

Aberdeen City Council

Assurance and Improvement Plan

Update 2013–16

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Introduction

1. The first Assurance and Improvement Plan (AIP) for Aberdeen City 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 (SRA) undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies. The aim of the SRA 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 LAN met again in November 2010 and in November 2011 to update the AIP. The last AIP update was published in May 2012 covering 2012–15.
2. This update is the result of the SRA which began in October 2012. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2011/12 from the council's appointed external auditors.
 - The council's own performance data and self-evaluation evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2013 and March 2016 which reflects the revised and updated scrutiny risk assessment is at Appendix 1.
4. Following feedback about the clarity of the SRA process we have amended our criteria to make it clearer what we mean. Our assessment criteria descriptions used last year have changed from 'significant concerns' to 'scrutiny required'; 'no significant concerns' to 'no scrutiny required'; and 'uncertainty' to 'further information required'.

Summary

5. Overall the council continues to report good performance against targets in many areas. Its Business Plan covering the five year period 2012/13 – 2016/17 was approved by members in February 2012 and a new strategic vision, 'Aberdeen: The Smarter City', has been developed. This will underpin the next update of the Business Plan covering 2013/14 – 2017/18 which was approved in February 2013.
6. There were no areas where scrutiny was required in the 2012/13 AIP update, although there were a number of areas where further information was required, particularly around Social Care & Wellbeing and Housing. This was largely as a result of planned 2012 scrutiny activities in these areas by the Care Inspectorate and the Scottish Housing Regulator (SHR).
7. In December 2012, the Care Inspectorate published the outcome of its initial scrutiny level assessment (ISLA) for Aberdeen City Council. The council was assessed as level 2 which is described as 'exhibiting moderate risk with adequate performance and moderate activity on improvement work'. The scrutiny phase resulted in seven recommendations for improvement and the council is currently preparing an action plan in response to the ISLA and will have twelve months in which to implement agreed actions. The ISLA is a significant piece of work which provided evidence in respect of a number of areas within the AIP. Once the final outcomes from the Care Inspectorate are known, the LAN will determine what, if any, further scrutiny is required.
8. The SHR requested a self-evaluation from the council in respect of housing and homelessness services which was completed in December 2012. From this self-assessment, the SHR has identified that targeted scrutiny of both services is required. This is scheduled to take place in March 2014.
9. Another piece of scrutiny activity undertaken in 2012 was Audit Scotland's audit of Aberdeen's Community Planning Partnership (CPP). The report was published in March 2013 and concluded that community planning in Aberdeen has improved but commitment from all partners, particularly NHS Grampian, has to be clear and consistent.
10. The council's levels of educational attainment continue to be variable and generally below the national average and the average for comparator authorities. Strategies implemented by the council to improve performance in this area are monitored on a regular basis by Education Scotland's Area Lead Officer who meets regularly with the council. A new director of education, culture and sport has been in post from January 2013. Consequently, the LAN anticipates improved educational attainment being a priority area on the director's agenda.

11. A significant project being developed by the council is the establishment of a Local Authority Trading Company (LATC) for Adult Social Care services as an option to deliver £2.5 million of savings to the council over a five year period. The company will be a wholly owned subsidiary of the council and around 600 staff will transfer from the council to the company. Changes will be implemented from Summer 2013 with significant potential impact on service users, staff and the way services are provided. Given the scale of proposed change and the likely impact on staff and service users, the LAN regarded this as an area where further information is required.
12. Planned scrutiny activity in the next 12 months is set out in Appendix 1.

National risk priorities

13. Local councils are operating within a context of significant change as a result of the challenging financial environment and the public service reform agenda, including the review of community planning, health and social care integration, police and fire reform, college regionalisation, and welfare reform. The Local Government Scrutiny Co-ordination Strategic Group is currently considering how audit and inspection arrangements should collectively respond to these significant strategic developments, recognising the increasing importance of partnerships, place and outcomes for Scotland's public services.
14. A number of core National Risk Priorities are applied to all 32 councils. These are:
The protection and welfare of vulnerable people (children and adults) including access to opportunities:
15. At the request of Scottish ministers, the Care Inspectorate is developing a model of joint inspection of children's services in Community Planning Partnership (CPP) areas in Scotland, in co-operation with other scrutiny bodies (Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary for Scotland). These inspections will focus on how well local public bodies (councils, the NHS, police, etc.) are working together to deliver effective outcomes for children and young people. Development work involving Angus Council took place in April/May 2012. These joint inspections, which will report publicly, began in Autumn 2012. The timing of the inspection at Aberdeen City Council has yet to be determined.
16. In addition, the Care Inspectorate is working in co operation with Healthcare Improvement Scotland to develop an approach to inspecting services providing care and health for adults drawing on its experience of implementing joint inspections of child protection and children's services. Development work involving a number of local authorities is underway and will continue into the early part of 2013. Following this, the Care Inspectorate will implement a programme of these inspections. Further details of the schedule will be confirmed in due course.
17. Subject to ministerial approval, the Care Inspectorate, in partnership with the Association of Directors of Social Work (ADSW) and the Risk Management Authority (RMA), will undertake supported self-evaluation across the 32 local authority criminal justice social work services during the latter part of 2013. This will look at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This particular approach is one of a number of approaches the Care Inspectorate will use in its current and future scrutiny and improvement work in this area.

18. The SHR plans to carry out a thematic inspection into the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach. The SHR will carry out this thematic inspection during the first half of 2013/14. This is likely to involve fieldwork visits to a small sample of local authorities. The SHR is currently identifying potential fieldwork sites and will be contacting those councils that it would like to visit in due course.
19. The Care Inspectorate undertook an initial scrutiny level assessment (ISLA) of Aberdeen City's social work services between May and September 2012. Good practice examples were submitted in relation to the whole systems approach to young people; integrated care at home for older people and a group work programme for women offenders. The initial assessment indicated that there was greater risk in community care services than criminal justice or children & families at that time. Until the council and the Care Inspectorate have agreed an action plan in response to the post-ISLA scrutiny, the LAN considers this area to be assessed as further information required.
20. The number of Aberdeen's homeless applications reduced by 56 per cent in 2011/12, the highest reduction in Scotland. The council met its 2012 target in December however the percentage of priority applications increased in 2011/12 and there is also a high level of intentionally homeless applications. The council has completed a self assessment from which SHR considered that further targeted scrutiny is required in 2014.
21. Until these areas of work have been concluded by the council, the LAN's assessment is that **further information is required** to evidence the council's performance against this national priority.

Assuring public money is being used properly

22. The annual audit of councils forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council.
23. The council has effective governance and scrutiny arrangements in place. In setting its 2012/13 budget, the council undertook a priority based budgeting approach to developing its revised five-year Business Plan. In February 2012, a further savings package of £2.5 million was agreed to deliver a balanced budget for 2012/13 and the revised shortfall position at 2016/17 was estimated at £10.2 million. Financial forecasts and progress against savings packages are routinely reviewed and monitored by the management team and members. Monitoring reports presented to the Finance & Resources Committee in February 2013 highlighted an anticipated underspend at the year of £5.1 million.
24. A corporate asset management group was established in 2010 to ensure the capital programme was developed in line with council priorities and was affordable. Bids for funding are now more carefully considered before inclusion in the capital plan. The

group has senior representation from services and reports to management team on a regular basis.

25. The council's financial position and business planning process have enabled the LAN to conclude there is **no local scrutiny required** other than monitoring as part of the local audit process.

How councils are responding to the challenging financial environment

26. Recognising the significance of the uncertain financial context within which councils operate, Audit Scotland produced Scotland's Public Finances: Addressing the Challenges in August 2011. Follow-up work around the issues raised in the report will be undertaken in each council during 2013/14 to provide the Accounts Commission and the Auditor General for Scotland with evidence on the progress that public bodies are making in developing a strategic response to these long-term financial challenges. In addition, a specific piece of work on Reshaping Scotland's public sector workforce will be undertaken in 2013/14.
27. The council has continued to use its priority based budget approach to develop the fully costed five-year business plan for 2012/13 to 2016/17. This approach to the development of business plans started in 2010 and includes a systematic appraisal, evaluation and prioritisation of options against the council's key strategic priorities. From a competitiveness perspective, the plan sets out options characterised as efficiency, transformation or stop/reduce options and in many cases requires significant service redesign and/or joint working. The council has approved balanced budgets in the last few financial years and is now better positioned to respond to the financial environment. It does however still need to deliver the savings identified in its business plan to achieve continued financial balance in the years ahead. The LAN therefore concluded that there was **no scrutiny required**.
28. The Equality and Human Rights Commission (EHRC) has commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of section 149 of the Equality Act 2010 during 2013. Analysis of public authorities' compliance with the duty to publish equality outcomes and employment information will be available later in 2013. The results of this activity will be reflected in future SRA work
29. The LAN is committed to maintaining its engagement with the council between now and the next SRA cycle 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 that remain 'no scrutiny required'

30. This update focuses predominantly on those areas assessed as 'scrutiny required' and 'further information required'. 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 requiring no scrutiny which continue to be so. The LAN identified no scrutiny is required in the following areas:

Area	Update
Service Areas	
Housing & Environment - Environment, Enterprise, Planning & Infrastructure	Based on a review of service plans and the council's performance information, targets are largely being achieved.
Education, Culture & Sport	A significant challenge facing the council in relation to education is the need to raise standards of attainment and achievement for all, while closing the attainment gap between high and low achieving pupils. The council has implemented improved performance management arrangements in this area. These include systematic reviews of attainment at council and school level. The scrutiny provided by Education Scotland's continued engagement with the council through the Area Lead Officer link and the regular inspection programme of schools, centres and learning communities are currently considered sufficient to control and mitigate these performance risks.
Outcomes	
Prosperity & Jobs	Aberdeen City Council is an active member of Aberdeen City and Shire Economic Future (ACSEF), the public-private economic development partnership for the North East of Scotland. Compared to national averages, the city's employment rate is high, the proportion of benefit claimants is low, earnings rank amongst the best in Scotland and the dependency ratio is low. Increased opportunities are being made

Area	Update
	available to improve the work destination and skills for young people.
Health & Social Care	Evidence such as the NHS Grampian Annual Review suggests that performance for health is generally good with progress being made. Although potential further information is required following ISLA and post-ISLA scrutiny, initial findings do not suggest any significant areas of immediate concern.
Lifelong Learning	The scrutiny provided by Education Scotland's continued engagement with the council through the Area Lead Officer link and the regular inspection programme of schools, centres and learning communities are currently considered sufficient to control and mitigate any risks in this area.
Children & Young People	<p>The Care Inspectorate undertook an ISLA of Aberdeen City's social work services between May and August 2012. A good practice example was submitted in relation to the whole systems approach to young people.</p> <p>Although potential further information is required following ISLA and post-ISLA scrutiny, initial findings do not suggest any significant areas of immediate concern for children's services.</p>
Community Safety	Performance reports considered by Aberdeen Community Safety Partnership indicate a reduction in, for example, serious violent crime and assault.
Homes	The council spent £6.8 million in 2011/12 on developing affordable homes at various sites across the city. Total number of homes developed was 264, up from 175 in 2010/11.
Regeneration	The council is exploring options to regenerate the city centre. St Nicholas House site has been marketed for development and is seen as a key site for city centre regeneration.
Transport & Connections	Updates on progress against Regional and Local Transport strategies regularly reported to the Enterprise, Planning and Infrastructure committee show improvement.

Area	Update
Climate Change	Production of the Aberdeen Climate Change Declaration Report 2011 showing ongoing progress in actions to mitigate and adapt to climate change and continued commitment to the North East Scotland Climate Change Partnership.
Corporate Assessment	
Vision & Strategic Direction	Aberdeen City Council Business Plan 2012/13 – 2016/17 which reflected the outcome of the council's comprehensive priority based budgeting exercise was approved by members in February 2012. The Plan clearly sets out the vision and strategy of the council, and will be updated on a rolling basis. A further update was approved in February 2013 and reflected a revised Vision, 'Aberdeen: The Smarter City' which was agreed by the council in August 2012.
Planning & Resource Alignment	Business Plans have been fully costed as part of the Priority Based Budgeting process. This is ongoing each year as part of the refresh of the 5-Year Plans and development of revenue budgets. The council has been able to approve balanced budgets in recent years.
Partnership Working and Community Leadership	As part of a national programme, Audit Scotland undertook an audit of Aberdeen's Community Planning Partnership in 2012. The findings were reported in March 2013 and included an action plan to address areas for improvement.
Community Engagement	The council continues to manage and utilise its Citizens' Panel ("City Voice") to inform service planning. The Panel currently has the highest membership for some time (c 1,000) with an increasing proportion completing the questionnaires on-line.
Governance & Accountability (including Public Performance Reporting)	<p>No significant issues in relation to internal control were reported by internal audit or external audit in respect of 2011/12 financial year.</p> <p>The council is developing plans to streamline and further strengthen group governance arrangements.</p> <p>A range of performance information is published on</p>

Area	Update
	the council's website.
Performance Management	The overall responsibility for corporate monitoring lies with the Corporate Policy and Performance Committee. Regular performance reports are presented to each of the council's service committees, the format of the reports having been determined by the members of each service committee.
Challenge & Improvement	<p>The Council agreed to use "How Good is Our Council?" (HGIOC?) as its adopted model for self-evaluation. Each of the council's five services have undertaken formal self-evaluation either using the generic "HGIOC?" model or working within the arrangements of external inspection agencies and regulators.</p> <p>The Corporate Performance Management Group has responsibility for coordinating and implementing self-evaluation.</p> <p>The council's 5-Year Business Plan cycle is informed by review of the internal and external environment. A major element of this was the comprehensive Priority Based Budgeting exercise which critically examined services on a function by function basis.</p>
Customer Focus & Responsiveness	A variety of feedback mechanisms are in place across services, for example, Tenants participation and consultation and Environmental Services surveys.
Risk Management	Cycles and processes for identifying and monitoring risk are fully in place throughout the council and individual services. Work is ongoing to integrate business continuity with risk management processes.
ICT	Based on internal audit and external audit activity for 2011/12, the council's ICT services continue to perform satisfactorily.
Use of resources – Efficiency, Competitiveness, Financial Management, Asset Management, Managing People, Procurement	<p>The Priority Based Budgeting exercise is updated each year as part of the development of the revenue budget and rolling 5-year business plan.</p> <p>Financial forecasts and progress against savings packages are routinely reviewed and monitored as part of regular monitoring reported to the management</p>

Area	Update
	team and members.
Equalities	Revised Diversity and Equality Policy approved by the Corporate Policy and Performance Committee in June 2012.
Sustainability	The council's 2011/12 progress report for its Carbon Management Programme reported a reduction in its carbon footprint and confirmed that the council is on schedule to meet its target of 23% CO2 reduction by 2015.

Areas that remain 'scrutiny or further information required'

31. The LAN identified that, in common with the SRA last year, scrutiny or further information is required in the following areas:

Area	Assessment	Update
Housing & Environment – Housing	Further Information Required	<p>The council introduced a new allocations policy in October 2012 but it is too early to assess its effectiveness.</p> <p>The council is working well towards meeting the Scottish Housing Quality Standards (SHQS) and its reported performance is better than the national performance, however it anticipates a high number of exemptions and abeyances.</p> <p>The council's management of gas safety is improving. Its performance in completing repairs within target has improved year on year over the last 3 years and in 2011/12 was better than the national figure.</p> <p>The council completed a self-assessment of the Housing service as part of the SHR's scrutiny work in 2012. From this assessment, the SHR have identified that further targeted scrutiny is required on income maximisation and verification of SHQS data.</p>
Housing & Environment – Housing Homelessness	Further Information Required	<p>The number of homeless applications reduced by 56% in 2011/12, the highest reduction in Scotland. The council met the 2012 target in December, however the percentage of priority applications increased in 2011/12 and is lower than the national figure. There is also a high level of intentionally homeless applications.</p> <p>The council's reported performance in completing assessments within 28 days has improved but remains poorer than the national figure.</p> <p>Provision of temporary accommodation has increased with a corresponding reduction in use of B&B accommodation.</p> <p>The council did not breach the unsuitable accommodation</p>

Area	Assessment	Update
		<p>order in 2011/12.</p> <p>The percentage of council lets to homeless people has reduced and is lower than the national figure. The percentage of people to whom the council has a duty to house who are provided with a secure tenancy has reduced slightly but remains higher than the national figure.</p> <p>The council completed a self-assessment of the Homelessness service as part of the SHR's scrutiny work in 2012. From this assessment, the SHR identified that further targeted scrutiny is required on homelessness housing options.</p>
Social Care & Wellbeing	Further Information Required	<p>Care Inspectorate's initial scrutiny level assessment (ISLA) of Aberdeen City's social work services assessed the following areas as requiring no scrutiny: governance and financial management of social work services; assessment and care management; compliance with equality and human rights legislation. There were no areas requiring urgent attention. Good practice examples were submitted in relation to the whole systems approach to young people; integrated care at home for older people and a group work programme for women offenders.</p> <p>The initial assessment indicated that there was greater risk in community care services than criminal justice or children & families at that time.</p> <p>The LAN concluded that it will only be in a position to consider what, if any, further activity is required once the action plan is agreed and the impact of implementation can be assessed.</p> <p>The council has approved a business plan for the development of a local authority trading company (LATC) which will deliver elements of services for older people. Given the scale of proposed change and the likely impact on staff and service users, the LAN regarded this as an area where further information is required.</p>
Leadership & Culture	Further Information Required	<p>The council undertook independent self-evaluation activity which drew on the Audit Scotland 'Roles and working relationships: are you getting it right?' report.</p>

Area	Assessment	Update
		<p>A final report on the self evaluation process was presented to the Audit & Risk Committee in September 2012. The committee approved the recommendations made by the review to assist in the further development of effective working relationships between and among elected members and officers.</p> <p>A progress report reviewing the status of recommendations was submitted to council in March 2013.</p> <p>Overall, the LAN felt that until the actions were implemented and consequent impact assessed, this area should be considered one where further information is required. Action taken by the council in response to the recommendations will be reviewed as part of the local audit process.</p>

Areas with changed assessments

32. The following table relates to assessments of scrutiny risk that have been changed from the 2012/13 update.

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
Children & Young People – exclusion rates	Further Information Required	No Scrutiny Required	Evidence shows that exclusion rates for looked after children are reducing, although they remain well above the national average. The council has a number of initiatives in place to continue this reduction. The progress of these will be monitored through the link inspector arrangements for both the Care Inspectorate and Education Scotland.

Scrutiny plans

33. During the year the following scrutiny activities were concluded:
- The Care Inspectorate undertook an initial scrutiny level assessment (ISLA) of Aberdeen City's social work services. The outcome and current position with this work has already been covered elsewhere in the AIP.
 - A SHR self-assessment review was completed by the council focusing on income maximisation, SHQS and homelessness.
 - Audit Scotland published the findings from its review of Aberdeen's Community Planning Partnerships.
 - Audit Scotland completed a Housing Benefits performance audit and follow-up work on Maintaining Scotland's Roads national report.
34. These reviews have informed the 2013/14 risk assessment process.
35. Changes to the scrutiny plan arising from this updated SRA are reflected in Appendix 1. The changes are the inclusion of targeted on site scrutiny work by the SHR in the following areas:
- Homelessness Service – housing options
 - Housing Service – income maximisation and verification of SHQS data.
36. The scrutiny plan also includes scrutiny activity arising from national priorities and directions. For 2013/14 this work covers:
- Scottish Public Finances: Addressing the Challenges Follow Up (Audit Scotland: year 2013/14)
 - Reshaping Scotland's public sector workforce (Audit Scotland: year 2013/14)
 - Supported self-assessment of Social Work Criminal Justice services (Care Inspectorate: date to be confirmed).

Appendix 1

National scrutiny activity 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.

Aberdeen City Council													2013-14												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar													
Targeted Scrutiny (Scottish Housing Regulator)												X													
National or supported self evaluation work year 1																									
Reshaping Scotland's public sector workforce (Audit Scotland)	X																								
Follow-up of Audit Scotland's national report 'Scottish Public Finances: Addressing the Challenges' (Audit Scotland)		X																							
Social Work Criminal Justice service (Care Inspectorate)																									
Date to be confirmed																									

Aberdeen City Council		2014-15											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
No local scrutiny work planned													
National or supported self evaluation work year 2													
No national scrutiny work planned													

Aberdeen City Council		2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved		
No scrutiny work planned			

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 ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. The annual 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. Education Scotland, through the Area Lead Officer, 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.