

# Shared risk assessment: Assurance and improvement plan 2010–13

South Ayrshire Council



social work  
inspection agency



THE SCOTTISH  
HOUSING  
REGULATOR



**HMIe**

improving Scottish education  
leasachadh foghlam na h-Alba



AUDIT SCOTLAND

# Contents

<b>1. Introduction</b>	<b>2</b>	Prosperous	10
Why have we prepared this AIP?	2	Healthy and caring	10
What do we mean by a scrutiny risk?	3	Safe	10
What does proportionate scrutiny mean?	3	Learning and achieving	11
Baseline scrutiny activity	4	Clean and attractive	11
<b>2. Summary</b>	<b>5</b>	Services	11
Outcomes	5	Implications for scrutiny activity	12
Service performance	5	<b>5. Corporate assessment</b>	<b>13</b>
Corporate assessment	6	<b>6. Conclusion</b>	<b>14</b>
Self-evaluation	6	Next steps	14
National risk priorities	6	Summary of planned scrutiny activity	14
Summary of planned scrutiny activity	7	Ongoing scrutiny activity	14
<b>3. The council's context</b>	<b>8</b>	<b>Appendices</b>	<b>15</b>
<b>4. Delivering outcomes for communities</b>	<b>10</b>	Appendix 1	15
		Appendix 2	24
		Appendix 3	31

# 1. Introduction

1. The Assurance and Improvement Plan (AIP) sets out the planned scrutiny activity for South Ayrshire Council for the period 2010 to 2013. It sets out and explains the basis of our risk assessment of the council, and sets out the scrutiny response. The scrutiny activity is proportionate based on the assessed risks.
2. This AIP is the product of a collaborative approach adopted by the following scrutiny bodies operating in South Ayrshire Council:
  - Audit Scotland
  - Care Commission
  - HM Inspectorate of Education (HMIE)
  - Scottish Housing Regulator (SHR)
  - Social Work Inspection Agency (SWIA).

## Why have we prepared this AIP?

3. The overall objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the council. This will be achieved by:
  - jointly identifying and monitoring key scrutiny risks through the sharing of intelligence and information
  - coordinating the timing and approach of our audit, inspection, regulation and improvement support activity
  - drawing on and taking account of each other's work to avoid duplication of effort
  - building on each other's work to maximise its value.
4. The AIP draws on a number of sources of information, including:
  - the Strategic Audit Risk Analysis (SARA) for 2008/09, produced by the external audit team
  - the 2009 audit of Best Value and Community Planning in South Ayrshire Council<sup>1</sup>
  - follow-up Best Value audit Spring 2010
  - the annual audit report to the Controller of Audit and elected members for 2008/092
  - the council's own self-evaluation and supporting evidence

---

<sup>1</sup> [South Ayrshire Council - The Audit of Best Value and Community Planning](#)

<sup>2</sup> [South Ayrshire Council - Report to Members and the Controller of Audit on the 2008-09 Audit](#)

- reports and data from HMIE, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).
5. Following the publication of the Best Value audit report in April 2009 the Accounts Commission requested a follow up report from the Controller of Audit on the position of the council as at March 2010. The follow up report is due to be published in summer 2010.

## What do we mean by a scrutiny risk?

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

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

7. When we determine 'risk' we mean risk that will trigger scrutiny work and not inherent risk, for example as in the risk of harm to an individual. We define risk as:
- Red, where there are significant concerns which would indicate that we would need to undertake some scrutiny activity in order to provide public assurance.
  - Amber, where there are areas of uncertainty or gaps in the information available to us to determine whether or not we need to undertake some scrutiny activity.
  - Green, where we have no significant concerns.
8. We recognise that risk levels will change as significant events occur and as councils take action to address identified risks. Scrutiny bodies, through local area network (LAN) contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the LAN lead, in consultation with other LAN members, will update the AIP as appropriate. LAN members will draw any significant matters to the attention of the LAN lead as they arise. The LAN lead will determine what action should be taken in terms of initiating contact with other LAN members.
9. The council is expected to initiate contact with the LAN lead where significant events occur that are likely to influence scrutiny activity. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.

## What does proportionate scrutiny mean?

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

- What is the minimum level of scrutiny required to provide assurance to the public?
- How can we work together to minimise the impact of the scrutiny activity on the council?

## Baseline scrutiny activity

11. The focus of the AIP is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. Link inspectors will continue to visit councils as part of their ongoing liaison. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. In addition, other work may be undertaken as a result of a specific Ministerial request.
12. intend to publish individual council AIPs on the Accounts Commission scrutiny web page.

## 2. Summary

The council has defined its priorities in its vision and single outcome agreement (SOA). While the majority of outcomes show some progress, challenges remain with the provision of affordable homes and supporting businesses through a challenging economic downturn.

Education services are generally performing well although some challenges remain. Social work services are providing some good outcomes for people who use services and are generally performing to an adequate standard. While the council has a good approach to most housing management services, concerns remain regarding the Scottish Housing Quality Standard (SHQS) 2015 deadline.

The council has made good progress in addressing important aspects of its improvement agenda. It has improved its financial position and strategic leadership and has begun to establish a culture of continuous improvement throughout the organisation. However many of the activities are at early stages of development and implementation and the council recognises the continuing challenges that lie ahead.

No additional scrutiny, other than the regular and on going engagement by SHR, SWIA, HMIE and the Care Commission with the council, is planned for 2010/11. Ongoing progress made against the improvement plan and the council's strategic priorities will be monitored by Audit Scotland and reported in the annual report to members and the Controller of Audit.

### Outcomes

13. The council has defined its priorities in its vision and single outcome agreement. While the majority of outcomes show some progress, challenges remain with the provision of affordable homes and supporting businesses through a challenging economic downturn. In some cases there is a lack of performance information from which to derive whether outcomes are being achieved. We will continue to monitor progress through the audit process.

### Service performance

14. Education services are generally performing well although challenges remain regarding the attainment levels of the lowest achieving 20 per cent of S4 pupils in Scottish Qualification Authority (SQA) examinations. Social work services are providing some good outcomes for people who use services and are generally performing to an adequate standard with a number of identified areas for improvement and modernisation. While the council has a good approach to most housing management services, concerns remain regarding the council's ability to manage its housing assets, in particular meeting the SHQS by the 2015 deadline. The time taken by the council to discharge its duty to homeless households increased to 31 weeks in 2007/08. Following concerted effort by the authority, this was reduced to 13 weeks in 2008/09. We have been advised that this is anticipated to have further improved in 2009/10.
15. We will monitor progress through the Best Value audit process; the local audit process and inspectorate follow up activity as appropriate.

## Corporate assessment

16. The recent Best Value follow-up report indicates that the council has made good progress in addressing important aspects of the improvement agenda. The council has a good self-awareness and has improved its financial position and strategic leadership - with elected members and officers working well together, and has begun to establish a culture of continuous improvement throughout the organisation. However many of the activities are at early stages of development and implementation and the council recognises the continuing challenges that lie ahead. Key areas for further development include full implementation of a comprehensive performance management system, developing a more strategic approach to service review and strengthening community engagement.
17. Progress made against improvement actions will be monitored by Audit Scotland and reported in the annual report to members and the Controller of Audit.

## Self-evaluation

18. The council uses a self-evaluation approach in some areas of activity, notably education and social services, but the practice is not consistently or systematically applied across the council at present. The council has recently reviewed its performance management framework and has opted to adopt the "How Good is Our Council" approach to self-evaluation. Implementation planning is now underway.

## National risk priorities

19. A number of core national risk priorities will be applied to all 32 councils. These are:
  - The protection and welfare of vulnerable people, including access to opportunities, which is encapsulated in the council's defined outcomes. Our shared risk assessment identified some areas where the council is performing well against this national priority however there is a need for the council to improve the quality of operational practice regarding the assessment and management of risk in child protection and regarding the assessment and support for children in kinship care placements. SWIA's ongoing monitoring and follow up inspection in 2010 will focus on this priority as will the Child Protection Inspection in 2011.
  - Assuring public money is being used properly. This forms a key strand of the council's approach to financial management. While the council has exceeded its financial recovery strategy target, financial pressures remain due to the current economic climate and future funding gaps. Cuts in central government funding are a key risk for the council and difficult decisions will be required to ensure the council can deliver services within tight financial constraints. This area will be assessed by Audit Scotland as part of the annual audit activity.

## Summary of planned scrutiny activity

20. The planned activity for South Ayrshire Council as described throughout the text is detailed in **Appendix 3**. In summary this includes:

- Year 1 – Follow-up of Best Value 1 audit (report due to be published summer 2010).
- Year 1 – follow-up performance inspection by SWIA.
- Year 1 – SHQS review by SHR
- Year 1- Care Commission review of recruitment processes
- Year 1- Care Commission review of adoption and fostering services (Part of the National Scrutiny Schedule for 2010/11)
- Year 1- Engagement/consultation with the council as a result of the best value audit in Strathclyde Police Board.
- Year 2 – No additional scrutiny planned.
- Year 3- Further follow-up of Best Value audit.



## 3. The council's context

21. South Ayrshire is situated in the south west of Scotland, and covers an area of 1,222 square kilometres, extending from Troon and Symington in the north to Ballantrae and Loch Ryan in the south. Its population of 111,670 is the 17<sup>th</sup> largest of local authorities in Scotland. The council's net cost of services for 2008/09 was £255 million. Seventy per cent of South Ayrshire's population live in Troon, Prestwick and Ayr. The rest of the area is predominantly rural, including the smaller towns of Maybole and Girvan, and many small villages.
22. South Ayrshire's population declined by around one per cent between 1991 and 2001 and is projected to decline by a further two per cent between 2001 and 2021. However, demand for housing is expected to increase, as the number of single person households (especially pensioner households) is projected to rise by more than 30 per cent. Compared to other parts of Scotland, South Ayrshire residents enjoy comparatively good health and longer life expectancy. The council estimates that by 2021, increasing life expectancy could lead to a 24 per cent rise in the number of elderly people relying on the public sector to fund their care needs.
23. South Ayrshire Council has faced severe financial pressures in recent years. The council had an accumulated deficit of £0.507 million at 31 March 2007. Despite exceeding its financial recovery strategy target, (£7.453 million in general fund at 31 March 2009, of which £4.3 million was uncommitted), the council in common with other local authorities continues to experience severe financial constraints within the current economic climate. The council is looking at other sources of income and reductions in expenditure to balance its budget. The council's latest financial strategy projections show revenue funding shortfalls of £34 million and capital funding shortfalls of £22 million over the next three years.
24. According to the Scottish Household Survey, South Ayrshire Council is generally performing well in terms of customer satisfaction; with more than 75 per cent of service users surveyed being satisfied with council services, except for street cleaning, which received a satisfaction score of 61 per cent. Service users' satisfaction levels in South Ayrshire were equivalent to those for Scotland overall for all council services except street cleaning and theatres or concert halls. Both of these had significantly lower levels of satisfaction compared to Scotland overall. We have been advised that street cleanliness has improved recently and the low scoring for theatres is likely to reflect the fact that the data was captured at a period when the council was closing theatres.
25. Compared to other parts of Scotland, South Ayrshire has above average educational attainment, below average levels of deprivation and lower levels of crime. Although crime is comparatively low, the South Ayrshire Community Safety Partnership reports that during the three years from 2005 to 2007 South Ayrshire, when compared to other local authorities in the Strathclyde area: experienced the largest percentage increase in total violent crime; it is one of the few areas where vandalism has increased; it has seen a bigger increase in drug and weapon crime than East Ayrshire and North Ayrshire; and it has the highest percentage of 15 to 19-year-olds starting to use illicit drugs. These

issues are a significant focus of partnership working in community safety, and recent police data indicates this is bringing about higher levels of reporting and detection and a reduction in crime rates.

26. Within this context and the current economic climate the council has a number of key challenges including:

- A sustainable financial strategy.
- Provision of affordable housing.
- Increasing aging population reliant on council services.
- Lifestyle issues around drug and weapon crime.
- The percentage of school leavers in South Ayrshire not in education, employment and training (NEET).

## 4. Delivering outcomes for communities

**The council has five main strategic priorities which are based around the key contextual challenges faced by the council and focus on delivering outcomes for their communities. Risks have been identified in achieving the prosperous outcome and there are uncertainties around the healthy and caring and safe outcomes. Audit Scotland will review whether the council is making progress in these areas for its communities as part of the audit process.**

### Prosperous

27. There remain significant concerns regarding this outcome. Support to business has increased recently however, it is unclear the impact this additional support has had on local businesses. There has been a decline in median weekly earnings along with an increase in the number of people in South Ayrshire receiving Job Seekers Allowance reflecting the economic downturn witnessed over the past 18 months. Challenges remain regarding the provision of affordable homes (30 new affordable houses were completed in 2008/09 and we have been advised that 134 completed in 2009/10 against an annual target of 200 homes). There is a risk that the council is unable to meet its planned outcomes. This will be monitored as part of the audit process.

### Healthy and caring

28. The council has been focusing on improving aspects of healthcare within its control. While efforts are continuing in these areas there is a lack of performance information available to determine whether the outcomes are being achieved. Life expectancy in South Ayrshire is higher than the national average. However, the proportion of the local population hospitalised for alcohol and drug related conditions is significantly worse than the national average and is showing an upward trend. A recently established multi-agency Alcohol and Drug Partnership is focused on this issue. The percentage of adults with limiting long term illnesses and drug prescribing for anxiety, depression and psychosis is also significantly higher than average. In common with other Scottish councils there is a risk that the council is unable to meet its planned outcomes due to financial resource curtailments. This will be monitored and reported as part of the audit process.

### Safe

29. In order to address the strategic priority of being safe, the council has been focusing on reducing the fear of crime and actual incidence of crime. Recent initiatives such as SafeAyr have been successful and the levels of crime, antisocial behaviour, vandalism and fire raising have fallen. High profile policing and other initiatives have been introduced: to address the levels of offensive weapons in the area, to positively impact upon drug misuse and to reduce the number of people killed or seriously injured on roads. The outcomes of these initiatives are not yet known. There is a risk that the council

is unable to meet its planned outcomes. This will be monitored and reported as part of the audit process.

## Learning and achieving

30. Education in South Ayrshire has performed well in recent years. For example, there has been a steady decrease in the percentage of the working-age population with no qualifications over the last three years, and there are plans in place to reduce this further. This compares well with South Ayrshire's comparator authorities. Exclusion rates in primary schools are lower than the national average and the council has targeted the higher rates in secondary as a priority for improvement. These are beginning to improve as evidenced in the recent Scottish Government report (February 2010). The percentage of young people staying on at school is high and increasing. Of those who leave, increasing proportions go on to positive destinations. High percentages of young people participate and succeed in a wide range of activities in and beyond schools. HMIE have no significant concerns in this area and therefore no additional scrutiny activity is planned.

## Clean and attractive

31. There have been sustained improvements in the street cleanliness indicator, local coastal waters recorded as "good" have improved in the majority of cases and the amount of waste going into landfill has decreased. It is not known how constraints on resources may impact on the council's "clean and attractive" priority. South Ayrshire Council was the third top council in Scotland for recycling for the quarter July to September 2009. We have no significant concerns in this area and therefore no additional scrutiny activity is planned.

## Services

32. Inspections of the council's schools and SQA exams results have shown that overall, the council continues to provide a good standard of education. However there are still a number of school buildings, identified in the review of the schools estate, which are due to be refurbished or renewed. The attainment of the lowest achieving 20 per cent of S4 pupils in SQA examinations remains too low, despite a clear focus on 'closing the gap' in the Children and Community Directorate Plan. HMIE will monitor this as part their ongoing engagement with the council and therefore no additional scrutiny is planned.
33. Within the council's development and environment directorate, there has been concern in the past that the quality of the council's planning services was deteriorating with the risk that this deters economic investment in the area. The council recognised this and put an improvement plan in place in March 2009. Outcome reports to date indicate that the service has made good progress and improvements for local service users. The service has revised its improvement plan in March 2010. Therefore we do not intend to carry out further scrutiny of this area.

34. Building control, trading standards and environmental health are expected to be delivered on an Ayrshire-wide basis. There is uncertainty over how this will be structured. The project has been rescheduled and won't be in place until April 2011, a full year beyond the initial planned launch. This will be monitored as part of our ongoing annual audit activity.
35. The council has recently introduced a customer contact centre and service centre. While these provide good opportunities to improve customer service, there are potential risks relating to project management, ICT, data handling and reputational risk as this is a high profile initiative. These risks are common with all major developments of this type in the public sector. The council does not yet have any performance data or customer feedback information to show whether the service centre is achieving its objectives. The council therefore cannot properly evaluate whether it needs to take any action to improve performance or if it is achieving best value. Progress made will be reviewed as part of our ongoing audit activity.
36. Overall, social work services for people with learning disabilities, adult services, criminal justice services and housing support services are performing reasonably well. However, children's social work services require to improve the quality of some key operational processes, particularly the assessment and management of risk in child protection and the assessment and support for children in kinship care placements. This will be reviewed by SWIA as part of their follow up performance inspection towards the end of 2010.
37. While the council's housing service has a good approach to housing management, housing support services and income maximization, there are concerns in the current financial climate about the council's ability to effectively manage its housing assets to achieve the SHQS by the 2015 deadline. There are also concerns about the council's ability to adequately increase the supply of affordable housing. The Scottish Housing Regulator will review progress made against the SHQS.

Further details of each service area are available at **Appendix 1**.

## Implications for scrutiny activity

38. As previously mentioned, the council has recently been subject to a Best Value follow-up audit in the spring of 2010. We will work together with our LAN colleagues wherever possible to minimise duplication of effort. The Housing Regulator will review progress made in achieving the SHQS. Regular monthly meetings will take place between Audit Scotland and the executive director for corporate services with regards to the internal control environment and the statutory financial reporting process. SWIA will undertake a follow up performance inspection in September 2010.

## 5. Corporate assessment

**The council received a critical Best Value audit report in April 2009 which raised concerns over a number of corporate assessment areas. The council responded with a challenging improvement plan. To date the council has made good progress in meeting milestones in the improvement programme. A number of the improvement areas may take years before the new arrangements are embedded in working practices. There is now a need to review and refine the improvement programme for the period ahead.**

39. Good progress has been made in meeting milestones in the improvement plan. A number of the improvement areas may take years before the new arrangements are embedded in working practices. There remain significant concerns in some areas such as planning and resources alignment, partnership working and community leadership, public performance reporting, efficiency, financial resources and information communications technology.
40. There are no significant concerns with regard to governance and accountability and risk management. The council is progressing asset management, vision and strategic direction, leadership and culture, community engagement, performance management and improvement, managing people, procurement, equalities and sustainability. These activities are at an early stage of development and may take years before they are embedded in working practices.
41. The council is making progress and heading in the right direction. It recognises that it still has much to do in becoming a best value organisation and has set itself a challenging improvement agenda. It needs to build on the work it has already undertaken particularly focusing on the areas where further work is required. There is now a need to review and refine the improvement programme for the period ahead. Audit Scotland will review progress through the annual audit process.
42. Further details of each corporate assessment area are available in **Appendix 2**.

# 6. Conclusion

## Next steps

43. Ongoing discussions are planned with officers relating to progress on the council's improvement plan. Where there is the opportunity to work with colleagues from other scrutiny bodies this will be incorporated into scrutiny plans.

## Summary of planned scrutiny activity

44. The main area of strategic scrutiny activity in 2010/11 was the recent Best Value follow-up audit. We will work closely with LAN colleagues to minimise duplication wherever possible. The council is also scheduled to receive an inspection of child protection as part of the national cycle of inspections. It is intended that synergies between these two processes will be identified to reduce the impact of scrutiny on the council. In addition to this SWIA will carry out a follow up performance inspection and the SHR will monitor progress against SHQS and determine whether any further scrutiny activity might be required at a later date.

## Ongoing scrutiny activity

45. The focus of the AIP is strategic scrutiny activity. However there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. Scrutiny bodies also reserve the right to make unannounced visits. These will generally be made in relation to care services for vulnerable client groups. The annual audit process also comprises part of the baseline activity for all councils. In addition, other work may be undertaken as a result of a specific Ministerial request.

## Appendix 1

Performance Assessment South Ayrshire Council			
Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
Prosperous	<b>Significant concerns</b>	<p>There has been a sharp decline in the number of affordable houses being built. Challenges remain with the provision of affordable homes and supporting businesses through a challenging economic downturn. A Housing Market Partnership has been established; however it is too early to assess its effectiveness. (Audit Scotland's Public Reporting Group)</p> <p>There has been a decline in the median weekly earnings and an increase in the number of people receiving Job Seekers Allowance reflecting the economic downturn. (Audit Scotland's Public Reporting Group)</p> <p>Recognising the challenges faced by Ayr town centre, the council created Ayr Renaissance LLP to deliver its town centre regeneration strategy. Ayr Renaissance has attracted external funding to help it to deliver improvements including a facelift scheme and refurbishment of long term vacant retail premises. Work has recently commenced on improvement actions but the regeneration outcomes are not yet known.</p>	Monitor progress through the annual audit process.
Healthy and caring	<b>Areas of uncertainty</b>	<p>The council focused on improving those aspects of healthcare within its control for 2009: improving diet and activity of school children, encouraging increased sports participation and improving homecare for those with long term illnesses. While efforts are ongoing in each of these areas, there is a lack of performance information from which to derive whether the outcome is being achieved. (Audit Scotland's Public Reporting Group)</p> <p>The proportion of the local population hospitalised for alcohol and drug related conditions is significantly worse than the national average and is showing an upward trend. The percentage of adults with limiting long term illnesses and drug prescribing for anxiety, depression and psychosis is also significantly higher than average.</p> <p>The council has agreed additional funding in its 2010/11 budget to help address the needs of elderly people. (Community Health Partnership profile <a href="http://www.scotpho.org.uk">http://www.scotpho.org.uk</a>)</p>	Monitor progress through the annual audit process.



Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>In August 2009 a new alcohol &amp; drug partnership was created between the council, NHS Ayrshire &amp; Arran, HMP Kilmarnock, DWP, Strathclyde Police, Strathclyde Fire &amp; Rescue, Ayrshire Criminal Justice Partnership, South West Scotland Community Justice Authority and various voluntary organisations. It is not yet known what impact this partnership will have on alcohol and drug misuse. (CPP meeting 3 February 2010)</p>	
<p><b>Safe</b></p>	<p><b>Areas of uncertainty</b></p>	<p>The council has been focusing on reducing the fear of crime and the actual incidence of crime. While it is reported that recent initiatives such as SafeAyr have been successful, and the rates of vandalism and fire raising have decreased, there is limited information to know whether this outcome is being achieved. (Audit Scotland's Public Reporting Group)</p> <p>High profile policing has been introduced deploying officers in known "hot spots" to address issues over the levels of offensive weapons in the area.</p> <p>The Community Safety Partnership has initiatives in place to positively impact upon drug misuse and the police have "operation impact" running from January to March 2010 to target the supply and use of controlled drugs. The outcomes from these initiatives are not yet known.</p> <p>The numbers of people killed or seriously injured on roads is being addressed by police officers continuing to be trained and deployed using Falcon speed guns. The outcome of this initiative is not yet known.</p> <p>Targeted areas are seeing a reduction in complaints to police regarding levels of crime and anti-social behaviour. (Community planning Partnership Report 3 February 2010)</p>	<p>Monitor progress through the annual audit process.</p>
<p><b>Learning and achieving</b></p>	<p><b>No significant concerns</b></p>	<p>Education in South Ayrshire has performed well over a range of measures in recent years. For example, there has been a steady decrease in the percentage of working-age population with no qualifications over the last three years, and there are plans in place to reduce this further. Exclusion rates in primary schools are lower than the national average and the council has targeted the higher rates in secondary as a priority for improvement. These are beginning to improve as evidenced in the recent Scottish Government report (February 2010). The percentage of young people staying on at school is high and increasing. Of those who leave, increasing proportions go on to positive destinations. High percentages of young people participate and succeed in a wide range of activities in and</p>	<p>No additional activities required, beyond general inspection programme.</p>

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
		beyond schools.	
<b>Clean and attractive</b>	<b>No significant concerns</b>	<p>The area has a diverse natural and cultural heritage. The council recognises the challenges facing it including maintaining a clean and attractive environment and promoting civic pride. There has been an improvement in the street cleanliness indicator, coastal waters recorded as good have improved in the majority of cases and the amount of municipal waste going to landfill has decreased.</p> <p>There is a need to ensure rural communities benefit from economic growth. This is being addressed through a variety of initiatives including the development of Tourism and Enterprise strategies for business development in rural areas.</p> <p>The council has experienced constraints on available resources to support flood prevention, roads maintenance and coastal protection. This may impact on outcomes in the future. Restricted future investment in cycling and business/commuter travel initiatives may jeopardise improvements in this outcome. (CPP report 25 November 2009)</p>	No additional scrutiny planned.

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Corporate resources</b> <ul style="list-style-type: none"> <li>▪ HR</li> <li>▪ Resources</li> <li>▪ Legal</li> </ul>	<b>No significant concerns</b>	<p>The local audit team regularly meet the Executive Director for Corporate services and discuss any emerging issues. No significant concerns at this time.</p>	<p>Continue monthly meeting between Executive Director for Corporate Services and the local audit team.</p>
<b>Development and environment</b> <ul style="list-style-type: none"> <li>▪ Planning and enterprise</li> <li>▪ Property and neighbourhood</li> <li>▪ Customer and community</li> </ul>	<b>Areas of uncertainty</b>	<p>The Development and Environment Directorate Plan recognises the challenges faced by the department including the economic outlook, and legislative requirements.</p> <p>There has been concern in the past that the quality of the council's planning services was deteriorating with the risk that this deters economic investment in the area. The council recognised this and put an improvement plan in place in March 2009. Outcome reports to date indicate that the service has made good progress and improvements for local service users. The service has revised its improvement plan in March 2010.</p> <p>The council has recently (summer 2009) agreed a customer service strategy. They have opened a contact centre and service centre (spring 2010). While this is an opportunity for the council to improve customer service, there are potential risks relating to project management, ICT, data handling and reputational risk as this is a high profile initiative. The council does not yet have any performance data or customer feedback information to show whether the service centre is achieving its objectives. The council therefore cannot properly evaluate whether it needs to take any action to improve performance or if it is achieving best value. (Best Value follow up audit 2010)</p> <p>Building control, trading standards and environmental health are expected to be delivered on an Ayrshire-wide basis with effect from 1st April 2011. There is uncertainty over how this will be structured. The project has been rescheduled and won't be in place until April 2011, a year beyond the planned launch. (Best Value follow up audit 2010)</p>	<p>Monitor progress through the annual audit process.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
<p><b>Education and community</b></p> <ul style="list-style-type: none"> <li>▪ <b>Service and school management</b></li> <li>▪ <b>Community care and housing</b></li> <li>▪ <b>Children's services</b></li> <li>▪ <b>Curriculum and service improvement</b></li> <li>▪ <b>Community development</b></li> </ul>	<p><b>No significant concerns</b></p>	<p>Inspections of schools have shown that overall, the council continues to provide a good standard of education. Young people continue to perform well in SQA examinations and vulnerable young people and those with additional learning needs are well supported. The evaluations of nursery classes and pre-school centres have been positive in recent years. Primary schools have maintained high and improving standards of performance in reading, writing and mathematics. Pastoral care, climate and relationships, partnerships with parents and leadership were particularly strong. The performance of secondary schools in inspections is more variable. However, performance in the Scottish Qualifications Authority examinations has improved in recent years.</p> <p>Implementation of Curriculum for Excellence is well directed, effectively supported and is progressing very well. The council gives appropriate and successful assistance and encouragement to children and young people to promote their achievements in a range of areas.</p> <p>The council supports looked after and accommodated children effectively. A number of initiatives are targeted at improving educational achievement and engagement in positive activities is aimed at improving their life chances. There is a strong emphasis on building the capacity of school staff to deliver a wider range of learning and teaching activities for vulnerable young people.</p> <p>There is an improving picture in community learning and development over the three recent inspections. The recent inspection of the Education Psychology Service gave a positive report overall.</p> <p>There remain a number of school buildings, identified in the review of the schools estate, which are still to be refurbished or renewed.</p> <p>The attainment of the lowest achieving 20% of S4 pupils in SQA examinations remains too low, despite a clear focus on 'closing the gap' in the Children and Community Directorate Plan. Trends over the last three years have been falling but there was a slight increase in 2009. The council is addressing this pro-actively through a range of initiatives.</p>	<p>No additional scrutiny planned.</p>



Council services	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Social work</b> <b>Outcomes</b> <b>Adult care</b> <b>Criminal justice</b>	<b>No significant concerns</b>	<p>The overall evaluation within the SWIA report was that the directorate was performing to a good standard based on SPIs for core outcome measures (these included; intensive home care, delayed discharge, housing and support for people with learning disabilities, educational attainment for looked after children and respite for children with a disability). (SWIA performance inspection report 2009)</p> <p>Services for people with learning disabilities - A SWIA led multi-agency inspection in 2007 found services were performing very well in supporting independence and promoting inclusion for both adults and children. In the 2009 performance inspection there were some concerns about sustainability due to the high cost of these services.</p> <p>Adult services - Assessment and care management were working well and adults who used services advised that they were very satisfied with local services received.</p> <p>Criminal justice services -These were inspected by SWIA as part of the Ayrshire Partnership in 2007. Most of the key areas for improvement have been met. (SWIA performance inspection report 2009)</p> <p>There were a number of examples of effective joint working, within children's and adult services. The day care link project used mainstream support and child care services for children with or affected by disability, promoting inclusion.</p> <p>In general the Housing Support Services and care at Home Services scored well in the 2008/2009 Care Commission inspections.(Care Commission)</p>	<p>Follow up performance inspection by SWIA 2010.</p>

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
Housing management	<b>Significant concerns</b>	<p>The council was last inspected by Scottish Housing Regulator in 2005. Its post inspection Improvement Plan was desk-top assessed in 2007. A good approach to housing management overall was found. Since then, the council's KPI performance continues to improve around income maximisation and its reported arrears levels are lower than the Scottish average and reducing.</p> <p>The average time taken to re-let low demand housing was 141 days in 2007/2008, however this decreased to 122 days in 2008/2009 and we have been advised that it has improved to 40 days for the financial year 2009/10.</p> <p>In general the Housing Support Services and Care at Home Services scored well in the 2008/2009 Care Commission inspections. (Care Commission)</p> <p>The council has a commitment to tenant participation and has well established consultative structures but provides limited public reporting and feedback. The council's reported performance in responsive repairs is variable without an overall improving trend. (Accounts Commission SPIs)</p> <p>The council knows that it will be challenging to achieve the SHQS for all of its houses by 2015 and it is behind its target of having 62% of its housing stock meeting the SHQS by March 2009 (48% at December 2009). The current housing business plan estimates predict a total shortfall in funding for SHQS improvements of £6.3 million over the next five years. The council have also decided to freeze council rents for 2010/11 further increasing the risks in this area although it is to be noted that council has recently decided to reduce the council tax discount available on second homes. In addition, while the council reports it is making progress with gathering stock information this has been at a slow pace and the quality is not known. There has in the past been poor performance in capital investment that the council has taken steps to address.</p> <p>The council reports it has taken steps to improve gas safety and asbestos management but risks remain as less than a 100% compliance rate is currently being achieved.</p> <p>The council has a good strategic approach to services for homeless people. It reported that it met its 2009 interim target, has taken steps to ensure it always provides temporary accommodation when this is required and appears to have resolved the weaknesses in its recording and decision making processes.</p> <p>The time taken by the council to discharge its duty to homeless households increased to 31 weeks in 2007/08. Following concerted effort by the authority, this was reduced to 13 weeks in 2008/09. We have been advised that this is</p>	SHQS review by the SHR 2010.

Council services	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>anticipated to have improved in 2009/10.</p> <p>The council needs to deliver an additional 200 affordable homes each year in order to meet current and emerging needs. In 2008/09 only 30 new affordable houses were completed. (Scottish Housing Regulator). We have been advised that in 2009/10, there were 134 completions. The primary issue in the past year has been the economic downturn which is affecting private developers. There are also issues related to national funding for RSLs.</p>	



## Appendix 2

Corporate Assessment South Ayrshire Council			
Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Vision and strategic direction</b>	<b>Areas of uncertainty</b>	The council has made good progress in agreeing a corporate plan and developing directorate plans to better link service activity to corporate strategic objectives and the council vision. It recognises that directorate plans need further development to include measurable objectives and to have clear links to resource planning.(Best Value follow up audit 2010)	Monitor progress through the annual audit process.
<b>Leadership and culture</b>	<b>Areas of uncertainty</b>	<p>In the past, there have been challenges with members of the corporate management team (CMT) not working corporately across council departments. Leadership training facilitated by the Keil Centre started in December 2009 for the CMT and scrutiny panel chairs. Further training is planned for the extended CMT throughout 2010. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>The CMT is a relatively small group of senior officers. There is a risk that the balance of workload and capacity to make significant changes results in change not being implemented and embedded as quickly as the council has planned. The council has an extended CMT (including Heads of Service) to support the corporate remit and this appears to be working well.</p> <p>The Leader of the Council, Councillor Hugh Hunter, retired as leader from 3 February 2010. Councillor Bill McIntosh has replaced Councillor Hunter as leader of the Conservative Group and Leader of the Council. (Letter from Leader of the Council to the Chief Executive dated 27 January 2010)</p> <p>Elected members and senior officers are now working together more effectively and a culture of continuous improvement is beginning to develop throughout the organisation. (Best Value follow up audit 2010)</p>	Monitor progress through the annual audit process.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Planning and resource alignment</b>	<b>Significant concerns</b>	<p>The council now has various levels of plan in place including the Vision, the Community Planning Partnership Plan, the Corporate Plan, Directorate Plans and Service Plans and is taking the SOA forward. The partner agencies also have plans in place and the general strategy is in unison. There is a need to formalise the linkages between these plans and resource plans to ensure that the whole organisation is signed up and that the golden thread runs through all levels.</p> <p>The council recognises that directorate plans need further development to include measurable objectives. (Best Value follow up audit 2010)</p>	Monitor progress through the annual audit process.
<b>Partnership working and community leadership</b>	<b>Significant concerns</b>	<p>The community plan identifies measures of success but these are not ambitious and do not have target dates for delivery. (Audit Scotland 2008/9 members report)</p> <p>The council requires to consider if and how area based community planning should be progressed. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>There is a need to improve the sharing of information in the community planning partnership (CPP) so that relevant levels of all partner agencies have the information they require to best meet the needs of the population. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>While there are examples of shared services (eg emergency planning services) and plans for Ayrshire wide regulatory services, shared services initiatives have not yet been fully developed and are not yet delivering significant savings for the council. (Audit Scotland 2008/9 members report)</p> <p>The CPP's improvement plan has been implemented. There is a need to assess the impact of the improvement programme. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>The SOA is providing a focus for the community planning partnership and there have been improvements to the arrangements and relationships. The council could make more use of the community planning partnership in considering how it can share and join up services to make better use of resources and improve outcomes for local people. (Best Value follow up audit 2010)</p>	Monitor progress through the annual audit process.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Community engagement</b>	<b>Areas of uncertainty</b>	The council has recently developed a communications strategy. It plans to build on this to develop more coherent arrangements for engaging with communities, an area which is currently underdeveloped. (Best Value follow up audit 2010)	Monitor progress through the annual audit process.
<b>Governance and accountability</b>	<b>No significant concerns</b>	<p>The council aims to move to the “Delivering Good Governance in Local Government Framework” and work towards this is progressing well. Elected members have indicated that they are now more satisfied with the information being provided to them. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>While the council has made significant improvements in its scrutiny arrangements over the past 3 years, further improvements could be made by sharing best practice. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>It is not clear what impact service reviews have had on performance. There have been difficulties in some cases of completing reviews. (Best Value audit 2009)</p> <p>The council does not yet have a sufficiently strategic approach to reviewing and improving its services. (Best Value follow up audit 2010)</p> <p>All elected members have personal development plans and have had discussions to review individual development needs. There is a need to ensure that training opportunities are structured to the development needs identified by elected members. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>Elected members and senior officers are working together more effectively. (Best Value follow up audit 2010)</p>	Monitor progress through the annual audit process.
<b>Public Performance reporting</b>	<b>Significant concerns</b>	<p>In 2008/9, twenty one statutory performance indicators (SPIs) were tested in detail. Nine of these were found to be incorrectly stated. ( Audit Scotland 2008/9 members report)</p> <p>The council recognizes that consultation is required on what information and in what form the public, communities, clients, partners find helpful with regards to the council’s performance. This consultation is due to be completed by August 2010. Public information is planned to be available from August 2011 and prepared six monthly thereafter. (SAC Best Value Follow Up submission)</p> <p>The council acknowledges the progress it needs to make in developing its approach to public performance reporting. It plans to set up focus groups to consider how best to take this forward.(Best Value follow up audit 2010)</p>	Monitor progress through local audit process.
<b>Performance</b>	<b>Areas of</b>	The council has made good progress in putting in place key elements of a performance	Monitor

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>management and improvement</b>	<b>uncertainty</b>	management framework which includes preparing a new corporate plan and directorate plans. However, reporting on these plans has yet to take place, limiting the ability of elected members to be clear on how the council is performing. The council has recently agreed to purchase a performance management software system which will enable it to monitor and report on performance more effectively. The council recognises that it still has much to do before it has a comprehensive performance management system in place and is establishing the necessary processes and systems it needs to do this. (Best Value follow up audit 2010)	progress through the annual audit process.
<b>Efficiency</b>	<b>Significant concerns</b>	Following the 2009 best value audit the council included efficiency and effectiveness as an improvement strand. It has been focusing on HR related activity, procurement and asset management. The council meeting of 10 February 2010 approved corporate efficiency savings of £4.25 million for year 2010/11. Further difficult decisions and efficient and effective service delivery mechanisms will be required in order to deliver planned savings and ensure quality services are delivered. (Audit Scotland priorities and risks framework discussions December 2009)  Latest financial strategy projections by the Section 95 Officer predict revenue funding shortfalls of £34 million and capital funding shortfalls of £22 million over the next 3 years. However, the council has a financial strategy in place to support the identification and implementation of future budget reductions.	Monitor progress through the annual audit process.
<b>Risk management</b>	<b>No significant concerns</b>	The council has made good progress with risk management arrangements with external support. A revised strategy is in place along with corporate and directorate risk registers which are in line with the council's corporate aims.  Progress has been made with risk management arrangements and they are now more effective. The council now needs to focus on embedding a culture of risk management. The council is working on this by providing training to members and establishing 'risk owners' who are responsible for maintaining and updating risks in their areas.(Best Value follow up audit 2010)	Monitor progress through the annual audit process.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Use of resources - Financial</b>	<b>Significant concerns</b>	<p>While the council has exceeded its financial recovery strategy target, (£7.453m in general fund at 31 March 2009, of which £4.3m was uncommitted), financial pressures remain due to the economic climate and future funding gaps. The reserves strategy was revised as part of the 2010/11 revenue budget process. A revised target of having an uncommitted general fund balance of £8m has been agreed.</p> <p>Difficult decisions will be required to ensure the council can deliver services within tight financial constraints. Alternative service delivery options require to be considered. (Audit Scotland 2008/9 members report)</p> <p>Icelandic bank deposits—discussions are currently ongoing and uncertainty remains as to the amount and timing of the eventual return to the council. The council are following guidance issued by the Local Government Association (acting on behalf of councils).</p> <p>In common with the rest of the public sector, cuts in central government funding are a key risk for the council. The council will require to closely monitor the impact of the recession. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>The latest council financial strategy projections show revenue funding shortfalls of £34 million and capital funding shortfalls of £22 million over the next 3 years. Projected shortfalls in revenue and capital are in line with other local authorities.</p> <p>The council's financial position has improved and it now has established a medium term financial strategy. Financial pressures remain due to the economic climate, demographic change resulting in an increase in service demand and future funding gaps. The council is actively managing these risks but it would benefit from introducing more detailed financial plans. (Best Value follow up audit 2010)</p>	Monitor progress through the annual audit process.
<b>Use of resources - Assets</b>	<b>Areas of uncertainty</b>	<p>The council has developed an interim property asset management plan, which is an important step forward. The focus of the plan is to rationalise and better manage property assets, which will help improve efficiency. However, the council acknowledges that it is not yet aligned with the council's strategic aims and vision or wider corporate planning. (Best Value follow up audit 2010)</p>	Monitor progress through the annual audit process.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Use of resources - People</b>	<b>Areas of uncertainty</b>	<p>The Care Commission conducted a centralized “safer recruitment inspection” in May 2009. The findings showed that although the “Recruitment and Monitoring Procedure for Excepted Posts” included information indicating that appropriate professional registers would be checked when applicable, there was limited evidence that this was carried out. Recruitment recording systems within departments varied greatly. (Care Commission letter to council - 22 June 2009).</p> <p>The council is progressing its approach to making better use of its staff resources. It is developing a workforce strategy. More comprehensive workforce planning will help the council deliver on its improvement agenda. It has put in place a more strategic approach to handling staff absence. (Best Value follow up audit 2010)</p>	<p>The Care Commission to review recruitment processes during 2010/2011. Monitor progress through the annual audit process.</p>
<b>Use of resources - Procurement</b>	<b>Areas of uncertainty</b>	<p>The council is currently progressing a “Procurement Capability Assessment” with Scotland Excel, following which the council will produce an action plan for progression of procurement as required. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>The 2010/11 efficiency target for procurement is £250,000, and work is currently ongoing in order to progress a plan to deliver this. I-procurement has been rolled out within the corporate services directorate. Officers are developing a draft roll out plan for the rest of the council. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>Further development and monitoring of procurement performance indicators needs to be considered and progressed as required. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>Collaborative procurement opportunities have been taken forward by the council. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>Officers are currently compiling a list all contracts in place across the council. This includes both goods and services as well as care packages. Until this exercise is complete, there is a risk that value for money is not being achieved. (Audit Scotland priorities and risks framework discussions December 2009)</p>	<p>Monitor progress through the annual audit process.</p>

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
<b>Use of resources - Information communications technology (ICT)</b>	<b>Significant concerns</b>	<p>The council's website has recently been named the top council website in Scotland by the Society of Information Technology Management (SOCITM).</p> <p>The council has faced some delays in implementing key business systems. The council introduced a new financial ledger system (Oracle) in 2003 and has been working since that time to transfer all feeder systems from the original system (Cfacs) to the new system. The council has worked hard over the last year in planning the transfer of payroll to Oracle and implementing a new Oracle human resource (HR) module. Procurement complexities out with the council's control have delayed this project. The council must now ensure the pace of the Oracle HR implementation is stepped up. A project group and project board are taking forward the rollout of the Oracle i-procurement project. The council must ensure that these are now delivered as intended through good project management.</p> <p>The council is introducing a unified office communications system in collaboration with Microsoft. It will be the first council in Scotland with such a system, which is planned to be fully operational by June 2010. Benefits expected from this system include improved communications, more flexible working and cost savings. Again it is vital that the council has effective project management in place to ensure that it achieves its expected efficiencies on time. (Best Value follow up audit 2010).</p>	Monitor progress through the annual audit process.
<b>Equalities</b>	<b>Areas of uncertainty</b>	<p>With new legislation due, equality and diversity remains an area of development. Once the terms of the new legislation are clear, the council plans to bring all the schemes together eg race, disability, gender etc into one single scheme. There will be a need to coordinate action with partner agencies. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>The three Ayrshire councils participate in the Ayrshire Equality Partnership. (Audit Scotland priorities and risks framework discussions December 2009)</p>	Monitor progress through the annual audit process.
<b>Sustainability</b>	<b>Areas of uncertainty</b>	<p>Sustainable development is central to the council's vision, and its commitment is demonstrated in the way sustainability is planned, resourced and led across the organization. (Audit Scotland PRF discussions December 2009)</p> <p>There is a need to link the council's energy and sustainability strategies with those of its partner agencies to obtain the maximum benefit for the area as a whole. (Audit Scotland priorities and risks framework discussions December 2009)</p> <p>South Ayrshire Council has a long-standing commitment to the Sustainable Scotland Network (SSN). The council's link officer with SSN, has been actively involved for a long time and has chaired the group for the last two years. In common with most local authorities, the council has not yet become so actively involved in the foot printing project. There is little evidence of detailed consideration of emissions in the SOA, for example.</p>	Monitor progress through the annual audit process.

## Appendix 3

### South Ayrshire Council Assurance and Improvement Plan 2010-13: Summary of Scrutiny and Improvement

The AIP is a three year rolling programme. Include **all days** devoted to scrutiny including off site evidence review.

2010-11 (Year 1)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Follow up of best value audit												
Follow up performance inspection by SWIA												
Review of progress made against the SHQS by SHR												
HMIE do not plan any scrutiny activity beyond the baseline inspection and liaison activities.												
The Care Commission- review of recruitment												
The Care Commission- review of adoption & fostering (Part of the National Scrutiny Schedule for 2010/11)												
HMICS/AS -Engagement/consultation with the council as a result of the best value audit of Strathclyde Police Board.												

Will need adjusted if a year 3 approach is agreed for BV2



2011-12 (Year 2)	
Issues for scrutiny/improvement	Scrutiny bodies/council potential involvement
No additional scrutiny planned.	

2012-2013 (Year 3)	
Issues for scrutiny/improvement	Scrutiny bodies/council potential involvement
Further follow up of best value audit	Local audit team (as required)-approx 15 days as part of the local audit process.