
Report to Resources & Audit Committee

Date of Meeting: 20th June, 2013

Subject: Clackmannanshire Council Assurance & Improvement Plan 2013-2016

Report by: Chief Executive

1.0 Purpose

- 1.1 A report advising the Council formally of the publication in April by Audit Scotland of the Clackmannanshire Council Assurance & Improvement Plan (AIP) Update 2013-2016 was submitted on 16 May, 2013.
- 1.2 As well as noting the report, Council also noted that the Resources & Audit Committee would be considering the AIP Update in more detail.
- 1.3 The purpose of this report is to present the AIP Update to the Committee for scrutiny.

2.0 Recommendation

- 2.1 It is recommended that the Committee considers the findings of the Assurance & Improvement Plan Update 2013-16 for Clackmannanshire and makes comment as appropriate. The document is attached as an Appendix to this report.

3.0 Background

- 3.1 The first Assurance & Improvement Plan (AIP) for the Council was published in July 2010. It was reported to Council on 12 August, 2010, and considered in more detail by the then Scrutiny Committee on 17 August, 2010. There were annual updates in May 2011 and May 2012 which were considered by both Council and the former Scrutiny Committee.
- 3.2 The AIP Update 2013-2016 which covers the period 2012-2013 was published on 25 April, 2013, by Audit Scotland. The AIP is the product of a collaborative approach adopted by the following scrutiny bodies which together comprise the Local Area Network (LAN) for Clackmannanshire:
 - Care Inspectorate
 - Education Scotland
 - Scottish Housing Regulator
 - the council's external auditors.

- 3.3 The document sets out the planned scrutiny activity for the Council based on a shared risk assessment by these bodies. It describes the council's context, makes an assessment of the challenges likely to be faced by the council in achieving good outcomes for local people and also sets out any areas of concern about the way the council is run.
- 3.4 The shared risk assessment for the updated AIP took place between October 2012 and January 2013. The 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
 - evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
 - the council's own performance data and self-evaluation evidence.

4.0 AIP Findings

- 4.1 The overall findings of the AIP are positive and represent an improvement since the first shared risk assessment was published. Key points from the summary of the document (paragraphs 5 to 7) are as follows:
- a) overall, Clackmannanshire Council continues to perform well in most areas and there are no significant concerns that would require additional scrutiny*
 - b) across Clackmannanshire Council, there continue to be areas of strong performance and a number of improvement activities have progressed well, for example around governance and accountability*
 - c) in common with the public sector across Scotland, Clackmannanshire continues to face acute financial challenges but continues to respond well*
 - d) there continues to be a very strong commitment from officers and members to improving the work of the council*
 - e) the LAN has recognised that whilst the significant changes in social work services have impacted on the overall progress, the council has taken important action to mitigate risks and has continued to take forward developments in key areas.*
- 4.2 These summary findings are expanded upon in more detail in the AIP which defines 30 out of 31 areas as "requiring no further scrutiny" and one area (social services) as "requiring scrutiny". Four of the 30 areas which are not deemed to require further scrutiny are areas which in the last AIP had some uncertainty associated with them which meant that a determination was unable to be made as to whether or not scrutiny was required.

4.3 As well as local risks, there are some core national risk priorities (paragraphs 8 to 21) which are applied to all local authorities and contained within AIPs. For the next period of the AIP, these are:

- the protection and welfare of vulnerable people
- assuring public money is being used properly
- how councils are responding to the challenging financial environment

4.4 As a result of the findings of the shared risk assessment and the application of national risk priorities, a proportionate programme of scrutiny activity has been set out in the AIP as follows:

- from the shared risk assessment - verification of the Council's progress in meeting the Scottish Housing Quality Standard (2013-2014)
- from the national risk priorities - a Care Inspectorate inspection of children's services and work on public finances by Audit Scotland (2013-2014)

4.5 The Council will also be undertaken at its own behest supported self-evaluation of education services and the impact of new assessment instruments in criminal justice in 2014-15. Full detail of the scrutiny plans is at paragraph 28 of the AIP.

5.0 Sustainability Implications

5.1 N/A

6.0 Resource Implications

6.1 *Financial Details*

6.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. N/A

6.3 Finance have been consulted and have agreed the financial implications as set out in the report. N/A

6.4 *Staffing - N/A*

7.0 Exempt Reports

7.1 Is this report exempt? No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- The area has a positive image and attracts people and businesses ✓
- Our communities are more cohesive and inclusive ✓
- People are better skilled, trained and ready for learning and employment ✓
- Our communities are safer ✓
- Vulnerable people and families are supported ✓
- Substance misuse and its effects are reduced ✓
- Health is improving and health inequalities are reducing ✓
- The environment is protected and enhanced for all ✓
- The Council is effective, efficient and recognised for excellence ✓

(2) **Council Policies** (Please detail)

9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? N/A

10.0 Legality

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

11.1 Please list any appendices attached to this report.

Clackmannanshire Council Assurance & Improvement Plan 2013-2016

12.0 Background Papers



12.1 Have you used other documents to compile your report? Yes:

Report to Council of 16 May, 2013 - Clackmannanshire Assurance & Improvement Plan, 2013-2016

Author(s)/Approved by:

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Clackmannanshire Council

Assurance and Improvement Plan

Update 2013–16

April 2013

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Introduction

1. The first Assurance and Improvement Plan (AIP) for Clackmannanshire 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 for the period 2011-14. 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 2010/11 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, Clackmannanshire Council continues to perform well in most areas and there are no significant concerns that would require additional scrutiny. The chief executive, appointed in September 2011, has established a clear vision and direction for the council. She has established herself as a strong leader and has taken decisive and positive action in a number of key areas, notably in relation to significant staffing and training issues within social work services. In addition, the introduction of the shared services work has progressed well overall, particularly in education. A recent stocktaking exercise was done by both councils around the shared services agenda and produced a restatement of commitment to continue with shared services and to develop and embed it further across both councils.
6. Across Clackmannanshire Council, there continue to be areas of strong performance and a number of improvement activities have progressed well, for example around governance and accountability. The council has had two changes in political leadership over the last year. Following the local government elections of May 2012, an SNP Minority administration took over. This has led to a number of important changes to committee structures and to arrangements for governance and accountability. The council has continued to take forward developments in aspects of their corporate functions including HR where these are directly affected by the shared services development. The LAN has recognised that whilst the significant changes in social work services have impacted on the overall progress, the council has taken important action to mitigate risks and has continued to take forward developments in key areas. This has been a challenging time for the council and a period of stability will be important to ensure that progress can be both maintained and progressed. The council also needs to continue to work on staffing stability in key leadership posts and progress important areas for development such as ICT. As a result of the risk assessment carried out by the LAN, limited scrutiny activity has taken place over years 1 and 2 of the AIP. The LAN has concluded that continued support is required, especially in aspects of social work services. The LAN will continue to monitor progress and will reassess this area in the next AIP, informed by scrutiny planned for 2013/14.
7. In common with the public sector across Scotland, Clackmannanshire continues to face acute financial challenges but continues to respond well. There continues to be a very strong commitment from officers and members to improving the work of the council. The council continues to use self-evaluation through the Clackmannanshire Improvement Model to drive its approach to continuous improvement. This approach is well established and improved arrangements for governance and scrutiny have enhanced this approach. Both Clackmannanshire and Stirling Council continue to work closely on both the strategic and operational plans for shared services. The recent stocktaking exercise and agreed commitment to the future of shared services are important steps in maintaining confidence and continuing to progress this work. The shared services work will continue to be reviewed by the LAN.

National risks

8. 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.

9. 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:

10. 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 HMICS). 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 the autumn of 2012. The Care Inspectorate plans to inspect children's services in Stirling and Clackmannanshire between February and March 2014
11. 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.
12. Subject to ministerial approval, the Care Inspectorate will undertake supported self-evaluation across the 32 local authority criminal justice social work services looking at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This will take place in the latter part of 2013.
13. Meanwhile the council continues to be strongly committed to the protection and welfare of vulnerable people. Both Clackmannanshire and Stirling Child Protection Committees were established in 2012 with both Adult Protection and Child Protection Committees chaired by an independent person. These committees are working well with partners to ensure the protection of the most vulnerable people. Whilst a number of significant issues have been identified by the council in aspects of social work services, action has been taken to mitigate the risks concerned and the Care Inspectorate will continue to work closely with the council to both support and monitor progress in this area. Given the significant changes associated with

implementing the shared education and social work services the Care Inspectorate also reached agreement with chief officers to build capacity for improvement through supporting a programme of joint self-evaluation during the spring of 2013. It is too early to determine the full impact of the changes introduced by the council.

14. 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. 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. SHR is currently identifying potential fieldwork sites and will be contacting those councils that it would like to visit in early 2013.

Assuring public money is being used properly:

15. The annual audit of councils forms part of the baseline scrutiny of councils. This audit examines the financial management and controls in each council.
16. There is no additional scrutiny required in this area. The council has continued to ensure that this national risk priority is a core feature of their work and ongoing development. Continued improvements have been made by the council to the approaches in place for governance and financial scrutiny. In particular, work has been taken forward with elected members to strengthen the level of challenge and scrutiny in key areas and has resulted in robust action plans. Strengthening the challenge and scrutiny aspects have been key developments and new standing committees were established as follows: Housing, Health and Care, Education, Sport and Leisure and Enterprise and Environment. The Scrutiny Committee was renamed the Resources and Audit Committee and its remit modified to take into account the new committees. The council is well-placed to continue to develop its approaches to assuring public money is being used properly. Deloitte, the council's appointed auditors, will continue to assess progress in this area as part of the annual audit programme and will review the council's process for developing and monitoring its corporate, directorate and saving plans.

How councils are responding to the challenging financial environment:

17. 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.
18. All councils continue to face significant financial challenges in the ongoing economic climate and this is likely to increase in the next few years. Whilst this presents uncertainties nationally, Clackmannanshire Council is responding well in this area and no additional scrutiny is required. The external auditors completed a Local Impact Return on the council's response to 'Scotland's public finances: addressing the challenges 2'. It was noted that this report was considered when formulating budgetary plans. There were regular update reports to council and member briefings on the funding outlook. In addressing the challenges there has been a

strong focus on service redesign and restructure to reduce cost base on a sustainable basis. The council are now moving on to workforce planning issues. In addition, it has revised its method of developing business cases and consultation process. Overall, the LAN is confident that the council is responding well to the challenges associated with the financial environment and has appropriate measures in place to mitigate potential risks.

19. At the request of Scottish ministers, Audit Scotland has piloted an approach to auditing CPP and the delivery of local outcomes. The CPP audit model was tested during 2012/13 in three council areas (Aberdeen City, North Ayrshire and Scottish Borders). Following evaluation of the approach in early 2013, a number of CPPs will be audited during the second half of 2013/14. Audit Scotland will be contacting any likely audit sites in spring 2013.
20. The 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.
21. 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'

22. 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
Education	The LAN considered inspection evidence, attainment information, outcome data, Statutory Performance Indicator (SPI) data and evidence supplied by the council which was requested in the last AIP.
Housing	Outcome data, SPI data, evidence gathered by the link inspector including data on housing and homelessness were considered when arriving at this judgement
Corporate Services	The LAN considered SPI data and the external audit report to members (2012)
Environmental Services	The LAN considered SPI and outcome data
Regulatory Services	The LAN considered SPI and outcome data
Cultural Services	The LAN considered SPI and outcome data. In addition, they considered evidence gathered by the Education Scotland Area Lead Officer about Community Learning and Development
Roads and Street Lighting	The LAN considered SPI data and evidence from the follow up work by Audit Scotland on <i>Maintaining Scotland's Roads</i> .
The area has a positive image and attracts people and business	The LAN considered Key Performance Indicator (KPI) data and outcome data.
Our communities are more cohesive and inclusive	The LAN considered KPI data and evidence from the education service in the council
Our communities are safer	The LAN considered KPI data and outcome data and evidence supplied by the council

Area	Update
Substance misuse and its effects are reduced	The LAN considered KPI data and outcome data.
Health is improving and health inequalities are reducing	The LAN considered KPI data and outcome data. In addition, it also considered evidence gathered by Education Scotland about health promotion and the provision of Physical Education
The environment is protected and enhanced for all	The LAN considered KPI data and outcome data when making this judgement.
Public services are improving	The LAN considered KPI data and outcome data as well as the external audit report to members.
Vision and strategic direction	The LAN considered evidence supplied by the council as well as evidence gathered by link inspectors.
Leadership and culture	The LAN considered evidence supplied by the council as well as evidence gathered by link inspectors.
Planning and resource alignment	The LAN considered evidence gathered by the external auditor as well as evidence supplied by the council
Partnership working and community leadership	The LAN considered evidence gathered by link inspectors from the Care Inspectorate, Education Scotland and the SHR as well as information gathered by the external audit team.
Community engagement	The LAN considered evidence from Housing as well as evidence gathered by the external audit team.
Governance and accountability (*)	Evidence gathered by link inspectors, including the external audit team from each scrutiny body was used in making this judgement.
Performance management	Evidence from the external audit team/report to members and information from the council were considered.
Challenge and improvement	The LAN considered evidence from the council and external audit team in this area.
Customer focus and responsiveness	The LAN considered customer satisfaction surveys carried out by the council and evidence from Education Scotland inspection questionnaires. Evidence from SHR was also considered.

Area	Update
Risk Management	The LAN considered evidence supplied by the external audit team, the council and SHR in arriving at this judgement
Use of resources - efficiency <ul style="list-style-type: none"> - competitiveness - financial management - asset management - procurement 	The LAN considered information provided by the council, evidence from the external audit team and information from link inspectors.
Equalities	The LAN considered SPI data, information from link inspectors and information from the council in arriving at this judgement
Sustainability	The LAN considered information supplied by the council and information on sustainability from school inspections

Areas that remain 'scrutiny or further information required'

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

Area	Assessment	Update
Social work services	Further information required	The LAN analysed considerable evidence from the Care Inspectorate and information supplied by the council. More information is required on the impact of staffing issues and progress with action plans

Areas with changed assessments

27. 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
People are better skilled, trained and ready for learning and employment	Uncertainty	No scrutiny required	The LAN considered evidence gathered by ES alongside KPI and outcome data. KPI indicators show that all indicators that met their target improved or remained the same. There have been improvements in aspects of educational attainment.
Vulnerable people and families are supported	Uncertainty	No scrutiny required	The LAN considered key performance indicators, outcome data, evidence gathered by link inspectors, evidence supplied by the council and externally commissioned reports. 18 out of 22 indicators met or exceeded their targets. 17 saw improvement or remained the same as the previous result.
ICT	Uncertainty	No scrutiny required	The LAN considered evidence supplied by link inspectors and noted ongoing issues. The council is aware of the

Area	2012/13 Risk Assessment	2013/14 Risk Assessment	Reason for Change
			issues of ICT service compatibility linked to the shared services and is working towards a solution
Use of resources - managing people	Uncertainty	No scrutiny required	The LAN considered SPI data which indicates some improvements, information from the council and information supplied by the external audit team. The recently established Change Group will inform workforce strategy.

Scrutiny plans

28. In the last AIP, scrutiny was identified for Clackmannanshire Council as part of the national review of Maintaining Scotland's roads and as part of the Housing Benefit Audit. In addition, possible scrutiny of shared services of education and social work was noted.
29. The external audit team completed follow-up work on Maintaining Scotland's Roads during 2011/12. It was noted that performance had broadly improved but that there remained scope for further improvement.
30. The Housing Benefit Audit has been completed. Audit Scotland are satisfied that the council's proposed actions, and those already implemented, will make a positive contribution to the continuous improvement of the council's housing and tax benefits service.
31. In the latter part of 2013, the Care Inspectorate will undertake supported self-evaluation with criminal justice social work services, looking at the impact of the Level of Service Case Management Inventory (LSCMI). This is not specific to the council but is a planned activity across all Scottish Local Authorities.
32. The 2012-15 AIP noted possible scrutiny of the shared services agenda for 2013-14. The LAN has reviewed this in the light of evidence gathered about the council's work. There have been significant changes within social work services, including important changes in staffing, and a need for a period of stability. The Care Inspectorate has reached agreement with Chief Officers to build capacity for improvement through supporting a programme of joint self-evaluation within child care services. This programme took place between January and March 2013 but the outcome was not available at the time of writing this report. Supporting improvement is intended to support partners' readiness for joint inspection of services for children. This inspection of children's services will take place between February and March 2014.
33. In addition, the council has approached Education Scotland for support in undertaking a validated self-evaluation of education which would have a focus on the impact of shared services. This work will be undertaken in 2014/15.
34. In March 2013, there was a follow-up to Audit Scotland's national report 'Scotland's Public Finances - addressing the challenges'. This was not specific to the council but was a planned activity across all Scottish Local Authorities. The outcome of this activity was not available at the time of writing this report.
35. Audit Scotland will undertake activity related to Reshaping Scotland's public sector workforce in April 2013. This is not specific to the council but is a planned activity across all Scottish Local Authorities.

While the council has reported good progress towards meeting the SHQS, the Regulator has not had an opportunity to verify the council's annual returns in this area. In light of the impending March 2015 Ministerial deadline, SHR proposes to carry out a short, focussed on-

site review of the council's stock condition data, investment planning and progress towards SHQS in the second half of 2013/14.

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.

CLACKMANNANSHIRE COUNCIL												
2013-14												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Verification of council's progress towards meeting the SHQS by the ministerial target of end March 2015 (SHR)											X	
National or supported self-evaluation work year 1												
Ongoing support by Care Inspectorate in relation to issues identified												
Supported self-evaluation of the impact on quality of the newly introduced national assessment and care planning instrument (LSCMI) in local criminal justice social work services.(Timing to be confirmed)												
Care Inspectorate inspection of Children's Services											X	X
Audit Scotland - Reshaping Scotland's public sector workforce	X											

CLACKMANNANSHIRE 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												
Validated self-evaluation of shared services in education across Clackmannanshire and Stirling councils (Education Scotland)	X	X	X									

CLACKMANNANSHIRE COUNCIL 2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved
No local or national 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 on-going 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 District Inspector, will continue to support and challenge Education Services regularly and as appropriate. The Care Inspectorate will continue to regulate care services and inspect social work services in accordance with their responsibilities under the Public Services Reform (Scotland) Act 2010.