

Aberdeenshire Council

Assurance and Improvement Plan

Update 2013–16

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Introduction

1. The first Assurance and Improvement Plan (AIP) for Aberdeenshire 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 November 2011 to update the AIP. The last AIP update was published in May 2012, covering the period 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. The SRA completed in December 2012 has revealed and confirmed continued progress and improvement at both the corporate level and across services. With one sole exception, the council's areas of activity are now assessed as 'not requiring scrutiny'. These findings are underpinned by the council's strong commitment to self-evaluation.
6. Overall, council services continue to perform well. In education, attainment levels remain relatively high - although the gap between Aberdeenshire and other councils is narrowing. Social care services directly provided by the council are performing well, with more than 90 per cent achieving 'good' or 'very good' grades across the four themes: care and support, staffing, management and leadership and environment. There is evidence of good performance in housing management and finance.
7. Corporately, targeted Best Value work carried out by Audit Scotland in November 2012 found a strong senior management team developing, effective performance management, an established improvement culture in the council, and a strategic approach to workforce planning.
8. In terms of broader outcomes, the population of Aberdeenshire remains relatively healthy, and perceptions of safety amongst communities are high when compared with other parts of the country. Whilst indicators relating to jobs and the economy remain positive, there continues to be scope for significant improvement in relation to the environment.

National risks

9. 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.
10. 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:

11. 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 2012. There will be no joint inspection of children's services in Aberdeenshire during 2013/14.
12. 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. Based on this development work, a joint inspection of services providing care and health for adults will take place in Aberdeenshire, commencing August 2013.
13. 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. In relation to services for homeless people, the council submitted a self-assessment to SHR in February 2013.
14. Also in relation to this national risk priority, the council is planning ahead for implementation of the Welfare Reform Act and the introduction of the Universal Credit, both of which may lead to further pressures on services. This area will be kept under review by the LAN.

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. Following an underspend of £20.2 million reported in 2011/12, the council has recognised that it should have been aware of this likely result earlier in the year, and has undertaken additional work in order to prevent a similar situation occurring in the future.
17. The council's 2011/12 statement of assurance noted that, based on the chief internal auditor's evaluation of the control environment, reasonable assurance can be placed on the adequacy and effectiveness of the council's control system in the year to 31 March 2012. Internal audit reports have highlight areas where improvements can be made, and these areas are being reviewed by the council in order that best practice can be achieved in all areas of activity. This is consistent with the findings of the external auditors.
18. The council is meeting its efficiency targets. It is continuing with its programme of change including the rationalisation of its office estate ('Workspace' and 'Worksmart'). Again, no scrutiny activity is required in relation to this national priority.

How councils are responding to the challenging financial environment:

19. Recognising the significance of the uncertain financial context within which councils operate, Audit Scotland published '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. Accordingly, no further scrutiny activity is considered necessary in relation to this national priority.
20. 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.
21. The EHRC (Equality and Human Rights Commission) 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. The results of this activity will be reflected in future Shared Risk Assessment work.
22. 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'

23. This update focuses predominantly on those areas assessed as 'scrutiny required' and 'further information required'. However, as only one area has been assessed as 'further information required', and 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
<p>Lifelong learning (including Education, Learning and Leisure)</p>	<p>Overall, good performance is evident here, although most recent attainment figures indicate that the gap between Aberdeenshire and other local authorities is narrowing. The council is taking steps to address this situation.</p> <p>Over the last 12 months there has been steady progress in taking forward Curriculum for Excellence. All schools are progressing from planning to implementation, although some remain at different stages of development and there is a need to ensure consistency.</p> <p>Participation in cultural and community services is good although museum attendances are poor and worsening, partly as a result of the closure of museums</p>
<p>Community well being</p>	<p>The majority of 'healthier' indicators demonstrate very good performance, although there is more mixed performance in relation to inequality.</p> <p>Perceptions of safety are high, while those related to drug misuse are low. Recorded crime and detection are good and improving in the short term. However, road casualties are the second worst in Scotland, although</p>

Area	Update
Social Work	<p>improvements in recent figures are evident.</p> <p>Inspection of care services directly provided by the council demonstrates strong performance. In relation to the four quality themes - care and support, staffing, management and leadership and environment, more than 90% of services achieved grades of 'good' or 'very good'. No unsatisfactory or weak grades were applied.</p> <p>The LAN will continue to monitor performance in relation to provision of homecare, where there is mixed performance, and outcomes for care leavers - latest figures showing a fall in the proportion of looked after school leavers in a 'positive follow up destination.'</p>
Housing (Management & Finance)	<p>Overall good performance is observed. Housing condition and management indicators demonstrate good and improving performance while new build and affordable housing completions are high.</p> <p>Levels of satisfaction with the housing service are rising overall according to the council's 2011 satisfaction survey.</p> <p>The council programme to comply with Scottish Housing Quality Standard (SHQS) requirements is on track according to the report submitted to committee in November 2012. Figures indicate 73.2% of stock is compliant. This is now well above the Scottish average of 66.1% for 2011/12.</p>
Sustainable environment (including Planning and Environment, Transport and Infrastructure, Jobs and the Economy, Sustainability)	<p>In relation to jobs and the economy, performance is good overall. The employment rate is relatively high, benefit claims are low and the percentage of people who are income deprived is the lowest in Scotland. The council reports positive performance in relation to attracting and supporting businesses and maintaining the road network.</p>

Area	Update
	<p>In terms of the environment, a fairly negative picture of performance is observed, but with some discreet areas of better or improving performance, contributing to underlying improvement overall. The LAN will continue to monitor performance in this area.</p>
<p>Developing our partnerships</p>	<p>The CPP has updated the six local community plans for 2012, showing the action partners will take together to tackle local issues</p> <p>In social work, successful engagement with communities has been key to the redesign of day services for people with disabilities. In education services, partnership working remains strong and improving. There is now a positive move to inter-authority working with Aberdeen City such as the development of science education. More generally, Getting it right for every child (GIRFEC) and health and wellbeing is well supported.</p>
<p>Corporate improvement</p>	<p>See section on 'Areas with changed assessments', included in paragraph 13.</p>
<p>Vision and strategic direction</p>	<p>Following the May 2012 elections, the Aberdeenshire Alliance set out its priorities in the document 'Towards the Best in Scotland – our approach on Aberdeenshire Council 2012-2017'. The document highlights three strategic priorities: growing Aberdeenshire's economy, managing demographic change and ensuring early intervention. This in turn will inform a revised council plan for 2013-16, replacing the current 2012-13 plan.</p>
<p>Planning and resource alignment</p>	<p>Aberdeenshire Community Planning Partnership's Single Outcome Agreement (SOA) with the Scottish Government builds on the council's strategic priorities and community plan. It sets out how the council and the Aberdeenshire CPP will contribute to the government national outcomes.</p>

Area	Update
	<p>Each service within the council has its own service plan. Budgets are currently linked at a high level to strategic priorities, which link in turn with the outcomes detailed within the SOA. Further work is required to fully align expenditure with specific outcomes.</p>
<p>Partnership working and community leadership</p>	<p>A key service objective for the council is to perform the role of lead partner for the Aberdeenshire CPP, working with its community planning partners to ensure effective engagement with the people of Aberdeenshire, enabling strong, active, safe communities that are informed and involved in decision making.</p> <p>Self-evaluation activity regarding the operation of the CPP is planned.</p>
<p>Community engagement</p>	<p>Progress in developing community action plans has continued - engagement activity that assists communities to participate in planning and undertake specific projects.</p>
<p>Governance and accountability (including public performance reporting)</p>	<p>The council has a number of on-going transformation projects To manage these projects effectively, programme boards have been established. There are good levels of participation in improvement work from council staff at all levels. However, more work needs to be done to clarify priorities for improvement work.</p> <p>The Audit and Scrutiny Committee provides an example of effective oversight by elected members, offering effective scrutiny and challenge.</p>
<p>Customer focus and responsiveness</p>	<p>Every month, the council ask 150 residents if they agree or disagree with five reputational statements. These cover satisfaction levels, efficiency, value for money and responsiveness. The 'reputation tracker' - available on the council's website - also</p>

Area	Update
	includes information about media coverage, customer care (response to calls), and the handling and nature of complaints and compliments received by the council.
Risk management	<p>The council has a risk management policy and corresponding procedures in place, as well as a risk management and business continuity strategy. Corporate and service risk registers are updated on a six monthly basis.</p> <p>Although a high level community planning risk register is in place, it does not cover the operational risks associated with delivering services through partnership working. Risk registers are being developed for the council's other significant partnerships.</p>
ICT	An external audit revealed a number of issues around the IT environment, including capacity planning, security and data protection issues. These points were all raised by external audit within the year end management letter, in which management have accepted the recommendations and have agreed to implement during 2013.
Use of resources – efficiency	The council is meeting its efficiency targets. In November 2010, the council agreed to implement budget savings totalling £51.6 million over the two years 2011/13. From this, £28.4 million was allocated to be achieved in 2011/12. Final reports indicated that only £507,000 of the identified savings had not been achieved in 2011/12.
Use of resources – financial management	The council's budget for 2011/12 was set at £541.3 million. Variances were reported to the Policy and Resources Committee throughout the year, although moved from a projected underspend of £10.7 million at 30 January 2012, as reported to the committee in April 2012, to a final underspend of £20.2 million. The council has recognised that it should have

Area	Update
	<p>been aware of this likely result earlier in the year, and has undertaken additional work in order to prevent a similar situation occurring in the future.</p> <p>Generally, all collection and paying indicators have improved in the latest results, and all long term trends are improving or unchanged.</p>
Use of resources – asset management	<p>Both corporate management and benefits performance indicators relating to condition and suitability of operational buildings improved, but remain below the Scotland average. The council recognises the need to continually improve operational buildings and there is an increased investment programme in the built estate.</p> <p>Implementation of 'Workspace' and 'Worksmart' projects has continued, leading to an overall reduction in the portfolio of offices (from 98 down to a projected number of 53 premises), and corresponding improvement in refurbishment and new build. Annual savings of £0.92 million are projected by the end of this current phase.</p>
Use of resources - procurement	<p>The council operates a central procurement unit (CPU) with Aberdeen City Council. The CPU benchmarks the unit costs of operation against all other local authorities, and has achieved a high level of comparative performance with a very lean team in place.</p> <p>Whilst the CPU has achieved very good results when compared with others, there remain areas for improvement. An improvement plan for 2012 has been developed as well as a refreshed procurement strategy.</p>
Equalities	<p>In addition to the programme of targeted Best Value work carried out by Audit Scotland in the course of the year, the council invited the BV team to look at performance in this area.</p>

Area	Update
	<p>Generally the audit revealed a very positive approach to equalities, commenting on the work of the Corporate Equalities Group, the appointment of 'Equalities Champions' in the council, and the complementary role performed by the Grampian Regional Equality Council.</p>

Areas that remain 'scrutiny or further information required'

24. 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 and Social Work – Housing (services for homeless people)	Further information required	The council has adopted a housing options approach to homelessness and has introduced a new homelessness prevention team. A self-assessment was submitted by the council to SHR in February 2013. SHR will complete a review of this self-assessment in April 2013.

Areas with changed assessments

25. 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
Leadership and culture	Uncertainty	No scrutiny required	Targeted Best Value revealed: -a strong senior management team developing; -effective performance management; - an established improvement culture in the Council, but a need to make more effective use of benchmarking; and - a strategic approach to workforce planning.
Performance management	Uncertainty	No scrutiny required	
Challenge and improvement	Uncertainty	No scrutiny required	
Use of resources - competitiveness	Uncertainty	No scrutiny required	
Use of resources – managing people	Uncertainty	No scrutiny required	

Scrutiny plans

26. The targeted Best Value activity included in the 2012/13 plan was carried out as planned. The external auditor will continue to monitor progress with the council's improvement plan following the Best Value work.
27. SHR and the council agreed that the timescale for completion of a self-assessment of homelessness services, originally scheduled for April 2012, would be completed in February 2013. SHR will complete a review of this self-assessment in April 2013.
28. There is no scrutiny activity arising from the shared risk assessment in Aberdeenshire during the coming year. In addition, no scrutiny is currently envisaged in 2014/15 or 2015/16.
29. Scrutiny activity planned at the council over the three years beginning 2013/14 is shown on the following table. The scrutiny planned for the year 2013/14 includes:
30. A follow-up audit of the national report 'Scotland's Public Finances - Addressing the Challenges'. This will be carried out by the external auditor, in accordance with instructions from Audit Scotland, and will be completed in all Scottish local authorities.
31. A review of Workforce Planning under 'Reshaping Scotland's public sector workforce' which will examine how public bodies are effectively managing changes to their workforces, using cost-effective approaches.
32. A 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 is to be carried out.
33. A joint inspection of services providing care and health for adults will take place in Aberdeenshire, commencing August 2013.

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.

ABERDEENSHIRE COUNCIL		2013-14											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
No scrutiny planned as a result of the LAN shared risk assessment.													
National or planned work that is not a result of the LAN risk assessment													
Audit Scotland: Follow-up of national report 'Scotland's Public Finances - Addressing the Challenges' - timetable to be confirmed													
Audit Scotland - Reshaping Scotland's public sector workforce	Apr												
Care Inspectorate: joint inspection of services providing care and health for adults					Aug	Sept	Oct						
Care Inspectorate: Supported Self-evaluation Criminal Justice Social Work - timetable to be confirmed													

ABERDEENSHIRE COUNCIL		2014-15											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
No local scrutiny or national work planned.													

ABERDEENSHIRE COUNCIL		2015-16	
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved		
No local scrutiny or national 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 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 their responsibilities under the Public Services Reform (Scotland) Act 2010.

