

**REPORT TO: POLICY AND RESOURCES COMMITTEE - 11 JUNE 2012 & SCRUTINY COMMITTEE - 13 JUNE 2012**

**REPORT ON: ASSURANCE AND IMPROVEMENT PLAN UPDATE 2012-2015**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 206-2012**

## **1 PURPOSE OF REPORT**

To provide elected members with an update on the Assurance and Improvement Plan 2012-15 that was recently issued by Audit Scotland on behalf of the various regulatory bodies responsible for scrutinising the services provided by the Council.

## **2 RECOMMENDATIONS**

It is recommended that elected members note the information contained within this report and in the attached Assurance and Improvement Plan Update 2012-15.

## **3 FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

## **4 MAIN TEXT**

4.1 The Assurance and Improvement Plan (AIP) was issued in July 2010 and set out the programme of work planned to be undertaken during the period 2010 to 2013 by the various regulatory bodies responsible for scrutinising the services provided by the Council.

4.2 The AIP is the product of a collaborative approach adopted by the following scrutiny bodies that are responsible for reviewing services provided by the Council:

- Audit Scotland
- Care Commission
- HM Inspectorate of Education (HMIE)
- Scottish Housing Regulator (SHR)
- Social Work Inspection Agency (SWIA)

Through working together and sharing knowledge, expertise and information, this approach aims to maximise the efficiency and effectiveness of external scrutiny arrangements and focus scrutiny activity where it is most needed and to determine a proportionate scrutiny response over a rolling three year period.

4.3 The AIP is based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of the above agencies. The LAN published an update of the AIP in May 2011 (report 242-2011 refers). Over the last few months, the LAN have been undertaking their latest review of progress on the AIP. This update considered changes to risk assessments based on information from a number sources including the Council's appointed external auditor's annual report, the Council's own performance and self-evaluation data and other evidence gathered from the above inspection agencies. It is pleasing to note that the eight issues considered in the previous update as 'areas of uncertainty' have now all been assessed as having 'no significant risks'. The attached AIP 2012-15 summarises the outcome of this review together with an updated timetable of planned scrutiny activity for the period April 2012 to March 2015.

4.4 The AIP covers a wide range of the City Council's activities. Whilst a few areas of risk and uncertainty have been identified, it is pleasing to note that the overall findings are satisfactory. In particular, the Council can take encouragement from the following findings:

- the council has sustained and/or improved its service performance overall
- level of overall risk for educational attainment and 'more choices more chances' in secondary schools and for roads and street lighting services has reduced
- the Council and its partners have made a number of considerable improvements in relation to children and young people in need of protection including reducing the overall risks associated with this area, specific improvements in responses to children in need of immediate care and significantly improving outcomes for children
- the council is making progress on a major transformation programme 'Changing for the Future' and continues to set savings targets for 2012/13 and beyond
- it has also made progress on a number of improvement actions arising from audit and inspection work, including the Best Value Audit of 2010
- the risk assessment of the council's corporate arrangements indicates progress in a number of areas and as a result there are fewer areas of uncertainty and no areas of significant scrutiny risk

4.5. The AIP update details scrutiny activity undertaken in relation to national risk priorities including the protection and welfare of vulnerable people (children and adults) and access to opportunities, assuring public money is being used properly and how councils are responding to the challenging financial environment. The AIP concludes there are no significant scrutiny risks for the Council in these areas.

4.6 The AIP notes the delivery of the Scottish Housing Quality Standard (SHQS) remains a key risk for the Council and details the main findings of the SHR inspection report issued in March 2012. This report noted improvements in relation to the Council's approach to lettings, gas safety and management of empty houses. The Council is aware of the risks associated with the delivery of the SHQS and continues to focus its improvement actions where they are most needed including areas such as performance in rent arrears. The Council will continue to monitor progress towards achieving the delivery of the SHQS.

4.7 An updated three year rolling programme of work that details all planned scrutiny activity for the period April 2012 to March 2015 is included in Appendix 1. It should be noted the planned activities both relate to national reviews being carried out across all local authorities, there are no activities relating specifically to the Council. Activities planned include the following:

- Best Value Audit on the 'work and enterprise' outcome area (July 2012)
- Follow up review of Maintaining Scotland's Roads (date tbc)

## 5 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major issues.

## 6 **CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services.

**7 BACKGROUND PAPERS**

None.

**MARJORY M STEWART  
DIRECTOR OF CORPORATE SERVICES**

**31 MAY 2012**

# Dundee City Council

## Assurance and Improvement Plan Update

### 2012–15

#### Introduction

1. The first Assurance and Improvement Plan (AIP) for Dundee City Council was published in July 2010 setting out the planned scrutiny activity for the council for the period April 2010 to March 2013. It was 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. The aim of the process was to focus scrutiny activity where it is most needed and to determine a proportionate scrutiny response over a three year period. The LAN met again in November 2010 to update the AIP for the period 2011-14. The second AIP Update was published in May 2011.
2. This update is the result of the shared risk assessment which began in November 2011. It summaries the changes to risk assessments and proposed scrutiny responses based 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 Audit Scotland, Care inspectorate, Education Scotland, and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment is at Appendix 1.

## Summary

4. Overall, the level of scrutiny risk has reduced since the last shared risk assessment. Where risks have changed since the last AIP these have all been in a positive direction and the scrutiny risks relating to outcomes, services and management arrangements have reduced.
5. The council has sustained and/ or improved its service performance overall. We have concluded that the level of scrutiny risk has reduced in relation to; educational attainment and 'More Choices More Chances' in secondary schools and roads and street lighting. The council has received generally positive inspection reports since the last risk assessment and the Council and its partners have significantly reduced the risks associated with children in need of protection. Some areas of risk remain in relation to the council's ability to bring its housing stock up to the Scottish Housing Quality Standard.
6. In terms of outcomes, most outcome areas do not present significant risks, though the 'working and economy' outcome area remains an area of uncertainty. The Council and its partners have significantly improved the outcomes for children and young people in need of protection. There has been significant improvement in the immediate response to children in need of protection.
7. Our risk assessment of the council's corporate arrangements indicates progress in a number of areas and as a result there are fewer areas of uncertainty. There are no areas of significant scrutiny risk.
8. The council is making progress on a significant transformation programme 'Changing for the Future' and continues to set savings targets for 2012/13 and beyond. It has also made progress on a number of improvement actions arising from audit and inspection work, including the Best Value Audit of 2010.
9. As a result of this year's assessment there will be some targeted best value audit work during 2012 the 'working and economy' outcome area. Inspection agencies will continue to work with the council on a number of areas of shared interest and the appointed auditor will review other areas as part of the annual audit process.

## National risk priorities

10. 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:** The Care Inspectorate conducted a Joint Inspection of services to protect children in the Dundee Council area in February 2012. The findings were published in May 2012 and show notable improvements in leadership, key child protection processes and outcomes for children and young people who may at risk of abuse and neglect. Staff across services are working much more effectively to identify and protect children and young people and this is having a positive impact on their lives. This means that means that we have assessed this as not being an area of significant risk.
- **Assuring public money is being used properly:** The council has sound budgeting and financial management processes in place. It is assessing the efficiency and effectiveness of its services through a strategic review programme 'Changing for the Future' and we have assessed this area as continuing to be of no significant scrutiny risk.
- **How councils are responding to the challenging financial environment:** The council is responding constructively to the financial environment and has set challenging savings targets. This, in combination with its financial management arrangements means that we have assessed this as not being an area of significant risk. However, given the economic situation we have assessed the overall financial outlook as an area of uncertainty, as is the case with all other councils in Scotland.

11. 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

12. 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 additional evidence in the current year, continue to be so. The risk assessment is based on the audit and inspection work that took place during 2011/12 and some additional file review and analysis of published performance measures and council reports.

<b>Service Areas</b>	<b>Outcomes</b>	<b>Corporate Assessment</b>
<ul style="list-style-type: none"> <li>• Education<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Learning &amp; culture</li> </ul>	<ul style="list-style-type: none"> <li>• Vision and strategic direction</li> </ul>
<ul style="list-style-type: none"> <li>• Social Work<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; well being</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership working</li> </ul>
<ul style="list-style-type: none"> <li>• Housing<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Community safety</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement</li> </ul>
<ul style="list-style-type: none"> <li>• Environmental services</li> </ul>	<ul style="list-style-type: none"> <li>• Building stronger communities</li> </ul>	<ul style="list-style-type: none"> <li>• Performance management</li> </ul>
<ul style="list-style-type: none"> <li>• Cultural services</li> </ul>	<ul style="list-style-type: none"> <li>• Dundee environment</li> </ul>	<ul style="list-style-type: none"> <li>• Use of resources (financial management, asset management, workforce management, procurement, ICT)</li> </ul>
		<ul style="list-style-type: none"> <li>• Equalities</li> </ul>

<sup>1</sup> In the 2011-14 Assurance and Improvement Plan some aspects Education were assessed as areas of uncertainty, in particular relating to secondary school attainment and More Choices More Chances , the scrutiny risk has decreased in these areas.

<sup>2</sup> In the 2011-14 AIP some aspects of social work children's services were assessed as areas of uncertainty, the scrutiny risk has decreased in this area – this is covered on page 5 of the AIP.

<sup>3</sup> The risk assessment in relation to the Scottish Housing Quality Standard remains significant – this is covered on page 4 of the AIP

## Significant risks and uncertainties

13. 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	Risk Assessment	2011/12 Update
<b>Outcomes</b>		
Work & enterprise	Area of uncertainty	Outcome measures continue to show mixed performance and income and employment deprivation indicators in Dundee remain worse than the national average. This outcome area will be the subject of some targeted Best Value audit work in 2012/13. This work will focus on assessing the activity being carried out by the council and its partners and the impact that this is having.
<b>Services</b>		
Housing services – Scottish Housing Quality Standard	Significant risk	<p>The SHR carried out scrutiny work around the Council's Housing Management and Asset management and Property maintenance functions in November 2011 and published an inspection report in March 2012. SHR saw evidence of significant improvement in the Council's approach to lettings and gas safety and some improvement in the way it manages its empty houses. However performance on arrears is poor and worsening. The council has focused its improvement actions in these areas and is now looking to improve its performance in arrears.</p> <p>SHR found that the council has improved its approach to meeting the Scottish Housing Quality Standard by 2015 and that it is working to mitigate the financial risks and other challenges it faces, but that this remains an area of significant risk. SHR will continue monitor progress towards achieving SHQS'</p>
<b>Corporate Assessment</b>		
Governance and accountability	Area of uncertainty	There have been a number changes in this area, most notably the creation of a single scrutiny committee. In the last AIP the council's public performance reporting was considered an area of significant risk, improvements over the year mean that we now do not consider this to be the case. These are positive steps, but the full impact of the changes remains an area of uncertainty at this stage. Progress in this area will be monitored through the annual audit process.
Risk management	Area of uncertainty	The council is developing its approach to risk management, but the full impact of this work has yet to flow through. Progress in this area will be monitored through the annual audit process.

14. A number of these areas are covered as part of the annual audit process and/or through ongoing contact with the relevant inspection agencies. As a result no specific additional scrutiny activity is planned in 2012/13. We propose to carry out some targeted best value audit work to



look at the 'work and enterprise' outcome area. This will assess the work the council and its partners are doing in this area and the impact that the activity is having and inform the next risk assessment.

## Changes to 2011/12 risk assessments

15. 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
<b>Services</b>			
Education (secondary attainment and More Choices More Chances)	Area of uncertainty	No significant risks	There has been some improvement to secondary school attainment and an improvement in the percentage of young people achieving positive destinations.
Social work (Children's Services)	Area of uncertainty	No significant risks	The Care Inspectorate conducted a Joint Inspection of services to protect children in the Dundee Council area in February 2012. The findings were published in May 2012 and show notable improvements in leadership, key child protection processes and outcomes for children and young people who may at risk of abuse and neglect. Social work services recognise that further work is needed to strengthen the processes for assessing and managing risk across all care groups. They are already making improvement in this area and now need to ensure that includes children who may be in need of protection and receiving a social work service.
Roads and Lighting	Area of uncertainty	No significant risks	Although some aspects of performance need to improve the proportion of roads requiring repair in Dundee is amongst the lowest in Scotland.
<b>Outcomes</b>			
Children & young people	Area of uncertainty	No significant risks	An effective strategic vision and planning process across children's services has been established. Services have a strong focus on Getting it right for every child (GIRFEC). As a result improvements have been made in the response to children and families at risk.
<b>Corporate Assessment</b>			
Leadership and culture/ planning and resource allocation	Areas of uncertainty	No significant risks	There have been a number changes and improvements in these areas, including management restructuring and changes to political management arrangements and setting ambitious savings targets. The council has improved its communication with employees and is investing in management development.
Challenge and improvement/ efficiency	Areas of uncertainty	No significant risks	There have been a number changes and improvements in these areas, including progress on the Changing for the Future programme and on the improvement programme arising from the 2010 Best

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			Value Audit. The council is investing in management development and in developing a continuous improvement culture.
Customer focus and responsiveness	Area of uncertainty	No significant risks	The council has increased the range of on-line services available and the council is increasing the services available through the one stop shop. The 2011 customer survey indicates customer satisfaction with the way in which enquiries are handled is generally high. The council is proposing further work in this area as part of phase 2 of its corporate improvement programme.
Sustainability	Area of uncertainty	No significant risks	The council has made progress on developing its arrangements to support sustainable development.

## Scrutiny activity 2011/12

16. During 2011/12 a range of scrutiny activity involving Dundee City Council took place as planned in the last Assurance and Improvement Plan. This included:

- Follow up work on housing management and asset management by the Scottish Housing Regulator
- Follow up on the council's improvement plan arising from the 2010 BV audit by the appointed auditor
- Scrutiny activity arising from the Initial Scrutiny Level Assessment (ISLA) by the Care Inspectorate
- Best Value audit work on Tayside Fire and Rescue service
- Joint inspection of services to protect children and young people (CP2), including fostering and adoption

## 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 e.g. supported self evaluation work or national activity e.g. national follow up work or work requested by Ministers.

<b>DUNDEE CITY COUNCIL</b>	<b>2012-13</b>											
<b>Scrutiny activity year 1</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Targeted BV audit work on the 'work and enterprise' outcome area. The work will also consider some aspects of the corporate assessment framework as they relate to that outcome. 15 scrutiny contact days												
Maintaining Scotland's Roads follow up (Audit Scotland) 3 scrutiny contact days – timing tbc.												
<b>2013-14</b>												
<b>Scrutiny activity year 2</b>	<b>Apr</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
No planned activity												
<b>2014-15</b>												
<b>Indicative scrutiny activity for rolling third year</b>	<b>Potential scrutiny bodies involved</b>											
No planned 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.