

South Lanarkshire Council

Assurance and Improvement Plan Update

2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for South Lanarkshire Council was published in July 2010. That document set out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies.
2. The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.
3. The LAN met in November 2010 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.
4. This report is the result of the shared risk assessment which began in November 2011. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
 - The council's own performance data, discussion with senior council officers and the council's self-evaluation evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (SHR) (including published inspection reports and other supporting evidence).
5. The outcomes of that exercise are contained in this short report which summarises changes to risk assessments and proposed scrutiny responses. Appendix 1 to this report sets out a timetable for proposed audit and inspection activity between April 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment.

Summary

6. Overall, the council has continued to make progress on its strategic priorities and continues to deliver high quality public services. Education continues to be an area of strength; this was validated by Education Scotland in its report, published in July 2011. Social work generally performs well and no significant risks have been identified in Environmental, Regulatory, Cultural or Roads services and consequently no additional scrutiny is planned. Within Housing, the LAN has identified homelessness as an area of uncertainty and proposes to undertake some targeted work around aspects of homelessness, including lets.
7. A new Chief Executive, Lindsay Freeland, was appointed and took up post in January 2012. He was previously director of housing and technical resources. Paul Manning was appointed as the new executive director of finance and corporate resources in September 2011. He previously held the role of head of finance, and had undertaken the director role in an acting capacity for a number of months. Member/officer working relations were previously identified as an area of uncertainty and in view of the recent appointment of a new chief executive and other changes in the council's senior management team we have decided to keep this area under review. The Use of Resources - Procurement was also previously identified as an area of uncertainty. While the council has achieved progress, it is too early to assess the effectiveness of some of the actions taken and we have therefore decided to keep this area under review too.
8. The 'working' element of the working and learning communities outcome area and the 'financial management' element of the use of resources had previously been identified as areas of uncertainty. Following a review of improvements and actions taken by the council, the LAN has concluded that these are now areas of no significant risk.

National risk priorities

9. A number of core national risk priorities will be applied to all 32 councils. These are:

The protection and welfare of vulnerable people (children and adults) including access to opportunities: No significant scrutiny risks have been identified. The LAN also noted that this is a new council plan priority in the draft 'Connect 2012-2017'. Consequently there is no planned scrutiny. Care Inspectorate plans for the inspection of Integrated Children's Services and Adult Services are still to be confirmed nationally and may result in scrutiny.

Assuring public money is being used properly: There are no significant scrutiny risks with this national priority. Uncertainty about the council's interim arrangements for overall responsibility for financial management has been addressed by the appointment of the director of finance and corporate resources in September 2011.

How councils are responding to the challenging financial environment: Across Scotland, the financial outlook was assessed as an area of uncertainty. No significant scrutiny risks were identified within South Lanarkshire Council regarding this national priority. The council is aware of the financial challenges it faces and has medium term financial plans in place. A break-even budget was approved for 2011/12 which required efficiency savings of £25 million and the council has reported that it anticipates a break-even position at 31 March 2012.

10. The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face.

Areas of unchanged scrutiny risk assessments

No significant risks

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

| Service Areas | Outcomes | Corporate Assessment |
|---|---|---|
| <ul style="list-style-type: none"> Education | <ul style="list-style-type: none"> Working and learning communities (in respect of the 'learning element') | <ul style="list-style-type: none"> Planning and resource alignment |
| <ul style="list-style-type: none"> Cultural Services | <ul style="list-style-type: none"> Safer and healthier communities | <ul style="list-style-type: none"> Partnership working and community leadership |
| <ul style="list-style-type: none"> Social work | <ul style="list-style-type: none"> Successful and inclusive communities | <ul style="list-style-type: none"> Community engagement |
| <ul style="list-style-type: none"> Corporate services | | <ul style="list-style-type: none"> Governance and accountability |
| <ul style="list-style-type: none"> Environmental services | | <ul style="list-style-type: none"> Performance management |
| <ul style="list-style-type: none"> Regulatory services | | <ul style="list-style-type: none"> Challenge and improvement |
| <ul style="list-style-type: none"> Roads and street lighting | | <ul style="list-style-type: none"> Customer focus and responsiveness |
| | | <ul style="list-style-type: none"> Risk management |
| | | <ul style="list-style-type: none"> ICT |
| | | <ul style="list-style-type: none"> Use of resources (efficiency, competitiveness, asset management, managing people) |
| | | <ul style="list-style-type: none"> Equalities and sustainability |

Significant risks and uncertainties

12. The following comments relate to issues where perceived risks in the council's processes and activities remain unchanged since the 2011/12 AIP Update.

| Area | R/A/G | 2011/12 Update |
|---|----------------------------|--|
| Vision and Strategic Direction and Leadership and Culture | Area of uncertainty | <p>Member/officer working relationships</p> <p>The council continues to benefit from the strong and clear direction identified in the Best Value report 2009. The new draft Council Plan 2012-17 recommends continuation of the well established vision. The strategic priorities and objectives which have served the council well provide solid foundations which are likely to continue.</p> <p>A number of events have taken place to develop effective and productive member/officer working, these included budget awareness seminars; short life working groups; and preparations for the 2011 International Children's Games.</p> <p>In November 2011, the council announced the appointment of the new chief executive, who took over in January 2012. This, together with other senior appointments, means that there have been recent and significant changes in the Corporate Management Team. While internal appointments provide a degree of stability, new working relationships will be required to be established.</p> <p>Consequently, it is too early to assess the impact of these changes on the work of the council and therefore the LAN has concluded that this remains an area of uncertainty. No additional scrutiny is proposed at this time and the LAN will continue to monitor the impact of the changes.</p> |
| Use of Resources - Procurement | Area of uncertainty | <p>The latest Procurement Capability Assessment (PCA) resulted in a score of 36% which is above the Scottish average of 32%. The council has now approved the Procurement Strategy, which includes an action plan with relevant timescales.</p> <p>While progress has been made, this remains an area of uncertainty this year because: it is too early to assess the effectiveness of the new procurement strategy; it is too early to assess the impact of changes to the officer leadership of procurement; and the post ISLA scrutiny report highlighted an area for improvement with social work procurement, specifically regarding the relationship between social work and corporate procurement. No additional scrutiny is proposed at this time and the LAN will continue to monitor the impact of the changes.</p> |

Changes to 2011/12 risk assessments

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

| Area | 2011/12 Risk Assessment | 2012/13 Risk Assessment | Reason for Change |
|--------------------------|-------------------------|----------------------------|---|
| Working and learning (in | Area of | No significant risk | The LAN recognises that the council has been, and |

| Area | 2011/12 Risk Assessment | 2012/13 Risk Assessment | Reason for Change |
|-----------------------------------|----------------------------|----------------------------|--|
| respect of the 'working' element) | uncertainty | | <p>continues to be, active in understanding and monitoring the impact of the economic downturn. In addition, the council has taken a number of important actions to help address this area including:</p> <ul style="list-style-type: none"> • Work by council and community planning partners to assist the business sector; • Meetings with representatives from Scottish and UK governments; • Engagement with local colleges and the University of the West of Scotland; and • The proposed development of a South Lanarkshire Economic strategy. <p>Recent data confirms that business failures have increased for three consecutive years and business survival rates show a sharp decline with the rate now at its lowest since 2005. The employment rate is better than the Scotland average but has worsened compared to last year and is showing a worsening longer term trend both in itself and compared to the Scotland average. Benefits claims and employment rates for disabled people show worsening short and long trends and do not compare favourably with the Scotland averages.</p> <p>While the council continues to be proactive in the extent to which it can influence this issue, it is accepted that all outcome themes are partnership driven, and in this case wider national policies, welfare reform and economic policy will all play a significant part in the recovery.</p> <p>As a result of the significant actions which have been undertaken by the council, the LAN has concluded that working should now be assessed as an area of no significant risk. The LAN will continue to review this.</p> |
| Housing – Homelessness Services | No significant risk | Area of uncertainty | <p>The SHR inspected the council's homelessness service in 2010 and awarded it a 'C' or 'fair' grade.</p> <p>The council is currently implementing an improvement plan and has a homelessness strategy in place to address key issues. It has assured us that it remains committed to the 2012 duty regarding the abolition of priority need, and we would seek to confirm how the council plans to achieve this.</p> <p>Our recent risk assessment work indicates that there has been an increase in case durations for priority decisions and an increase in lost contacts before discharge of duty. The council also continues to have breaches of the unsuitable accommodation order 2004.</p> <p>In addition to our follow-up work from our previous</p> |

| Area | 2011/12 Risk Assessment | 2012/13 Risk Assessment | Reason for Change |
|---|-------------------------|-------------------------|--|
| | | | inspection, we need to better understand why these increases have occurred, their impact on homeless people and the ongoing work of the council to improve homelessness services. |
| Use of Resources – Financial Management | Area of uncertainty | No significant risk | <p>During 2011 the council successfully reported its financial results under IFRS for the first time. The council achieved an under spend on the results for the year and received an unqualified audit opinion.</p> <p>In September 2011. A new executive director of finance and corporate resources was appointed during the year, bringing to an end a period of uncertainty for the council since the departure of the chief financial officer in 2010.</p> |

Scrutiny plan changes

14. 2012/2013 – The Housing Benefits Performance Audit planned for 2011/12 will now take place in 2012/2013. This work will be undertaken as part of the annual local audit and in partnership with the local auditor.
15. 2012/2013 – Targeted scrutiny work by the SHR will take place in response to identified risks around aspects of homelessness, including lets.
16. 2012/2013 - There will be a focused follow up audit to Audit Scotland's national report *Maintaining Scotland's roads: a follow up-report* (published February 2011). This is not specific to the council but is a planned follow up review across all Scottish Local Authorities.
17. 2012/2013 - The proposed targeted Best Value audit work to consider the 'working' aspect of the 'working and learning' outcome area and member/officer working relationships in the council has been reviewed. The 'working' aspect of 'working and learning' has now been assessed as having no significant risk. Member/officer relationships however remain the subject of monitoring by LAN members. No planned scrutiny will take place over 2012/2013 and the LAN will continue to review these areas.
18. 2013/2014 – At this stage, there is no planned activity beyond ongoing audit and inspection work.

Appendix 1 Scrutiny plans

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

| South Lanarkshire COUNCIL | | 2012-13 | | | | | | | | | | | |
|---|------------------------------------|---------|-----|------|------|-----|------|-----|-----|-----|-----|-----|-----|
| Scrutiny activity year 1 | | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
| Scottish Housing Regulator – targeted work on aspects of homelessness, including lets | | | | | | | | | | | | | |
| Audit Scotland: Follow Up Review of Maintaining Roads (Date TBC)_ | | | | | | | | | | | | | |
| Audit Scotland: Housing Benefits Performance Audit | | | | | | | | | | | | | |
| | | 2013-14 | | | | | | | | | | | |
| Scrutiny activity year 2 | | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
| No planned scrutiny activity | | | | | | | | | | | | | |
| | | 2014-15 | | | | | | | | | | | |
| Indicative scrutiny activity for rolling third year | Potential scrutiny bodies involved | | | | | | | | | | | | |
| No planned scrutiny activity | | | | | | | | | | | | | |

Footnotes

- The focus of the AIP Update is **strategic scrutiny activity**, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level on-going throughout the period of the AIP. This will include, for example, school and residential home inspections.
- At the request of Scottish Ministers the Care Inspectorate will lead a **Joint Inspection of Children's Services** in each local authority area in Scotland. These inspections will commence in 2012/13 starting with a development site in April/May 2012 and a cycle of inspection of services for children which will report publicly from Autumn 2012. The selection of local authority areas for inspection will be based on intelligence and risk and take account of the Shared Risk Assessment. LAN leads will be advised in due course.

- In addition, Audit Scotland will be working with scrutiny partners to pilot an approach to assessing the **delivery of outcomes by community planning partnerships**. Pilot sites will be confirmed with the LAN lead in due course.
- Audit Scotland undertake an annual rolling programme of **thematic performance audits**. The fieldwork sites are identified as part of the development of the scope for each individual audit. Fieldwork sites will be confirmed with LAN leads as each audit is developed.
- The **annual audit** of local government also comprises part of the baseline activity for all councils. In April 2008, the Accounts Commission agreed to a request from the Department for Work and Pensions (DWP) to take over the Benefit Fraud Inspectorate's responsibility for inspecting housing and council tax benefit (benefits) services in Scotland. As Audit Scotland has no inspection function, this '**benefits performance audit**' work has been incorporated into the annual audit of local government. The exact timing of the audits will be confirmed through the LAN lead.
- **Education Scotland**, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate the **Care Inspectorate** will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups.