based system is beginning to improve access to, and the reporting and scrutiny of, performance information for officers and elected members. As a result, the council is now better placed to systematically review performance information.</p> <ul style="list-style-type: none"> The residents' survey and the Scottish Household Survey (2007) indicate a relatively good level of satisfaction with council services. A slightly higher proportion of residents in East Ayrshire believe that the council provides good value for money than the national average for authorities. That said, the Scottish Householder Survey indicates that the residents in the council area are less satisfied with the quality of services provided than the Scottish average. Satisfaction levels of residents have improved for some services but declined for others. Services showing higher, and increasing, levels of satisfaction are libraries, street lighting and primary schools. There are lower, and declining, levels of satisfaction with roads, paths and cycle paths, street cleaning and refuse collection. Lower levels of satisfaction are also recorded for recreation and sports facilities and parks, play areas and open spaces, although these are improving. 	No specific scrutiny activity.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Use of resources – financial management	No significant scrutiny risks	<p>East Ayrshire Council shows strong awareness of the change in the public finances. Three year rolling budgets are routinely prepared and kept current. The budget gap for 2010/11 is some £7 million with around £35 million estimated savings required over the subsequent three year period.</p> <ul style="list-style-type: none"> • Efficiency savings are being sought from across the council and a public consultation exercise in this respect has recently been concluded. The 2008 Strategic Self Assessment of Performance notes that “it is clear the CMT believe that there are little or no efficiency savings left and the annual reduction imposed nationally is indeed a cut in services.” • The council has a strong reserve position (£52 million as at 31 March 2009) with equal pay and single status issues fully provided for. • The 2008 Strategic Self Assessment of Performance highlights ongoing budgetary issues within Education and Social Work Services and expects these to worsen without immediate action. The report also draws attention to the increasing, and increasingly unsustainable, cost of caring for looked after children. • The same report, however, summarises the council's financial stewardship as “excellent”, notwithstanding the various issues identified. • The council has been proactive in examining resource allocation and seeking to re-allocate resources in accordance with community planning objectives. The 2006/07 strategic review of the revenue budget (SRRB) was a groundbreaking initiative and resulted in shifting around £2 million between services, as well as obtaining an extra allocation of funds from the Scottish Government. A similar exercise, SRRB2, is to be carried out in 2010. 	Audit Scotland – the local audit team will assess performance in this area as part of the statutory annual audit process.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Use of resources – asset management	No significant scrutiny risks	<p>Asset management is showing evidence of steady progress from a low base level. Considerable effort has been devoted to improvements in the school estate, particularly through PPP arrangements which have come on stream in the last year or two. Very good performance has been achieved in delivery of the capital plan over the past three years.</p> <ul style="list-style-type: none"> • The percentage of public service buildings that are suitable for and accessible to disabled people has increased from 47.1% to 64.2% between 2007/08 and 2008/09. • The council's key priority "regenerating our town centres" is closely bound up with its overall asset management strategy. There has been mixed progress in delivering the regeneration strategy and the council is still dependent on a range of accommodation of variable suitability. 	No specific scrutiny activity.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Use of resources – people management	No significant scrutiny risks	<p>People management in the council appears well developed, with a pro active approach taken to addressing the most significant national issues: equal pay and single status. As a result of this approach the council is relatively well placed to manage the full implementation without anticipating any severe budgetary impact.</p> <ul style="list-style-type: none"> • There have been some issues relating to managing sickness absence although the council led an all Ayrshire exercise two years ago with the object of learning and applying lessons. • The cabinet agreed a workforce strategy in May 2008 and workforce planning has been introduced into service planning arrangements. • Staff undergo an annual EAGER assessment, although there was evidence of some slippage in 2008/09. Heads of service did not appear from this evidence to have universally established robust processes to ensure all EAGER assessments had been conducted. 	No specific scrutiny activity.
Use of resources – procurement	No significant scrutiny risks	<p>The council has signed up to all aspects of the national procurement agenda, including use of Scotland Excel and PECOS. There have been issues in integrating PECOS with the financial ledger, but these are expected to be addressed by year end and there is an impressive growth of orders flowing through the system.</p> <ul style="list-style-type: none"> • Although the procurement section is assessed as fairly strong the Care Commission has raised questions on the monitoring of contracts with external providers by Social Services. • Internal audit conducted a local follow up of the national report issued in 2007 to assess local authority arrangements in the light of the McLelland report. The council was well placed in 2007, scoring 63% against the various benchmarks, and this has increased to 73% in 2009. • Many areas of procurement have seen ongoing development and improvement, particularly in respect of 	No specific scrutiny activity.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		modernising procurement and embedding sound processes throughout the procurement cycle.	
Equalities	No significant scrutiny risks	<p>The council demonstrates a good awareness of equalities issues and has many of the necessary processes and structures in place.</p> <ul style="list-style-type: none"> • The council has established an equalities strategy group and framework, the further development of which will be achieved through an improvement action to develop partnership wide arrangements for addressing and promoting equalities. • Equalities networks covering disability, older people, gender and black and minority ethnic communities supported the equality forum and further advanced community engagement. • Positive developments have been recorded in raising the attainment of the lowest achieving 20% of children. There have been notable reductions in exclusions and the council is taking advantage of recent government funding for an initiative to mentor children at risk of missing out from middle primary stages. • The council is relatively poorly placed in respect of the proportion of women that are included within the top 5% of earners, albeit that both the Chief Executive and Depute Chief Executive are women. Indeed the percentage has slipped slightly over the three years to 2008/09 from 39.5% to 38.8%, leaving the council ranked 22 from 32 last year. 	No specific scrutiny activity.

Appendix 3

East Ayrshire Council Assurance and Improvement Plan 2010-13: Summary of scrutiny and improvement

The AIP is a three year rolling programme. (Express scrutiny footprint in terms of 'scrutiny days'. 1 person for one day = 1 scrutiny day). Include **all days** devoted to scrutiny including off site evidence review. On-site days should be highlighted **in red** as this will be the perceived scrutiny footprint.

2010-11 (Year 1)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Care Commission											AF	
HMIE	EPSI											
SWIA			PIFU									
SHR								RSE				
HMICS/AS – Best Value Strathclyde Police												

AF = Adoption & Fostering Services
 EPSI = Education Psychological Services
 PIFU = Performance Inspection follow-up
 RSE = Review of Self Evaluation

2011-12 (Year 2)	
Issues for scrutiny/improvement	Scrutiny bodies/council potential involvement
Building & Works/SBU Governance/Best Value review	Audit Scotland – local team

2012-2013 (Year 3)	
Issues for scrutiny/improvement	Scrutiny bodies/council potential involvement
Follow-up of progress and impact BV2 pathfinder report and Improvement Agenda.	LAN