

Shared risk assessment: Assurance and improvement plan 2010–13

The City of Edinburgh Council



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1. Introduction

1. This Shared Risk Assessment and Assurance and Improvement Plan (hereafter referred to as the AIP) is the product of a collaborative approach adopted by the following scrutiny bodies operating in City of Edinburgh Council:
 - Audit Scotland
 - Care Commission
 - HM Inspectorate of Education (HMIE)
 - Scottish Housing Regulator (SHR)
 - Social Work Inspection Agency (SWIA).
2. The AIP sets out the planned scrutiny activity for City of Edinburgh Council for the period from April 2010 to March 2013. It sets out the basis of our risk assessment of the council and the scrutiny response. The shared risk assessment process is designed to ensure the level of scrutiny activity is proportionate based on the assessed risks.
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:
 - helping to identify and monitor key risks through the sharing of intelligence and information
 - building on each other's work to maximise its value
 - drawing on, and taking account of each other's work
 - coordinating the timing and approach of our audit, scrutiny and inspection work
 - avoiding duplication of effort.
4. The AIP draws on a number of sources of information, including:
 - the annual audit report to the Controller of Audit and elected members for 2008/09
 - the audit of Best Value and Community Planning in the City of Edinburgh Council (February 2007)
 - the council's own website, self-evaluation and supporting evidence
 - reports from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).
5. For the purpose of drawing together the AIP, scrutiny bodies have agreed the following definition:

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

6. In the Risk Assessment in Appendix 1 the Local Area Network (LAN) has considered Outcomes (as taken from the Single Outcome Agreement (SOA)), Service Areas and Corporate Assessment Areas. An overarching risk assessment has been reached for each area and categorised as follows:

Area of significant concern (red)	This indicates some scrutiny activity is required in order to provide assurance.
Area of uncertainty (amber)	This indicates that there is uncertainty or a gap in the information available to enable conclusion as to whether scrutiny activity is required.
No significant risks identified (green)	It may be that no scrutiny activity is required. However due to ministerial direction, or for reasons of statute, audit and inspection may still be required.

7. The focus of the AIP is strategic scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny at unit level ongoing throughout the period of the AIP. This will include, for example, school, pre-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. In addition, other work may be undertaken as a result of a specific ministerial request. Audit Scotland's annual audit includes work on the audit of housing and council tax benefit arrangements.
8. On conclusion of the Shared Risk Assessment process, the Scottish Housing Regulator was conducting its inspection of housing management functions within the City of Edinburgh Council. For the purposes of this report, these functions have been assessed as 'areas of uncertainty'. Following the publication of the inspection report, the LAN will consider any impact on the risk assessment.
9. 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 and the council. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.
10. The appendices to this plan show a summary of the evidence we considered and the overall risk assessments made by the local area networks (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. Appendix 2 sets out the planned scrutiny activity for City of Edinburgh Council for the period from April 2010 to March 2013.

2. Summary

Substantially through our review of planned outcomes in the SOA, our corporate assessment and review of services, most of the areas have no significant risks identified. There are a number of areas where the LAN remains uncertain, either due to lack of performance information, or due to the stage at which a change programme has reached. There are, however, five areas which have been identified as areas of significant concern.

Delivering outcomes for communities

11. The council has made good progress in defining performance measures, targets and baseline information, and so can demonstrate progress in respect of most of its stated outcomes: eg maximising opportunities and learning for children, promoting economic development, improving care for the elderly and vulnerable, and promoting a safe green clean attractive and environmentally sustainable city . Educational attainment is improving but is still mixed in comparison with national averages. However, both social work and child protection services have demonstrated improvement following critical inspection reports. The council is unable to demonstrate progress on some outcomes eg a range of health outcomes such as healthier living and drug and alcohol services. Where gaps in data exist, the council has plans in place to improve data capture. We will continue to monitor a number of specific issues as part of the scrutiny process eg educational attainment, and these are set out in more detail later in the AIP.

Services

12. The council faces challenges in the delivery of the tram project. Already the project has suffered a number of delays and overspends are projected. Options for the delivery of social care and support services are being considered following the council's withdrawal of a proposed tendering exercise. Specific scrutiny work will be undertaken through the local audit on the trams project and the revised plans for the delivery of social work's care and support services. The Scottish Housing Regulator is currently inspecting housing management functions and in addition, Audit Scotland's housing benefit audit has recently been undertaken. The LAN will consider the impact of these reports in due course. Otherwise, services will continue to be monitored as part of ongoing audit and inspection processes. In particular the Care Commission will continue to liaise with the council to ensure legislative requirements regarding the registration of care services are fully met.

Corporate assessment

13. At a corporate level, the council has many challenges to address over the next three years in particular the need to deliver £90 million budget savings and implement single status. Difficult decisions lie ahead in respect of the Alternative Business Model project which will expose a range of services to market testing with a view to implementing major service redesign and delivering significant savings in the longer term. Whilst recognising that the council has plans in place to take these matters forward, the level of change required is on a greater scale than anything previously experienced by the council. Capital plans have also felt the impact of the recession with less receipts

than anticipated and delivery of the trams project is likely to put further pressure on available funding options. Scrutiny activity will be carried out through the annual audit process and will involve monitoring progress of the council's Best Value Improvement Plan and implementation of proposals to address the shortfall in the revenue budget.

Scrutiny activity

14. Scrutiny activity will be targeted in those areas assessed of highest risk and these are set out in the remainder of this AIP. In summary the areas of significant concern are: delivery of the tram project; the scale of change required to deliver services and implement single status within financial limits in the aftermath of a recession, delivery of the required improvements in education psychology services and improvement in housing benefit administration to maximise the amount of subsidy claimed by the council.

15. National risk priorities have been identified by the Scottish Government and these are reflected in national scrutiny priorities which have been considered in the shared risk assessments for all councils. The national scrutiny priorities are:
 - Protection, welfare and access to opportunities for children, adults in need of support and protection, and older people. This priority will be addressed through ongoing monitoring activity by HMIE and SWIA of progress against improvement plans arising from recent baseline inspection of child protection and social work services. In addition, the Care Commission will undertake baseline service inspection programmes of for example residential homes.

 - Assuring public money is being used properly. This priority will be addressed through the Best Value 2 (BV2) audit which is proposed for 2011/12. Baseline annual audit activity will also keep the stewardship, propriety and governance of public funds under review.

 - The impact of the recession. This priority and the associated pressure on the council's finances will be kept under review through the baseline annual audit. In response to the recession, the council developed an Economic Resilience Action Plan. Progress against this plan will also be assessed through the annual audit.

3. The council's context

16. As capital of Scotland and seat of the devolved Scottish Government, Edinburgh holds a significant national and international role. Consequently, there are additional pressures on the council in the form of increased service demands and expectations in services such as cleaning, cultural services and the management of major events.
17. With a population of 464,000, covering a land area of 262(sq) km, the council, in 2008, was projecting a 12 per cent increase in population between the years 2006 and 2022. In the year 2006 20 per cent of births were to mothers born outside the UK. The percentage unemployed in Edinburgh in April 2008 was 1.7 per cent (Scotland: 2.3 per cent) and the main sources of employment in the council area are services: business services; health; education; banking, insurance and finance; retail; and hospitality.
18. Since 1996 the council has contributed to the growth of the city and the local economy for example with the Edinburgh Park/Gyle development, the Waterfront and the Edinburgh International Conference Centre. However, the economic recession in 2009 led to the collapse of the property market in Edinburgh, falling investment values and there were severe restrictions in bank lending capacity. As a result the council provided further investment to support the Waterfront and Shawfair developments.
19. Edinburgh strives to continue its long term development plans, such as the promotion of the Bioquarter, the development of west Edinburgh as a National Business Gateway, implementation of the trams project and an infrastructure which is designed to reduce traffic congestion. In terms of housing, the council is struggling to deliver sufficient affordable housing but is investing significant amounts of resources in housing associations. In 2010/11, for the first time in 20 years, the council has plans to begin construction of new housing stock.
20. The council faces difficult financial challenges with the need to implement £90 million of savings in the next three years. In addition the capital programme has recently been re-prioritised to address a shortfall of £55 million. A number of projects will therefore be delayed due to the late receipt of planned income.

Self-evaluation

21. The council has a good range of processes in place which provides feedback and supports self-awareness, for example, it has an established six monthly residents survey. This together with its performance indicators provides the council with good self-awareness of performance and the issues and challenges it faces. The council is currently in the process of carrying out a corporate self-evaluation. This is based on a mix of the proposed BV2 framework and the national corporate Public Sector Improvement Framework (PSIF) criteria. With regard to services, PSIF has been adapted for

local use and is known as the Edinburgh Improvement Model (EIM). Use of the model was piloted in Services for Communities who have completed their first round of self-evaluation reviews.

22. Using EIM, social work have undertaken a review of care home services which is now being evaluated. SWIA were involved in this review to consider how EIM fits with SWIA's Performance Improvement Model (PIM) so that processes do not have to be duplicated to meet inspection requirements. Self-evaluation activity was also undertaken by the council in preparation for their inspections of child protection services and housing management functions.
23. The extent of self-evaluation within the council will have an impact on future shared risk assessments by reducing areas of uncertainty due to a lack of data/assessment. For the current year, however, self-evaluation using EIM is at an early stage of development within the council with all services expected to complete their first round of reviews by 30 September 2010. It will be some time before the process can be used to effectively demonstrate service improvement.

4. Delivering outcomes for communities

Strategic priorities

24. The administration's budget proposal in February 2010 set out the following priorities for Edinburgh:

- Maximising opportunities and learning for children.
- Promoting economic development.
- Improving care for the elderly and vulnerable.
- A safe, green, clean, attractive and environmentally sustainable city.
- Providing high-quality services in the most efficient and cost-effective manner.

25. With the exception of eight desired health outcomes, the budget priorities helpfully group the other 15 outcomes within Edinburgh's SOA as demonstrated below. Together with health, these priorities have therefore been used in structuring this section.

Edinburgh's Strategic Priorities	Outcomes
Maximising opportunities and learning for children	<ul style="list-style-type: none"> • Our young people are successful learners, confident individuals, effective contributors and responsible citizens • Our children have the best start in life and are ready to succeed
Promoting economic development	<ul style="list-style-type: none"> • We live in a Scotland that is the most attractive place for doing business in Europe • We realise our full economic potential with more and better employment opportunities for our people • We are better educated, more skilled and more successful, renowned for our research and innovation
Improving care for the elderly and vulnerable	<ul style="list-style-type: none"> • We have improved the life chances for children, young people and families at risk • Looked after children are cared for and supported
A safe, green, clean, attractive and environmentally sustainable city	<ul style="list-style-type: none"> • We have tackled the significant inequalities in Scottish society • We live our lives safe from crime, disorder and danger • We live in well-designed sustainable places where we are able to access the amenities and services we need • We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others • We value and enjoy our built and natural environment and protect and enhance it for future

Edinburgh's Strategic Priorities	Outcomes
	generations <ul style="list-style-type: none"> • We take pride in a strong, fair and inclusive national identity • We reduce the local and global impact of our consumption and production
Providing high-quality services in the most efficient and cost-effective manner	<ul style="list-style-type: none"> • Our public services are high quality, continually improving, efficient and responsive to local people's needs

Health	Health outcomes
	<ul style="list-style-type: none"> • We live longer, healthier lives • Carers are supported • Children are healthy • Hospital discharges are not delayed • Improved mental health and well being • Reduced drug and alcohol dependency • People with disabilities have improved health • Increased active participation in physical activity

26. In assessing whether City of Edinburgh Council is delivering outcomes for its communities, we considered relevant performance measures from a number of key sources including: SOA, covalent performance reports, statutory performance indicators (SPIs), and other inspection/audit reports. The detail of our evaluation is contained in Appendix 1.
27. Of 134 key outcome indicators the council recorded in its 2009-12 six monthly SOA report on progress, it has made good progress in about 43 per cent. There was insufficient data to make an assessment, at the time of the progress report, for 27 per cent of indicators. The better areas of performance include outcomes for the economy and employment, young people, and fear of crime. With regard to some health outcomes, and carbon management, there is insufficient data at present to make an assessment of performance in relation to SOA targets. These areas of uncertainty will continue to be monitored through the annual audit process and discussed with LAN members to decide appropriate scrutiny activity.

Maximising opportunities and learning for children

28. Aspects of educational attainment at Standard Grade and Intermediate are below national averages, while at Higher and Advanced Higher levels attainment is above national levels. While educational attainment is improving, the council has more to do to improve secondary school attainment in relation to comparator schools. Absence and exclusion rates are in line with national averages and with regard to exclusion, it is below comparator councils. The District Inspector (HMIE) will continue to support and monitor attainment levels through quarterly contact visits.

29. HMIE has recently reported that services to protect children are 'satisfactory'. There is potential for further improvement but this demonstrates significant improvement following critical inspection reports. No further follow up inspection work of this service is deemed necessary at this stage but developments and ongoing performance will be monitored through the link inspector's regular visits. Following other recent inspection activity, HMIE reported that there are significant improvements needed in the council's education psychology services. Consequently, a follow through visit will be carried out within a year.
30. In 2007, the council withdrew its extensive consultation programme with regard to the intended school rationalisation proposals. Progress has been made in the interim which required difficult decisions by the council. Seven primary schools have been closed, three nurseries have been identified for closure and in addition, five new secondary schools and three special schools have recently opened. Developments within the school estate will continue to be monitored through the local audit process which will inform the BV2 audit in due course.

Promoting economic development

31. February 2010 statistics show that Edinburgh's employment was 76.1 per cent (2009 - 77.1 per cent) which is above the Scottish average of 74.8 per cent. While tourism is down, house prices, the number of business start-ups and planning applications showed improvement.
32. The economic recession impacted on Edinburgh through the collapse of the property market, falling investment values and severe restrictions in bank lending capacity. In response the council established the Economic Action Resilience Network (EARN) and prepared an economic resilience plan which set out action to be taken by the council to support the city through the recession.
33. The council has a complicated group structure which expanded over several years. Following a review which commenced in 2008, plans were in place to consolidate the number of companies. The need for change however heightened due to the recession and its impact on property values and restrictions on bank lending. Over the past year the council has supported two companies in particular both of which experienced financial difficulties. This resulted in the council acquiring property held by those companies valued at approximately £70 million. Through the annual audit process, we will review asset management and governance arrangements linked with these investments.

Improving care for the elderly and vulnerable

34. The council has placed significant investment in care homes in recent years. While the percentage of older people in care homes is greater than the national average, the council is below the national average in percentage of older people receiving home care. SWIA has reported positively on the capacity plan for older people. In addition to setting out service needs, a capacity plan identifies the necessary resources required to deliver services and therefore the council's capacity to deliver its plans.

35. There is however uncertainty about the arrangements for delivery of care and support services following the council's decision to withdraw its proposals for tendering the services. When the proposals were announced, many service users opted for a change to direct payments in order to retain current service providers. This seriously impacted on the assumptions forming the basis of the proposed tendering plans. The council is currently conducting a 'lessons learned review' which will influence revised options for delivery of those services. The Care Commission also reported concerns regarding health and social care's failure to fully understand their legal requirements in relation to registration of care services and notification of other information required by regulation. Scrutiny activity will be undertaken to determine how the council has addressed these matters.

A safe, green, clean, attractive and environmentally sustainable city

36. The annual Services for Communities neighbourhood survey for 2008 showed that 75 per cent of Edinburgh residents feel very or fairly safe against a target of 70 per cent. The council is not on schedule to meet the national target of 40 per cent for recycling by 2010/11 and in regard to landfill, it is necessary to find an effective waste disposal solution for the city. The Zero Waste Project involves both Edinburgh and Midlothian Councils and aims to conclude a contract with the private sector to treat residual municipal solid waste. Progress has been slow in delivering effective carbon management but revised plans will be considered later in the year. We do not consider there to be significant risk in this area and so we will not be undertaking any specific scrutiny activity.

Providing high-quality services in the most efficient and cost-effective manner

37. The key elements of the council's improvement agenda 'Achieving Excellence' are corporate leadership, customer focus and alternative business models. In delivering a balanced budget in the coming years, a culture of continuous improvement will be required.
38. Specific service issues are set out below. There is a range of performance between services within the council and the detail of our evaluation is contained in Appendix 1. With regard to education and social work, the main issues have been identified earlier within the paragraphs covering 'strategic priorities' so these issues are not repeated in this section.

Housing

39. Edinburgh is below target in relation to its provision of affordable housing largely due to difficulties in attracting public investment. With the economic climate, there has been even less opportunity to secure funding from the Scottish Government. In common with other councils, housing stock must meet Scottish Housing Quality Standards by 2015. While plans are in place, this is a significant commitment for the council.
40. The Scottish Housing Regulator is currently undertaking the inspection of housing management functions. On conclusion of the inspection, any issues arising which impact on the shared risk assessment will be addressed at that point.

Social work

41. SWIA will complete an initial scrutiny level assessment (ISLA) to assess the required amount of external scrutiny of social work services. This is a new, desk-top, risk based approach to the scrutiny of these services supplemented by review of a sample of case files. This assessment considers risk, need for improvement, current and planned self-evaluation activity. Following consultations with the Scottish Prison Service and Scottish Government, SWIA will also undertake a national assessment of prison based social work services. This will impact on all local authorities that currently provide prison based social work services. Lastly, the Care Commission intend to inspect adoption and fostering service across local government.

Refuse collection and street cleaning

42. In 2007, Edinburgh's Best Value Improvement Plan included as a high priority the need to agree a timetable for market testing the refuse collection service. While a transformation plan is in place and the level of deficits made by the service has reduced, single status has not yet been implemented and therefore it is more difficult for the council to demonstrate the competitiveness and relative performance of the service. The council recently issued an Official Journal of the European Union (OJEU) notice covering refuse collection and other services identified by the Alternative Business Model Project for market testing. Through the local audit process, we will monitor the development of proposals for the future management of the service and the impact on service delivery.

Traffic and transport planning

43. A major project for the council is the delivery of the tram project. There are ongoing contractual problems being disputed by the consortium of contractors involved with the likelihood that the original budget of £545 million will be exceeded. The council therefore faces difficult challenges in ensuring the completion of the project, securing its original £45 million contribution and meeting the cost of additional liabilities arising from the projected budget overrun. This is a significant risk for the council so we will be continuing to undertake focused scrutiny work as part of the local audit. In addition, the Auditor General continues to maintain a close interest in the project and has yet to decide when it would be appropriate for him to conduct a formal review of the project.

Housing benefits

44. The audit opinion on the council's housing benefit subsidy claim has been qualified in each of the last two years with regard to the incorrect classification of overpayments. This may lead to a potential clawback of subsidy by the Department for Work and Pensions in the region of £1.6 million. Audit Scotland has recently completed its Housing Benefit audit for the council. Any additional risks arising from the audit will be addressed by the LAN at a future date. Scrutiny activity in this area will be addressed through the local audit.

5. Corporate assessment

In respect of corporate activities, the council has many challenges to address over the next three years. Scrutiny activity will be undertaken through the routine annual audit process and an audit of Best Value and Community Planning is proposed in year two of the scrutiny plan.

45. In determining the corporate assessment for City of Edinburgh Council, we considered the corporate arrangements and performance. The detail of our evaluation is contained in Appendix 1.
46. The council has vision and leadership to address the significant issues the city faces. The council's overarching improvement programme 'Achieving Excellence' includes an Alternative Business Model project which has identified a range of potential services which might be subjected to market testing. As well as improving performance, this project is intended to deliver significant savings for the council. This is a critical project for the council both in terms of the impact of planned outcomes on service delivery and users, the council's capacity to complete the project on schedule and realising the planned savings and improvements. Progress will be monitored as part of the local audit process and will feature as a key area for BV2 to explore.
47. Examples of challenges which the council has had to address include: child protection and social work inspection outcomes, development of the resilience plan in response to the economic recession and a review of group structures. However, the council is the only council still to implement single status. A statutory consultation process commenced in January 2010 with the revised implementation date now planned to be by the end of the calendar year. A review of workforce management has also been completed to determine budget savings for 2010/11 and this is likely to result in some redundancies. There will be implications for staff morale and the possibility of further equal pay claims.
48. Over the next 12 months or so three members of the council's corporate management team will retire including the chief executive. Challenges therefore lie ahead for the council to ensure the necessary continuity in corporate leadership from the executive team to see a number of projects through to satisfactory resolution.
49. The council demonstrates a commitment to partnership working as illustrated by the development of a SOA with its strategic partners and a recent review of community planning partnerships across the city. Since 2007, the six south east councils established a forum to develop collaborative working and shared services. While there has been little progress in taking forward shared services, financial challenges facing local government in the aftermath of a recession has recently renewed impetus for the forum. There may therefore be scope for specific coordinated scrutiny review covering all of the councils involved.

50. New political structures were implemented in 2007 which replaced a cabinet and scrutiny panels with executive committees. While the new structure has been reviewed by the council, a significant amount of business is conducted at full council which results in long meetings. The council recognises that scrutiny arrangements require improvement.
51. There are robust corporate structures for assessing and reporting performance however we have some concerns about the effectiveness of balanced scorecards in decision making. Performance information considered by committee can be dated due to the reporting cycle currently in place. Following the introduction of the SOA, the council took the decision that it would no longer formally monitor progress against the corporate plan as it was too widespread but is instead developing its performance information, including more information on health outcomes, to support the tighter objectives set out in the SOA.
52. The council faces serious and difficult financial challenges in the coming three years with the need to implement efficiencies and service redesign/reduction savings of £90 million. It is recognised that the council needs to take more radical action than it has conventionally carried out in the past to make the necessary savings. A key initiative being taken forward to address budget shortfalls is the Alternative Business Model project which is expected to result in significant service redesign. The council's capital programme 2009 – 13 is also experiencing difficulty as a result of the economic climate. Approximately £25 million will have to be delayed due to the absence of expected funding. In addition, there are ongoing dispute resolution processes in place with regard to the tram project and the potential for additional equal pay claims. Combined these are difficult resource issues for the council on a scale it has not previously experienced.
53. Following discussion by the LAN, it was felt appropriate that the next Best Value and Community Planning audit should be scheduled for 2011/12. This would allow sufficient time for the council's self-evaluation process to become embedded and the impact of the scheduled changes in the corporate management team to be addressed. It is also some time since the education function was subject to the INEA review and it would be appropriate timing in terms of an early assessment of the likelihood of the Alternative Business Model delivering the necessary savings to balance the council's 2012/13 budget.
54. In 2012/13, year three of the plan, depending on the progress that has been made by the south east councils in establishing new arrangements, a scrutiny review may be carried out of shared services. This would be a joint exercise covering the City of Edinburgh Council and the other councils involved.

Appendix 1 – Risk Assessment

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
National and Local Outcomes	SOA Outcomes			
	We live in a Scotland that is the most attractive place for doing business in Europe.	No significant risks identified	<p>Edinburgh figures in relation to business start-up rates, VAT registration and population growth indicate satisfactory positions despite the economic recession and in particular the impact on financial services.</p> <p>Whilst population is declining at a national level, the population of Edinburgh continues to grow.</p> <p>In respect of cultural matters continued strong attendance at art festivals.</p> <p>The council continues to promote economic development, for example:</p> <ul style="list-style-type: none"> • Promotion of the BioQuarter /Edinburgh Science Triangle • Development of west Edinburgh as a national business gateway • Investment in the trams to provide an infrastructure which will reduce traffic congestion 	No scrutiny work
	We realise our full economic potential with more and better employment opportunities for our people.	No significant risks identified	Employment at February 2010 76.1% down on 2009 (77.1%) but comparable with 2006 and 2007 and remains high compared to national averages (Scotland 74.8%; UK 73.9%)	No scrutiny work
	We are better educated, more skilled and more successful, renowned for our research and innovation.	No significant risks identified	<p>The percentage of young people in positive destinations was 82.3%, compared with 82.1% in 2007/08 and 83.5% in 2006/07</p> <p>95% of services provided by Children & Families department received good grades (4, 5 and 6) from Care Commission for Quality of Care and Support</p> <p>The percentage of young people in employment or entering higher education is in line with national averages, while the number of young people entering further education or training is below national and comparator authorities. The percentage of young people not in employment, education or training is above national and comparator authority averages.</p>	HMle monitors through DI support and challenge role
	Our young people are	No significant risks identified	2008/09, first year of the National Performance Framework, overall positive results	Focused monitoring as part of regular HMle DI support and

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
	successful learners, confident individuals, effective contributors and responsible citizens.		<p>(34 pre-school establishments, 11 primary schools and 4 secondary schools)</p> <p>Free school meals slightly above national average and comparators</p> <p>School absence rates in line with national averages and comparator authorities</p> <p>School exclusions: Primary: in line with national averages and well below comparator authorities and Secondary: well below national averages and comparator authorities</p> <p>Aspects of educational attainment at Standard Grade and Intermediate are below national averages, while at Higher and Advanced Higher levels attainment is above national levels. Edinburgh recognises however that they need to improve individual secondary school attainment in relation to comparator schools.</p> <p>The percentage of young people staying on to S5 post Christmas is 67%, slightly higher than comparators and national averages.</p> <p>The authority's approach to developing Curriculum for Excellence has involved a range of partners at all stages.</p> <p>Schools participate in a number of different schemes, for example 29 schools now hold Green Flags, 125 schools in Edinburgh have achieved bronze awards and 84 a silver award.</p>	challenge role on school improvement and attainment.
	Our children have the best start in life and are ready to succeed.	No significant risks identified	<p>A large number of vulnerable children are supported effectively in council run family centres. However for some of these children places on a part-time basis are only available and it is not always available for as long as it is needed.</p> <p>69% of early years services achieved good grades (5 and 6) for the environment and 81% of early year services achieved good grades (5 and 6) for quality of care and support.</p> <p>95% of children and families department services had good grades for Quality of Care and Support; 24% achieved grade 6 and 46% achieved grade 5 which is higher when compared to other councils.</p>	<p>Link inspector monitoring the improvement plan which arose from the Child Protection update inspection</p> <p>Historically Care Commission inspection undertaken every two years but this may be subject to change with the establishment of SCSWIS.</p>
	Carers are supported	No significant risks identified	<p>Of the 10 registered services 50-60% of services received a grade of adequate in quality of care, quality of staffing and quality of leadership and management.</p> <p>2008 SWIA inspection found that carers assessments were growing in number.</p> <p>More respite care is being provided during the day.</p> <p>The provision of overnight respite for 2008-09 was lower than the previous year reflecting the need to use care homes for people who are waiting in hospital or for a</p>	Link inspector monitoring

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
			care home place.	
	Children are healthy	No significant risks identified	<p>The council continues to implement 'Health Promoting Schools': 92% of schools accredited and 94% of nurseries.</p> <p>Lottery funding secured over a period of 3 years to promote and raise awareness about mental health/improve the well being of young people and families.</p> <p>Increase in the percentage of primary pupils taking school meals and the proportion of journeys to school on foot.</p> <p>Concerns that the wider health needs of vulnerable children were not always identified or met have been addressed by the council.</p>	No scrutiny work
	Hospital discharges are not delayed	No significant risks identified	Edinburgh was reducing the numbers and length of times of people waiting for hospital discharge in 2008.	Local audit will be interested to learn the outcome of the evaluation on partnership working which the audit team of NHS Lothian are conducting in 2010.
	Improved mental health and well being	No significant risks identified	<p>Edinburgh Connect, a specialist mental health team for children looked after away from home, provide support to children and staff caring for them. This was highlighted in the 2009 inspection report as an area of good practice.</p> <p>Also highlighted was the Growing Confidence training programme for staff, children and their parents which promotes positive mental health and well-being in children.</p>	No scrutiny work
	Reduced drug and alcohol dependency	Area of uncertainty	<p>In March 2009, Audit Scotland published a report on drug and alcohol services in Scotland. The report concluded that it was difficult to quantify how much councils and NHS Boards are spending on such services and there is no consistent understanding of what the money has bought. Public bodies do not routinely evaluate the effectiveness of drug and alcohol services. Agencies planning and providing services in Glasgow, Edinburgh, Aberdeen and Ayrshire established a working group in 2008 to benchmark drug and alcohol services in Scotland. This work is still at an early stage.</p> <p>In the context of Edinburgh, statistics show that brief interventions provided currently exceed target level.</p>	Local audit will follow up as advised by the Performance Audit Group of Audit Scotland.
	People with disabilities have improved health	No significant risks identified	A 10 year joint capacity plan has recently been developed and was approved by members in December 2009. Improvements have been made in services to people with disabilities e.g. more community projects; but while more people have their own tenancies, there is a growing waiting list for accommodation. More than half of those on the waiting list therefore continue to live at home with parents.	To be monitored through role of SWIA link inspector

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
			Local area co-ordinators had started to work with people with disabilities (with low to moderate needs) to enable them to find alternative support options. Otherwise they might have experienced 3 – 5 month waiting time for support.	
	Older people have improved health	Area of uncertainty	<p>With the absence of health data, the following statistics show an unclear picture about improved health for older people:</p> <ul style="list-style-type: none"> • Domiciliary care provision has shown increases on previous years but is below national averages. • The percentage of older people in care homes is greater than the national average. • The number of admissions has increased although the average bed days occupied has reduced. <p>However, SWIA reported that a successful joint capacity plan for older people is in place.</p>	To be monitored through role of SWIA link inspector
	Increased active participation in physical activity	No significant risks identified	<ul style="list-style-type: none"> • Refurbishment of the Commonwealth Pool continues, significant upgrade of Craiglockhart Sports Centre. • The City of Edinburgh Schools Sports Academy was launched in August 2007 and the first intake included 42 athletes selected from sixteen secondary schools across Edinburgh. The programme aims to provide a stepping stone to regional and national selection. Favourable initial feedback from an independent evaluation of the programme. • However Edinburgh has some way to go before all school children are receiving 2 hours of physical education per week. 	HMIE monitoring progress
	We have tackled the significant inequalities in Scottish society	No significant risks identified	The council considered a new national joint statement between the Scottish Government and COSLA on multiple deprivations 'Equal communities in a Fairer Scotland' in January 2010. In addition, a review of employability services is being carried out and regular consideration is given to unemployment rates against deprived datazones, numbers of homelessness cases, and life expectancy and mortality rates within the city.	No scrutiny work
	We have improved the life chances for children, young people and families at risk	No significant risks identified	Following a weak initial child protection report in 2007, improvements were made resulting in satisfactory evaluations on conclusion of the latest report in January 2010. That said more work is required to achieve the standard of service required. The council has an action plan in place which will be monitored by HMIE/SWIA link inspector activity. At present, therefore, no further inspection activity is considered necessary.	HMIE /SWIA Link inspector monitoring
	Looked after children are cared for and	Area of uncertainty	The percentage of looked after children accommodated in community settings in 2008 was comparable with Scotland as a whole. In 2009, Edinburgh was reducing the number without an allocated social worker, numbers involved are now less than five. The implementation of Social Care Direct (SCD) to receive all referrals for	Link inspector monitoring

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
	supported		<p>Children & Families ensured that the duty social worker took responsibility for referrals and this had led to better allocation of cases.</p> <p>In 2008 Edinburgh had been improving educational attainment for looked after children, but from a low baseline, and were now close to or above the national average.</p> <p>There has been an improvement in reviewing the circumstances for children looked after away from home.</p> <p>However children looked after at home or with family members do not always get their plan reviewed on a regular basis to ensure that their needs are being met.</p> <p>Children at significant risk of harm who require to live away from home are placed with relatives, friends or foster carers. There have been delays for older children requiring placements but there has been improvement in the numbers involved and their situation is closely monitored by senior managers.</p> <p>The council is responding to concerns raised by Care Commission inspections e.g. residential workers not registered with SSSC; environment not always up to standard in all children's residential services.</p>	Care Commission continuing to monitor and visit as appropriate.
	We live our lives safe from crime, disorder and danger.	No significant risks identified	<p>There have been reductions in the number of road deaths and serious injuries, and an increase in the percentage of those surveyed who feel safe.</p> <p>Work is ongoing to develop better indicators e.g. re-convictions, and neighbourhood surveys are being further developed, for opinions on, e.g. vandalism, graffiti and antisocial behavior.</p>	No scrutiny work
	We live in well-designed, sustainable places where we are able to access the amenities and services we need.	Area of uncertainty	<p>Previous strategies for the expansion of affordable housing in the city were based on the transfer of council stock to a housing association. Following the rejection of those proposals, the council developed an HRA Business Plan which is based on stock retention and has secured AHIP investment.</p> <p>Edinburgh is below target in relation to its provision of affordable housing.</p> <p>Whilst the city has a strategic housing investment plan setting out how the council and partners would develop affordable homes over a 5 year period this is dependent on increased public investment which has not yet been secured with the Scottish Government.</p> <p>Based on existing information, the council fell slightly short of its interim 2009 target, assessing 82% of households (not 84%) as being in priority need. The council reports a gross shortage of affordable housing within the city in the region of 10,000 units.</p>	Scottish Housing Regulator inspection conducted March/April 2010.

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
	We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.	No significant risks identified	The Autumn 2009 resident survey showed that in excess of 90% continue to be satisfied with Edinburgh as a place to live. There was no change in the issues residents were most concerned about i.e. traffic congestion and waste and recycling. Average perception of being able to influence decisions is 36% compared with 33% nationally.	No scrutiny work
	We value and enjoy our built and natural environment and protect it and enhance it for future generations	No significant risks identified	Cleanliness in the city scores 70 (3 points above the acceptable level). The condition of roads and pavements is improving. The percentage of roads which have to be considered for maintenance has decreased from 49% to 34% between 2006/07 and 2008/09. Audit Scotland's report on Scotland's environment highlighted the need for better coordination of environmental and transport policies to improve air quality and that there was mixed progress in the protection and improvement of biodiversity. The council's plans for waste management after 2010 are insufficient to meet European targets. The Scottish Government's new approach, the zero waste plan, will require investment. Edinburgh is working with Midlothian to develop new plans for shared waste facilities to help meet national targets.	Local audit will follow up, as advised, by the Performance Audit Group of Audit Scotland. Local audit will review SOA monitoring returns
	We reduce the local and global impact of our consumption and production	Area of uncertainty	Progress against council's Carbon Management Programme (May 2008) has been slow and a revised plan will be considered by members in May 2010. Zero waste project – city needs to find an effective waste disposal solution for the city. With Midlothian Council, a contract is being developed with the private sector to treat residual municipal solid waste that currently goes to landfill. A forum to be formed in 2010 to determine baselines for carbon in respect of building energy, internal waste and transport emission. Renewable energy study across the city has been conducted – new policy framework being developed	Local audit will follow up the national study on the environment, as advised, by the Performance Audit Group of Audit Scotland.
	Our public services are	No significant risks identified	The Best Value report in 2007 highlighted the need for particular improvements in the delivery of refuse collection, planning, attainment and adult social work. While	With the exception of Child Protection and Social Work

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
	high quality, continually improving, efficient and responsive to local people's needs	in terms of the level of improvement activity. Specific service issues have been picked up elsewhere in this document.	<p>statutory performance indicators have shown an improving position overall over the last 3 years, issues continued about refuse collection (industrial action, delivery of the transformation plan and questions about market testing the service) leading to its recent inclusion in the council's Official Journal of the European Union notice for services to be market tested as part of the Alternative Business Model Project.</p> <p>The council does a comparative analysis of SPIs against a number of other councils it considers to be in its urban family grouping. While it has been improving against this family grouping over the past 3 years, 2008/09 comparisons show that it is in the lower rankings for the following indicators:</p> <ul style="list-style-type: none"> • Percentage of children's hearing reports submitted within target time • Percentage of children with new supervision requirements seen by a supervising officer within 15 days • Overnight respite nights provided for older people and other adults • Number of new probationers seen by a supervising officer within one week • Average number of hours per week taken to complete community service orders <p>Other examples of improvement activity being conducted in the council include the following:</p> <p>1. Child Protection Inspection From a low baseline, there have been improvements in practice and performance. There has been a change in culture within and across services, and leadership and direction had also improved. Services to children in need of protection continue to improve.</p> <p>2. SWIA Social work services showed good improvement generally between the 2008 inspection and 2009 follow up. The council has strong quality assurance processes and significantly improved performance management processes.</p> <p>3. The Edinburgh Improvement Model (EIM) The council has implemented EIM as its approach to self-evaluation. So far reviews have been completed in Services for Communities and a timetable is in place for other services to complete the first round of reviews by September 2010.</p> <p>4. Covalent internal targets (traffic light reporting system) Approximately 170 internal targets and indicators considered by services and</p>	<p>Services, local audit work will monitor developments in each of these areas.</p> <p>Link inspectors will monitor progress against inspection improvement plans.</p>

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
			<p>reported to management team and elected members. Across 2009/10, these show that 97 are on target and 36 below target.</p> <p>5. Achieving Excellence programme The council's overarching continuous improvement programme is known as Achieving Excellence and includes the EIM and the council's Alternative Business Model which is examining potential services which could be outsourced or delivered in very different ways with a view to making significant efficiencies.</p>	

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
Service Area	Children and Families			
	Schools and community education	With the exception of Educational Psychology Services, no significant risks identified	<p>Refer SOA outcomes re education earlier</p> <p>Area of concern The inspection of the Educational Psychology Services in Edinburgh was published in December 2009. The service had a number of strengths, for example, it had shown innovative practice through a number of individual EPs and influenced practice and policy at an authority level. It had developed good partnerships with children, young people and families. However, significant improvements are needed across planning, policy, leadership and self-evaluation which require a follow through inspection.</p>	<p>HMIE statutory inspections will be undertaken across primary, secondary and special education during 2010/11</p> <p>Education Psychology Service follow through inspection in 2010, and if sufficient progress has not been made, this may result in further inspection activity in 2011</p>
	Youth justice	No significant risks identified	<p>In SWIA's 2008 inspection report Youth Justice was struggling to meet national targets to reduce numbers of persistent young offenders. Pre-referral screening has been introduced to address the challenge of young offending in residential settings. A follow up inspection was carried out in 2009. There were some issues around residential aspects which the council is working on.</p>	No scrutiny work
	Social work services for children and their families	No significant risks identified	<p>SWIA reported that services for children in transition had improved substantially in 2008/09, especially for children with disability with the formation of a 'children with disability' team.</p> <p>There has been a significant improvement in child protection arrangements by social work since the last inspection in 2007 and all children on the child protection register have an allocated social worker.</p> <p>The service has restructured and the public receive a response from social work sooner. They have also introduced systems to monitor unallocated work.</p> <p>For staffing, 25% of children's residential services and 51% of day care of children services achieved grade 5. This was better when compared to other local authorities.</p> <p>For management and leadership 75% of children's residential services achieved grade 4 and 46% of day care of children services achieved grade 6. This was better when compared to other local authorities.</p> <p>However SWIA has concerns that some less vulnerable children still have a wait to receive a social work service.</p>	<p>Ongoing monitoring – SWIA/Child Protection</p> <p>Inspection of adoption and fostering services by the Care Commission</p> <p>The Care Commission will continue with statutory visits and monitor improvement actions</p>

Performance Assessment	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>There are still issues around the implementation of panel warrants to meet children's longer term needs. Support is not always available to children at a sufficiently early stage and support from nurseries and family centres is not always available for as long as it is needed. There is still a shortage of placements for older children.</p>	
Health and Social Care			
Care for people in their own homes	<p>Area of uncertainty with regard to care and support services no significant risks identified</p>	<p>Assessment and care management processes improving but still some concerns about the level of care provided to those who fall below the top eligibility criteria. Rising threshold for services in both departments.</p> <p>SWIA identified in 2008 the need to improve risk assessment and management processes in social work and the 2009 inspection found improvement but that further improvement was necessary.</p> <p>In 2008/09 Edinburgh was supporting 54.8 per 1000 population over 65 in home care. The Scottish average was 63.9. In 2009 they were having difficulty in recruiting and retaining staff but this position has now improved.</p> <p>Recent developments in re-ablement and telecare has improved the home care service. However, they tend to be below national average in percentage of older people receiving home care, and were very low on clients receiving home care evenings/weekends as a percentage of clients in 2008/09.</p> <p>Area of uncertainty</p> <p>The council withdrew its proposals for tendering care and support services. Options are currently being re-considered for the future delivery of these services.</p>	SWIA link inspector monitoring
Residential care	<p>No significant risks identified</p>	<p>Residential care – The percentage of older people in care homes is greater than the national average. Other client groups are the same as national average.</p> <p>There are 13 care home services for older people, providing 552 places. 77% services for older people received a good grade for quality of care, 57% services scored good/very good for quality of environment, 55% good/very good for quality of staffing and 75% good/very good for quality of management and leadership</p> <p>4 care homes for people with a learning disability and 3 care homes for people with mental health concerns. Care homes for residents with a learning disability score well in all categories.</p> <p>However 76% services 'with requirements' and there has been an increase in the number of complaints upheld/partially upheld in recent years. This is a higher level of requirements compared with other councils.</p> <p>The council retains a duty of care in respect of private providers and there is a risk of</p>	The Care Commission will continue with statutory visits and monitor improvement actions.

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
			<p>enforcement action.</p> <p>Care Commission raised concerns about Health and Social Care's failure to fully understand their legal requirements in relation to registration of services and notification of other information required by regulations. For example, the need to formally cancel registration before closing a service, in tendering exercises not providing sufficient time for successful contractors to register services and the need to notify the Care Commission of changes of manager, incidents and accidents etc.</p> <p>10 registered care at home services are provided by the council. 3 services had upheld/ partially upheld complaints in 2008/09 and 2 services in 2009/10.</p> <p>60% services had requirements following inspection in 2008/09.</p>	
	24 hour emergency service for people in need of advice and welfare assistance	No significant risks identified	<p>24 hour service in place and no known concerns.</p> <p>Edinburgh had significantly improved its adult protection services as reported in the October 2009 follow up inspection.</p>	No scrutiny work
	Criminal justice services	No significant risks identified	<p>Criminal Justice services in Edinburgh were last inspected by SWIA in 2005, as part of the Lothian and Borders grouping.</p> <p>1 registered offender accommodation service with 7 places. There has been ongoing risk assessment with no major issues identified.</p>	SWIA – inspection of prison based social work services
Services for Communities				
	Tackling anti-social behavior	No significant risks identified	<p>Annual Services for Communities Neighbourhood Survey showed improved satisfaction on how vandalism, graffiti and antisocial behaviour are dealt with by the council/partners. A range of initiatives are in progress to continue to address this issue e.g. youth engagement groups, personal safety presentations, disruption of organized crime groups.</p>	No scrutiny work
	Refuse collection and street cleaning	Area of uncertainty	<p>Refuse collection is a Statutory Trading Operation which has failed in recent years to meet the statutory requirement to break-even (over a 3 year rolling period).</p> <p>Management consultants have supported the service to put a transformation plan in place to improve service delivery. The deficit has reduced in the last 2 years.</p> <p>Single status has not yet been implemented and the service has experienced industrial action in this regard.</p> <p>The net cost of refuse disposal per premise increased in 2008/09.</p>	The performance of waste disposal services and the council's response to the transformation plan will continue to be reviewed as part of the annual audit.

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
			The service has recently been included within the council's Alternative Business Model project and expressions of interest are being sought following the recent Official Journal of the European Union notice.	
	Recycling	Area of uncertainty	Recycling 33% (August 2009) below the 2010/11 national target of 40% (refer page 23 – We reduce the local and global impact of our consumption and production)	No scrutiny work
	Housing Tenant satisfaction Access and lettings Tenancy and neighbourhood management Income maximisation Housing asset management Investment and home safety repairs Tenant participation	Area of uncertainty	<p>In 2008/09, only 28% of council housing stock meets the SQHS. Funding required to improve stock condition is set out in the HRA Business Plan.</p> <p>From 1 April 2009, the council introduced a new method of setting rents.</p> <p>At £64.44 (2008/09), it is the highest in Scotland, and has increased by 18% since 2006/07. The Council's average loan charge expenditure (£ per house per year), at £1,462, is the 2nd highest in Scotland, a 16% increase since 2007/08. The Council's outstanding debt per house, at £13,331, is the 2nd highest in Scotland.</p> <p>Current tenants' arrears (CTA) as a percentage of net rent due and the number of tenants in serious arrears (SA) have improved in each of the last three years. CTA is slightly better than the Scottish average and SA is slightly worse.</p> <p>Percentage of rent due in the year lost due to voids and void turnover has improved in each of the last three years; both much better than the Scottish average.</p> <p>Plans exist for the development of 398 homes in 2010/11 as part of a larger, mixed tenure, regeneration initiative. Cross-subsidy from the sale of private homes will part fund the new council homes.</p> <p>The council completed 94.4% of all response repairs within target time in 2008/09 (ranked 7 nationally).</p> <p>The council has a Tenant Participation (TP) Strategy, dedicated TP resources, an active Tenants' Federation and makes use of tenant led inspections.</p>	SHR inspection March/April 2010
	Homelessness	No significant risks identified	<p>The <i>City of Edinburgh Council's</i> Homelessness Strategy (2008-2012) was produced in conjunction with almost 300 service users and almost 90 frontline colleagues, both internally and externally. The 2006 inspection report highlights a good quality strategic approach.</p> <p>At 31 March 2009, the council had 269 households in B&B accommodation, of a total of 685 households in temporary accommodation. The 2006 inspection report notes insufficient temporary accommodation available to meet increasing demand and of variable quality. However, it had no households with children or pregnant women in B&Bs.</p>	No scrutiny work

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
			Otherwise the 2006 inspection report gave an overall grade of 'excellent' to the council's homelessness services.	
City Development				
Economic development, strategic and local planning	No significant risks identified	In response to the economic climate, the council established a cross party working group, developed an Economic Resilience Action Plan and revised its economic development plan 2009-12 with the objective to keep the council on track to deliver its vision for the city by 2015. During 2009, the council faced complicated financial challenges with its group companies, especially those involved in economic regeneration. The group was restructured and additional support provided by the council to minimise the impact of restrictions in bank lending capacity.	Monitor as part of the local audit.	
Development management and building standards	No significant risks identified	Increasing number of planning applications being processed within two month SPI	No scrutiny work	
Traffic and transport planning	Area of significant concern with regard to the tram project otherwise no significant risks identified	The council faces significant challenges in taking forward the tram project. The council confirms that it will not be completed to time nor budget. A formal dispute resolution process is currently in operation and there is an ongoing review of the funding element to which the council is committed.	Review the tram project as part of local audit The Auditor General has an ongoing interest in the project and has yet to decide when it would be appropriate for him to conduct a formal review of the project.	
Public safety and emergency planning	No significant risks identified	<ul style="list-style-type: none"> • Business Continuity Planning process supported by nominated service co-ordinators • Corporate and Departmental Business Continuity Plans • Awareness training and e-learning modules • Emergency planning in accordance with Civil Contingencies Act 2004 • Council Emergency Plan and Emergency Contact Directory. 	Local audit will follow up the national study on the civil contingency planning, as advised, by the Performance Audit Group of AS.	
Corporate Services – This area is largely covered by the corporate assessment below.				
Finance				
Revenues and	Housing	Area of significant concern	Ongoing audit as part of the	

Performance Assessment		Initial risk assessment	Evidence/rationale	What we plan to do
	Benefits	benefits - area of significant concern	<p>Qualified audit opinions in 2007-08 and 2008-09 in respect of the housing benefit subsidy received by the council. The way in which the council has classified some overpayments is incorrect leading to an over claim of subsidy. Errors of approximately £0.8million have been identified for both 2007-08 and 2008-09 which may be re-claimed by the Department for Work and Pensions.</p> <p>There have been recent changes in management within the service, a critical BFI report in 2006 and a manager was dismissed in 2009 following a fraud case.</p>	annual audit
	Lothian Pension Fund	No significant risks identified	No qualification issue have arisen in the audit of the pension fund.	Part of the statutory audit process

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
Vision and strategic direction			
Vision & strategic direction	No significant risks identified	<ul style="list-style-type: none"> • Clear vision and direction through the community plan and SOA, supported by the council's 'Achieving Excellence' programme. • Achieving Excellence focuses on corporate leadership and improving service performance and customer care. • However the council has not yet fully addressed important issues such as modernising pay (refer to 'managing people' on page 38). 	The implementation of modernising pay is covered under 'managing people' below.
Leadership & culture	No significant risks identified	<ul style="list-style-type: none"> • Strong focus from Chief Executive and Corporate Management Team on corporate working. However, over the next 12 months or so, three members of the council's corporate management team will retire including the chief executive. There are therefore risks around continuity in corporate leadership to see a number of projects through to satisfactory resolution especially at a time of significant financial pressure for the council • There is a culture of continuous improvement but less evidence of self evaluation and the impact of change (and the level of resource put in to the improvement agenda) has on service delivery. • A Child Protection Improvement Board and a Chief Officers Group were established to drive forward the necessary changes following the child protection report. • Following the 2007 elections, new political structures were put in place. These have been reviewed and further work to improve scrutiny is in its early stages. 	Review of succession planning arrangements to manage risks around changes in management team will be carried out as part of local audit process.
Planning and resource alignment	No significant risks identified	<ul style="list-style-type: none"> • The main planning framework is now the community plan and SOA. • In 2009, the council prepared its first long term financial plan. • Reasonable integration of service planning and budgeting processes but linkages need improvement. • In SWIA's 2009 inspection, progress was found in linking plans to available resources, taking action to resolve budgetary overspends and ensuring financial information to members in relation to partnership arrangements. 	Ongoing review as part of local audit process

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
Partnership working and community leadership			
Partnership working and community leadership	Area of uncertainty	<p>Partnership working has been considered under the following headings:</p> <p>1. Community Planning Partnership</p> <p>Community planning is overseen by the Edinburgh Partnership Board but some concerns have been expressed that the Board meetings were not achieving action.</p> <p>The Council is implementing community planning primarily through the Neighbourhood Partnership (NP) approach. NPs are beginning to have an impact and the 2008 annual neighbourhood survey identified an increase in the proportion of people who feel involved in their neighbourhood.</p> <p>The Edinburgh Partnership are responsible for the development and delivery of the second SOA 2009-12.</p> <p>2. Community Health Partnership</p> <p>Edinburgh has a Health and Social Care directorate, with the director jointly accountable to the CEO, Edinburgh City and the CEO NHS Lothian. In 2008 we found that there was still some work to be done to achieve full collaborative partnership working including better linkages with the Community Health Partnership</p> <p>3. Commissioning</p> <p>Commissioning care with housing support - health and social care and their partners in housing did not always work well together.</p> <p>Providers in H&SC did not always have a good relationship with commissioners in Social Work.</p> <p>Commissioning in children and families seemed to be better than in Health & Social Care in terms of their relationship with providers and monitoring of contracts.</p> <p>4. Economic</p> <p>The council has played a lead role in maintaining and enhancing city region relationships. This has included helping to shape the proposed new Regional Economic Forum and involving partner local authorities in the City Region Conference and pre-conference seminars.</p> <p>Overall, the LAN require to evaluate more information to assess the effectiveness of partnership working.</p>	<p>Review the effectiveness of community planning arrangements as part of the local audit. This will also inform BV2.</p> <p>Clarify with NHS Lothian colleagues how/if Community Planning Partnerships have impact on service delivery.</p> <p>Significant issue for inclusion in BV 2 audit. (the key scrutiny activity which focuses on community planning)</p>
Community engagement			

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
Community engagement	No significant risks identified	<p>Wide range of effective mechanisms in place, but need for greater coordination both within council and with external partners.</p> <p>The council has a Community Engagement Working Group which co-ordinates activity across the council. Across Education and Social work the following specific activities were noted:</p> <p>Education</p> <ul style="list-style-type: none"> • The Community Learning inspections of four areas based on the four secondary schools identified the need for better partnership between local groups and CLD services. • The implementation of <i>Working Together</i> is hoped to make a positive impact on local communities by integrating support for vulnerable families and extending the range of services to support children and families. The impact of these services has not yet been reviewed. • Significant support has been provided to schools to set up parent councils. By April 2008, 160 of the city's schools had a parent council in place. The council has set up a Consultative Committee with Parents which meets regularly to ensure formal consultation with parents on a range of issues. • HMle evaluated the impact on the community as "good" in 2008, with particular emphasis on volunteering. <p>Social Work</p> <ul style="list-style-type: none"> • Council equalities group raised awareness about services available to those in need. • Consumer involvement officers, local co-ordinating groups and working with the voluntary sector. • Consultation around the development of joint capacity planning. 	No scrutiny work
Governance and accountability			
Governance and accountability	No significant risks identified	<p>Standing Orders, Delegated Responsibilities and Financial Regulations all in place.</p> <p>Political structures were reviewed and a new committee structure put in place in 2007/08. Subsequent review undertaken which recognised how the number of council questions and motions had increased the length of meetings, supported a stronger role for the Policy & Strategy Committee and the need for a greater contribution by the Audit Committee. Proposals for improved scrutiny arrangements continue to be identified by the council.</p> <p>The external auditor's reports to members highlighted the following important matters which</p>	<p>Ongoing monitoring as part of annual audit with specific focus as part of the external auditor's consideration of the council's governance statement.</p> <p>Specific issue for</p>

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
		<p>continue to be addressed by the council through the agreed action plans:</p> <ul style="list-style-type: none"> • A significant level of business is now considered by full council resulting in lengthy meetings. The auditor's observations were supported by the Audit Committee. There is evidence of committees deferring papers to full council for wider consideration. While this provides an opportunity for more discussion, it does have implications for the decision making process. There is a risk that councilors are swamped by the level of information received, that scrutiny is not proportionate or effective or that decisions are rushed through as a result of busy agendas. The auditor endorsed the view that advocated the need for a more appropriate balance in the division of business between Executive Committee, the Policy & Strategy Committee and full council but is uncertain how this had been advanced. • the Audit Committee is still developing and there is more to be done to ensure there is sufficient scrutiny of decisions. • Performance information is regularly reported to committee in the form of balanced scorecards but due to the timetable and cycle for information from services through management team to committee, the information is dated by the time it is formally considered by members. This reduces its impact to influence decision making for improvement within the council. • A number of issues were highlighted which indicated a need for the council to tighten up its responsibilities in regard to company requirements within the overall governance framework e.g. registration of company directors with Companies House, ensuring Audit Committees are meeting and delivering appropriate scrutiny and that accounts are completed and audited. <p>On the basis that these are areas which the council keeps under review for further improvement and are included within action plans arising from the external auditor's annual members' reports, we have concluded that there are no significant scrutiny risks. The nature of the areas means that they will continue to be monitored through the annual audit process.</p>	inclusion in BV2 audit
Public performance reporting	No significant risks identified	<p>Annual public performance report</p> <p>Chief Executive's annual report</p> <p>Comparison of performance indicators</p> <p>Balanced scorecards regularly reported to elected members</p>	Monitored as part of annual audit activity
Performance management and improvement			

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
Customer focus and responsiveness	No significant risks identified	<p>Parental questionnaires from inspections of pre-school, nursery and secondary schools in Edinburgh are overall very positive about their child's school. Almost all (over 90%) of parents give positive responses.</p> <p>The Scottish Households Survey (2007) indicated that parents' level of satisfaction with education provision was in line with Scottish findings.</p> <p>Annual neighbourhood survey, six monthly residents survey (latest 2009, the tenth in a series) and comments and complaints process.</p> <p>SWIA 2009 follow up found that social work services were taking steps to ensure that service users were invited to review meetings.</p> <p>Social Care Direct was established to take calls from the public. Senior managers stated that while this had improved response times, there were still issues to be resolved. For example, some staff found it cumbersome and delayed their work as every referral had to be directed through this system. Teachers concerned about a child found it more difficult to speak to a social worker for advice.</p>	SWIA link inspector will monitor
Performance management	No significant risks identified	<p>(See also earlier information under SOA outcome – our public services are of high quality)</p> <p>Performance reporting requirements to support the SOA continue to be developed.</p> <p>The council has an established performance management process in place involving a range of local indicators across services which are monitored on the covalent system. Regular reporting to management team and committees. However, due to the reporting timetable, service management, corporate management and then elected members, the information can be dated by the time it reaches committee.</p> <p>Service plans contain a range of targets which are updated annually. Children & Families prepare a six month progress report. Some services produce annual reports.</p> <p>From a low baseline in 2007 managers have worked hard to make significant improvements to protect children. Better monitoring of performance has led to improvements across services.</p> <p>The Children & Families department in 2009 reviewed two services using the Edinburgh Improvement Model and identified aspects of their service to improve.</p> <p>The department was planning to implement, in autumn 2009, a self-evaluation project looking at the quality of central services and their impact. Also, at a corporate level, under the 'Achieving Excellence' banner, there is a project looking at improvements to the performance management process.</p>	Specific issue for inclusion in BV2 audit
Efficiency	Area of uncertainty	While the council is involved in several shared service discussions, there has been little progress to date in taking forward any firm plans. The potential level of benefits to be realised have not fully persuaded south east partners to embark on substantial service change. A	Monitored as part of the annual audit

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
		<p>position statement was provided to the Policy & Strategy Committee by the Chief Executive in December 2009 which concluded that in light of the financial challenges facing local government in the coming years, there is a renewed impetus for the forum of south east councils to re-consider opportunities for shared services.</p> <p>The council is pursuing Alternative Business Models for a range of services with a view to delivering significant efficiencies. This is one of the council's key initiatives in identifying the significant budget savings required in the coming years.</p> <p>Within the council's budget preparation arrangements, there is an expectation that services will deliver 4% savings/efficiencies with back office activities expected to identify 10%. In previous years, all services were expected to deliver 2% efficiencies.</p> <p>In 2008/09, the council's annual efficiency statement reported cash-releasing efficiencies of 2.33% of the net budget which met the Scottish Government's target.</p> <p>Procurement is anticipated to deliver significant savings for each of the next 3 years with regular progress reports to Finance Management Team and Corporate Management Team. The withdrawal of the care and support contract has however impacted on those savings plans. At this stage the robustness of efficiency plans is unclear to the LAN.</p>	
Challenge and improvement	No significant risks identified	<p>The council has adopted the Edinburgh Improvement Model for self-evaluation.</p> <p>SWIA gave Edinburgh "good" for capacity for improvement in 2008 and in the 2009 follow up report some improvement was found in all of the 17 recommendations in our 2008 report.</p>	Specific issue for inclusion in BV2 audit (i.e. linked to performance management)
Risk management	Area of uncertainty	<p>Corporate risk management strategy established in 2005. Corporate and departmental risk registers in place. Risk management not fully embedded in operational processes, but being actively monitored by internal audit.</p> <p>Risk management now within the remit of the Audit Committee but it is at an early stage of engagement. Updates provided by internal audit to the committee.</p> <p>Corporate Risk Register only recently considered by Corporate Management Team.</p> <p>Within Children & Families, SWIA identified that work was progressing to implement and embed new risk assessment procedures across the two services. Mandatory training had been introduced along with a structured approach to file reading audits. There is ongoing work to streamline the new frameworks and ensure the approaches are consistently applied across the services.</p>	Coverage as part of local annual audit
Use of resources			
Financial management	Area of significant	Edinburgh faces significant challenges in ensuring it can afford to fund both its vision and the development of its services whilst achieving efficiencies and managing ongoing financial	Coverage as part of local annual audit

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
	concern	<p>pressures such as implementing single status. The council faces particular pressures in the years ahead to balance its budgets and recognises that this cannot be achieved through each service identifying savings as was past practice. Going forward, significant service redesign is planned through the Alternative Business Model Project to deliver the necessary £90 million savings and efficiencies.</p> <p>In the last year the council has prepared its first medium to long term financial plan. This was an opportunity to bring together all known financial plans and identify the gaps which need to be addressed. For example, the council has yet to implement single status; compliance with Scottish Housing Quality Standards.</p> <p>Steps are also being taken by the council to restore its general fund unallocated balance so that some contingency is available for unexpected events.</p> <p>There are ongoing implications for the council with regard to the trams project. While the council's contribution was set at £45 million, any additional expenditure on the project beyond the Scottish Government's agreed funding of £500 million will require to be funded by the council. There is a formal dispute resolution process currently in place which may lead to the replacement of the lead contractor. The council has acknowledged that the project will cost more than budgeted.</p> <p>Combined these are difficult resource issues for the council to address which are on a scale it has not previously experienced.</p>	Specific issue for inclusion in BV2 audit
Asset management	Area of uncertainty	<p>The council has a strong framework in place with regard to asset management but does not have up to date condition surveys in place. Both Children & Families and Health & Social Care asset management plans were found to be regularly updated when reviewed as part of 2008 inspection work.</p> <p>In common with other councils, Edinburgh has a Scottish Housing Quality Standard plan in place for the refurbishment of its housing stock. This requires significant investment by the council to deliver what is required by 2016.</p> <p>The council has yet to fully address the rationalisation and modernisation of its school estate. The programme of work to date has included PPP1, PPP2 and 'Wave 3'. A Cross Party Forum on rationalisation of primary schools was formed and agreed the criteria for school closure proposals. Three primary schools closed in 2008/09 and a further four primary schools have been identified for closure. In addition, five new secondary schools and three special schools have recently opened in the authority.</p>	<p>Local audit will follow up the national study on asset management, as advised, by the Performance Audit Group of Audit Scotland.</p> <p>Ongoing monitoring by local audit and HMIE.</p>
Managing people	The implementation of single status is considered an area of	<p>Workforce planning continues to develop in the council and there are regular staff surveys.</p> <p>Work continues to integrate HR/payroll services within the council. This has included a new eHR system and the introduction of a service centre to deal with routine payroll matters.</p>	Local audit will monitor implementation of single status

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
	<p>concern. Otherwise no significant risks</p>	<p>Redundancies are likely in the years ahead if the council is to deliver a balanced budget.</p> <p>The council has well established business partnership e.g. Standard Life, BT. One aspect of partnerships is the annual awards scheme which celebrates success, best practice, and innovation. The awards also give public recognition to achievements and provide a clear mechanism to gather and share good practice.</p> <p>The city provides an extensive annual CPD programme for all staff with opportunities available related to current priorities for development. A new leadership programme was launched as part of the 'Achieving Excellence' initiative.</p> <p>Edinburgh received a "good" evaluation for managing and support of staff in SWIA's 2008 report, but "adequate" for impact on staff, as morale was low. Management of staff was good in making sure staff had appropriate qualifications.</p> <p>Area of significant concern</p> <p>The council is the only council yet to implement single status. The first 90 day consultation period commenced in January 2010 with implementation now planned before the end of 2010.</p>	
Procurement	<p>Area of uncertainty</p>	<p>A procurement strategy, policies and procedures are in place providing for an overall corporate procurement function.</p> <p>The pay and procurement service has been restructured using a category management approach. The intention is that the new structure will support a shared service approach to procurement across the south east councils. Partner councils have yet to commit to the project.</p> <p>Contracts have been negotiated with approximately 10% of suppliers. With regard to total spend on goods and services in 2008/09, 73% was spent through contracts and 27% did not involve a formal contract. The council is part of Scotland Excel and seeks opportunities to be involved in national contracts. In the Scottish Government's Procurement Capability Assessment, Edinburgh was one of eight councils considered to have reached baseline compliance with the McClelland report recommendations.</p> <p>Health & Social Care needs to develop better relationships with providers and to consult and involve users when commissioning services. It is also important that the service develops better working relationships with housing and corporate colleagues to ensure effective procurement practices are carried out. For example, in 2009 Edinburgh had problems with a tendering project for care and support of adults. Many service users opted for a change to direct payments which seriously impacted on the assumptions forming the basis of the proposed tendering plans. This process gained publicity, and the council withdrew its tendering proposals. This put the whole process, and the savings envisaged, at risk. A 'lessons learnt' review is currently being undertaken by the council.</p>	<p>Specific issue for inclusion in BV2 audit</p> <p>Joint scrutiny activity between SWIA and the local audit to examine procurement practices e.g. care and support services</p>
ICT	<p>Area of</p>	<p>ICT services are outsourced to BT. The contract has been extended and the outcome of this</p>	<p>As part of the local</p>

Corporate Assessment	Initial risk assessment	Evidence/Rationale	What we plan to do
	uncertainty	negotiation is regarded as an area where the council has successfully delivered substantial savings.	audit, performance of the outsourced ICT contract will be reviewed to determine how it delivers VFM for the council.
Equalities	No significant risks identified	<p>High priority given to equal opportunities, for example, employs 11.5 FTE dedicated equalities officers and comprehensive set of equalities policies and procedures in place. (reported 2007).</p> <p>A new equality scheme for the period 2009-12 'Fairness and Respect' was implemented in May 2009. This is supported by a range of guidance notes.</p> <p>Relevant facts for Edinburgh include: 9% of children in the council's schools are currently registered from a Black and Minority Ethnic (BME) community, over 80 languages are now spoken in the city, there was a threefold growth in the number of pupils from European Union Accession States attending council schools in 2007/08, the city has a growing Lesbian, Gay, Bisexual and Transgender (LGBT) community, the range of faith communities in the city continues to grow, and there has been a rapid growth in the bilingual population, in particular from European Union Accession states.</p> <p>The council is committed in its SOA to increasing the % of black, and minority ethnic pupils at attaining or exceeding relevant levels for their stage in reading writing and mathematics.</p> <p>The authority has helpful links with the higher education establishments in the city. For example, the long-established Lothian's and Edinburgh Equal Access Programme for Schools (LEAPS) provides support to senior pupils in schools to support their transition to university, with a focus on schools where traditionally fewer students go on to Higher Education. The city also contributes to the teacher training programme by providing a high number of student placements both in education and social work</p>	No scrutiny work
Sustainability	No significant risks identified	<p>Good commitment to sustainability through, for example, City Vision and corporate and community plans. Less emphasis on practical activity and performance measurement and reporting.</p> <p>Progress against council's Carbon Management Programme (May 2008) has been slow and a revised plan will be considered by members in May 2010.</p> <p>Revised sustainability policy approved by members.</p>	Development of the Carbon Management Programme will be monitored through the local audit.

Appendix 2 – Assurance and Improvement Plan

2010-11 (Year 1)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Scottish Housing Regulator Conclusion of baseline inspection of housing management functions (this will set the agenda for future scrutiny requirements)												
HMIE Education Psychology Service – follow through inspection												
Audit Scotland – local audit/SWIA Joint scrutiny activity to review the council's care and support services (timing provisional)												
Audit Scotland – local audit Review of Edinburgh tram project												
Care Commission Inspection of adoption and fostering services												
SWIA Inspection of prison based social work services												
SWIA Initial Scrutiny Level Assessment (ISLA)												

2011-12 (Year 2)	
Issues for scrutiny /improvement	Scrutiny bodies /council potential involvement
Ongoing District Inspector monitoring of attendance and attainment	HMIE
Ongoing Link Inspector monitoring of child protection services	HMIE
Ongoing Link Inspector monitoring of social work services	SWIA
Audit of best value and community planning	Audit Scotland

2012-13 (Year 3)	
Issues for scrutiny /improvement	Scrutiny bodies /council potential involvement
Ongoing District Inspector monitoring of attendance and attainment	HMIE
Ongoing Link Inspector monitoring of child protection services	HMIE
Ongoing Link Inspector monitoring of social work services	SWIA
Review of development of shared services across Lothian councils	Audit Scotland