

Report

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Report to:	Executive Committee
Date of Meeting:	14 December 2011
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Shared Risk Assessment Submission (2011/2012)
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Executive Committee of the Shared Risk Assessment (SRA) process for Year 3 (2011/2012)

2. Recommendation(s)

2.1. The Committee is asked to note the following recommendation(s):-

- (1) that the Council's input to the Shared Risk Assessment (SRA) process as detailed in the report be approved
- (2) that the report is referred to the Performance and Review Scrutiny Forum for consideration

3. Background

- 3.1. The SRA is an annual process that allows all Local Government Scrutiny Bodies to participate in a round table discussion designed to deliver an Assurance and Improvement Plan (AIP) for the Council. The AIP is jointly owned by all members of the Local Area Network (LAN) and sets out the shared view across the key scrutiny partners of the risk and issues facing the Council.
- 3.2. The Council has received two Assurance and Improvement Plans to date.
- 3.3. During last year's SRA, the LAN lead officer confirmed that a 'lighter touch' approach would be adopted. In practice this translated to the LAN undertaking the SRA as part of a 'business as usual exercise', focusing on those information sources which were routinely accessible to secure data for assurance purposes.
- 3.4. To date, the Council has also provided a brief submission statement and evidence check list to supplement the current approach.

4. 2011/2012 Assurance and Improvement Plan

4.1. Resulting from last year's SRA, the key issues identified within the 2011/2012 AIP were:

- the updated SRA for 2010/2011 remained largely unchanged and there were no significant scrutiny risks
- some priorities had moved from areas of uncertainty to having no significant risks and others had moved in the direction from no significant risks to areas of uncertainty:

Outcomes

- the assessment of risk for the 'working' element of 'working and learning communities' was considered to be an area of uncertainty and may be the subject of targeted best value audit work in 2012/2013

Services

- no significant scrutiny risks were identified relating to Services and no specific audit or inspection activity required

Corporate Assessment

- use of resources - procurement remained an area of uncertainty in 2011/2012
- use of resources – finance was identified as an area of uncertainty
- member/officer working relationships was identified as an area of uncertainty and may be the subject of targeted best value audit work in 2012/2013

4.2. National Risk Priorities

The AIP also referred to the Council's position in terms of National Risk Priorities.

The protection of welfare of vulnerable people

- this area was categorised as having no significant risks and no further specific scrutiny work was proposed

Assuring public money is being used properly

- this area of activity was categorised as having no significant risks and no further specific scrutiny work was proposed

Response to the challenging financial environment

- given the strategic uncertainty in this area , this was identified as an area of uncertainty

5. Progress update

5.1. Since approval of the 2010/11 SRA, progress on the 2011/12 AIP has been monitored through the Corporate Improvement Advisory Board (CIAB).

5.2. Updates on progress made regarding the areas of uncertainty are provided at Appendix 1 and were provided to the LAN on 25 November 2011 as detailed at paragraph 7 below.

6. Reducing Burdens Action Group/National Scrutiny Portal

6.1. Arising from recommendations contained within a report prepared in 2009 by SOLACE on Reducing the Burden of Scrutiny within Local Government, South Lanarkshire Council volunteered to develop a web based portal to hold and share data for inspectorates. This project was supported through SOLACE with the key aim being to unify scrutiny data and reduce time spent on scrutiny by inspectors and local authority employees. The development of this portal has now progressed to a stage where SOLACE has supported a live test run by three Councils, including South Lanarkshire, over six months from September 2011. This will specifically focus on using the portal as part of this year's SRA process. Consultation has taken place with key scrutiny agencies on the structure, content and usefulness of the portal.

7. SRA submission 2011/12

- 7.1. An initial meeting was held with the LAN lead officer on 9 November 2011 regarding the SRA for 2011/12. This confirmed that an approach similar to last year will be adopted by the LAN. The first meeting of the LAN took place on 25 November. LAN members completed a standard template detailing the outcomes of scrutiny undertaken during the year in advance of this date. The Council's incoming Chief Executive and the Head of Audit and Improvement attended this meeting.
- 7.2. The key purpose of the SRA is to provide the LAN with sufficient assurance, backed up with evidence, that the Council is both proactive in identifying those areas of business which require improvement, and responsive in implementing and addressing these.
- 7.3. On this basis the Council's 2011/12 SRA response is as follows:
 - The annual SRA requires that scrutiny agencies can access relevant data routinely to give them assurance regarding how the Council manages its business. To achieve this, evidence which South Lanarkshire considers relevant to the LAN will be contained within the new scrutiny portal.
 - The data contained within the scrutiny portal will be public and will aim to provide assurance that the Council can demonstrate a good level of self awareness through effective governance, performance and risk management practices which translate into effective day to day management of its business. Appendix 2 highlights the structure of the portal. Data will be available for use by the LAN during December 2011 and January 2012. In particular this will include all relevant performance and inspections reports and resultant action plans.
 - Specific attention is drawn to how the Council has progressed the previous areas of uncertainty in 2011/12 AIP (Appendix 1 refers) and to demonstrate progress in the implementation of the corporate self assessment tool Empower (Appendix 3)
 - At the LAN meeting on 25 November 2011 a brief demonstration of the scrutiny portal was provided.
- 7.4. Feedback from the LAN will be advised early in the new year and formal consideration of the 2012/13 AIP presented to the Executive Committee thereafter.
- 7.5. The LAN membership is attached for information as Appendix 4.

8. Employee Implications

- 8.1. There are no employee implications.

9. Financial Implications

- 9.1. There are no other financial implications.

10. Other Implications

- 10.1. As the annual SRA involves a detailed risk assessment, there are no other implications.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. The report does not introduce a new policy, function or strategy or recommends a change to an existing policy, function or strategy and therefore no impact assessment is required.

11.2. Consultation will take place between the LAN and the Council over the coming months.

Paul Manning
Executive Director (Finance and Corporate Resources)

24 November 2011

Link(s) to Council Objectives/Improvement Themes/Values

- Improvement theme – Efficient and effective use of resources; Performance management and improvement

Previous References

- Executive Committee report 11 May 2011 – Best Value 2 – Shared Risk Assessment Assurance and Improvement Plan

List of Background Papers

- Shared Risk Assessment Assurance and Improvement Plan

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Progress made on areas of uncertainty 2011

1. Outcome theme – working communities

It has been recognised that the economic downturn has had a more acute impact on South Lanarkshire than some other parts of Scotland. However, throughout this downturn the Council and Community Planning Partners continue to assist the business sector through business support services: advice, loans, grants etc and indirectly by supporting key business infrastructure projects. Improving transport and the environment of local town centres also helps provide the best possible conditions for economic activity and growth. The remediation of vacant and derelict land also plays a part in making South Lanarkshire an attractive place for doing business.

In addition, work continues to help improve employment opportunities and economic activity through several mechanisms, from delivering programmes to support people out of work to increasing the skills and knowledge within communities to ensure that everyone has the opportunity to learn new skills and to find a way to participate in and contribute to the economy of South Lanarkshire.

The public sector also plays an important role in the delivery of training to the local workforce. Through engagement with local tertiary education eg South Lanarkshire College, Motherwell College and the University of the West of Scotland campus in Hamilton, there is considerable local support for vocational and workforce education.

Details of a wide range of specific interventions are included in the Community Planning Partnership SOA Annual Report for 2010-11, available at www.southlanarkshire.gov.uk/improve/info/20/single_outcome_agreement

The Annual Report includes a number of examples of successful activity in response to the current economic activity – for example (page 19) the Connect 2 initiative designed to help excluded and disadvantaged people gain access to employment opportunities; the Youth Jobs Funds; and Accredited Community Based Adult Education.

The Council has taken steps to raise the profile and priority of the economic situation in South Lanarkshire. The issue has been raised at several high level meetings with representatives from the Scottish and UK Governments:-

- meeting with Aileen Campbell MSP and the Chief Executive on 24 August 2011
- meeting between the Secretary of State for Scotland (Rt Hon Michael Moore MP) and the Leader of the Council the Chief Executive and the Central Research Unit Manager on 29 September 2011
- meeting between the Scottish Government's Location Director for the Council (Andrew Scott, Employability, Skills and Lifelong Learning Director), the Chief Executive and the Central Research Unit Manager





A presentation focusing on the economic situation has been presented to a number of key audiences:-

- to the Community Planning Board on 7 September 2011
- to each of the Council's four area committees (23/24 August 2011 and 20/21 September 2011)
- the Community Regeneration Partnership
- the Youth Partnership

In addition, the profile of the Economic Audit of South Lanarkshire has been raised in the Council's planning process by:

- specific mention in the Resource Planning Guidance
- dedicated pages within the IMPROVe website
- the outcome of sustaining economic growth is a priority in the new Council Plan, which is currently in draft form

The change between the 2009/10 and 2010/11 SOA Annual Reports for National Outcomes 1, 2 and 3 is shown below. This continues to show a mixed picture.

		2009-10		2010-11	
					
1	Most attractive place for doing business in Europe.	3	3	4	4
2	We realise our full economic potential.	2	1	2	1
3	We are better educated, more skilled and more successful.	1		2	

Latest data shows a continuing deterioration in some economic indicators for South Lanarkshire. There have been sharp increases over the last two to three years in International Labour Organisation (ILO) unemployment rates and the Worklessness rate, however the claimant unemployment rate dipped slightly in January 2011, which could signal the start of a recovery. Our employment forecasts suggest that employment levels will begin to recover, but not to the same levels experienced before the downturn. These indicators together suggest that South Lanarkshire may be experiencing the start of a recovery, but more economic growth will be needed to make up ground lost in the last few years.

More detailed analysis is available through the Council's IMPROVe website at www.southlanarkshire.gov.uk/improve/

It is proposed that the Community Regeneration Partnership oversees the development of a dedicated South Lanarkshire Economic Strategy which will seek to outline key objectives and specify associated actions in support of future sustainable economic regeneration.

2. Corporate theme – use of resources – procurement

In October of this year, the Council increased its Procurement Capability Assessment (PCA) score from 23% to 36%. The score can be reflected against last year's Scottish average of 32%, and indeed reflects the biggest percentage improvement of any organisation since the inception of the PCA.

Progress made internally in taking forward the procurement function includes the development and approval of the Procurement Strategy. This has now been communicated to the Council's Procurement Network and complements the development of a comprehensive suite of performance measures.

Further improvements will accrue from implementation of the Procurement Strategy action plan and completion of the review of the Procurement which will inform the future shape and direction of the Service

3. Corporate theme – use of resources – finance

During 2010/11 the Council continued with its robust approach to managing and reporting on financial performance as well as developing a financial strategy for the future to secure delivery of quality services.

The Council's external auditor's PricewaterhouseCoopers presented a report to the Risk and Audit Scrutiny Forum in (dated 29 September 2011) on the results of the Financial Audit 2010/11.

The report included a number of significant points which confirms the Council sound approach to use of resources (finance). These were considered both in terms of 2010/11 and 2011/12 and beyond, and the key points include:

2010/11

- the audit opinion for the year ended 31 March 2011 is unqualified
- the Financial Outturn for 2010/11 is based on a relatively stable year of income and expenditure
- the Governance and Internal Controls Statement is in compliance with the Code

- against a backdrop of tightening budgets a General Fund surplus of £2m was generated, and the surplus carried forward into 2011/12 was £8.476m
- the Council delivered £19.767m saving in 2010/11
- In line with the 5 year reserve strategy the Council has available useable Council Reserves of £95.012m

2011/12

- the Council will continue with its Medium Term Reserves Strategy (2010/11 -2013/14) with a targeted 2013/14 closing General Fund of up to £10m (2010/11 closing balance of £8.476m)
- forecast for the General Fund and Housing Revenue Account to breakeven to 31 March 2012

4. Corporate theme – member/officer relationships

There are a number of events which have taken place in recent months which demonstrates the Council's approach to effective and productive member/officer working. These are evident in core areas of Council business. Professional support and advice provided by officers to elected members supports them in their scrutiny role both individually and as representatives on Committees and Forums. This activity is evident at cross Council, Council wide and Resource level as required. It includes members awareness sessions, member/officer working groups and other event specific arrangements. Examples are detailed below.

Cross Council

The preparations for the Lanarkshire 2011 International Children's Games involved close cooperation between elected members and officers in both North and South Lanarkshire Councils sustained for over a year. The Games are reckoned to be the largest international sporting event for young people in the world. This joint working helped promote positive working relationships, and ensured that elected members had a good practical understanding of the complex logistical, security, hospitality and competition arrangements in place well in advance to ensure a smooth running event involving teams from 80 cities around the world.

Council wide

Budget Seminars – these are awareness seminars attended by officers and elected members, providing an opportunity for members to clarify individual budget saving proposals and for discussion and debate as required. These are attended by all elected members and chaired by the Leader of the Council. Members have the opportunity to consider and clarify the proposals through a process of written question and response over a set period of time. Overall, the seminar and questioning process ensures all members are fully informed in advance of making decisions in respect of the savings proposals. The most recent seminar was held on 9 November 2011 and covered the Revenue Budget 2012/13. The period for questions and response is currently underway.

Sustainable Development Member Officer Group - three elected members from each the main parties and three Executive Directors form this group which fulfils a scrutiny function in relation to the Council's sustainable development objectives. It also considers the potential long-term impact of new legislation and policies developed by the Scottish and UK governments to promote a national transition to a low carbon economy. The group provides a sounding board for new ideas and enables elected members to become more directly involved in initiatives and to gain broader understanding of sustainable development. The group meets four times each year.

Member/Officer Task and Finish Groups

A number of short life member/officer groups were established to review specific areas. To date these have included:

- Fixed Play Areas - meetings of the group helped promote a detailed understanding of the problem and the need to tackle it. This created a process for agreeing the best options for investment and rationalisation. The findings of the group were endorsed by the Executive Committee.

- Parking Management Strategy - the cross party group jointly scrutinised current policies and practices including charge levels, visited sensitive local areas and delivered a comprehensive report to the Council's Executive Committee, which was approved.

Resource specific

Enterprise Resources – member awareness session at which the proposed Roads Winter Service was presented to elected members by officers. Following the presentation there was a question and answer session after which all present had a clear understanding of the levels of service which should, and which should not, be expected. Given successive severe winters and high levels of public expectation, this is potentially a difficult area on which to achieve understanding and consensus but open and frank discussion achieved positive outcomes.

Social Work Resources - various initiatives have been undertaken to promote the Corporate Parenting agenda. Corporate parenting means the formal and local partnerships needed between all local authority departments and services, and associated agencies with responsibility for working together to meet the needs of Looked After children and young people, and care leavers. In May 2011 Elected Members, Executive Directors, senior managers and the Chief Executive participated in a corporate parenting event run by Who Cares? Scotland. Following this joint member/officer event, elected members are now able to work with officers to:

- promote a greater awareness of the challenges faced by looked after children
- add to personal commitment by making a pledge to corporate parenting responsibilities
- drive forward the new Corporate Parenting Policy
- be better informed in making hard choices around finance in times of budgetary constraints
- champion the cause of Looked After Children with our community planning partners
- improve social, education, health and economic outcomes of Looked After Children

Education Resources - HM Inspectorate of Education (HMIE) joined Education Resources in South Lanarkshire Council to carry out the validated self-evaluation (VSE) as part of the Council's ongoing self-evaluation. In the jointly published report, HMIE's assessment of the quality of self- evaluation in South Lanarkshire Council noted the:

“Very clear vision and strong leadership demonstrated by councillors, the executive director, the education management team, and senior managers resulting in positive outcomes for learners, families and communities in South Lanarkshire. Positive outcomes include high quality learning experiences, high and improving levels of attainment and achievement at all stages, an improved school estate, and high proportions of positive and sustained destinations for school leavers”.

The first Services to Protect Children Inspection which took place within South Lanarkshire Council in 2008 and a further inspection in August 2010 confirmed that:

“Chief Officers and senior managers have successfully established a shared vision for child protection which they have communicated well to staff. The vision, values and aims outlined in key high level council and service plans link well and reflect both national and local priorities for child protection”.

Housing and Technical Resources - Good member officer working relationships demonstrated on the Community Safety Executive has taken the Community Safety Agenda forward on a much more consensual basis – good successes with safer streets initiative and other campaigns.

Two member officer events run during 2011 on Welfare Reform and the Local Housing Strategy, were both well attended and resulted in further dialogue with a number of members about area or constituent specific issues

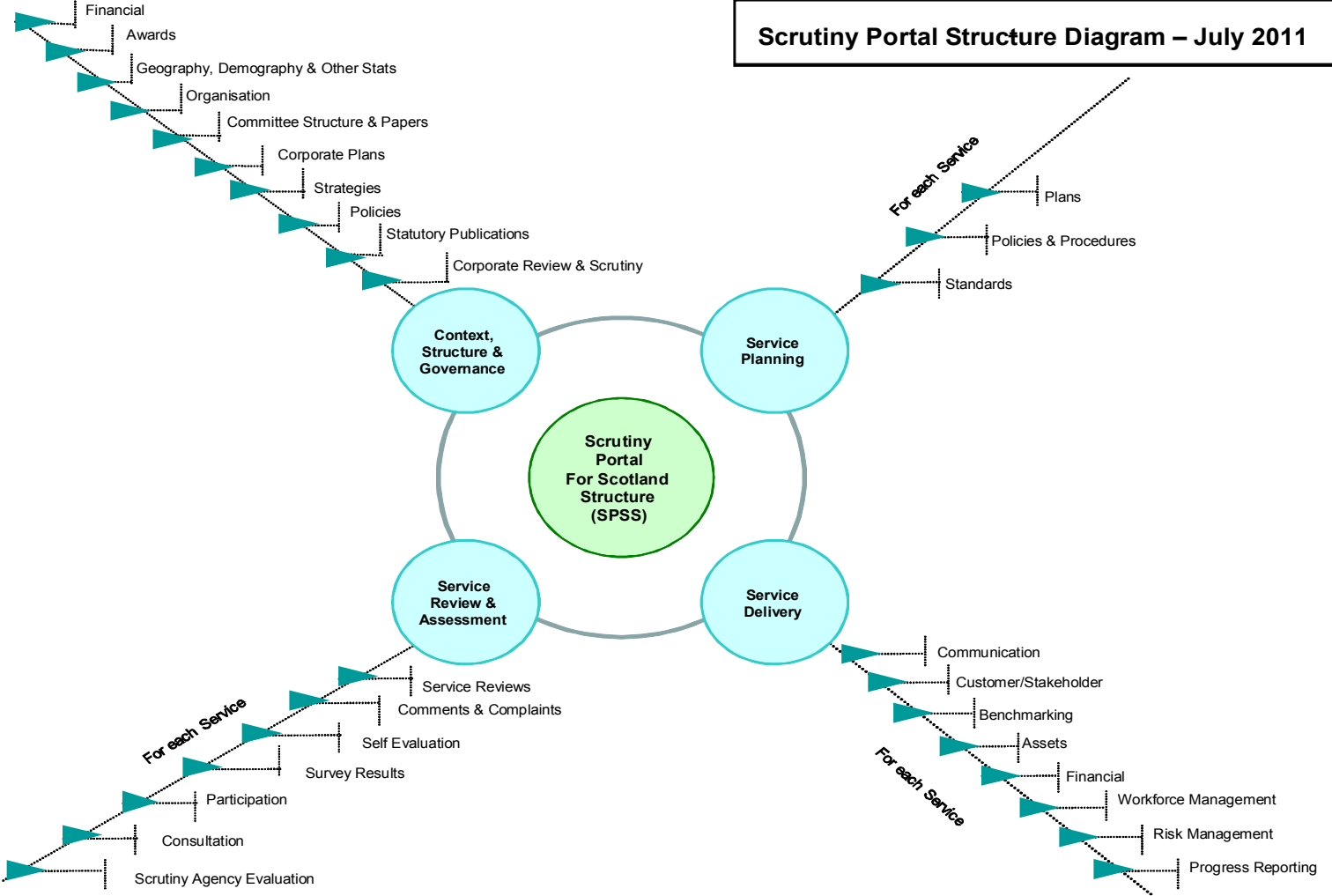
5. National risk priority – responding to the challenging financial environment

The Council continues to effectively manage the impact of the challenging financial environment within which it operates and to give due consideration to how best to maintain delivery of quality services.

The financial strategy includes elements of scenario planning, and remains flexible enough to respond to the Scottish Government's grant settlement for 2012/13 and beyond and to ensure it delivers at balanced budget.

In May 2011 a report was presented to the Corporate Management Team for a 3 year (medium term) strategy which considered 2 scenarios based on outline information from the Scottish Government. Following that, a report was then taken to the Executive Committee focussing on 2012/13 and based on a flat cash settlement. In September 2011 Members Awareness Sessions were arranged to inform members of the Spending Review. At that point in time the Spending Review information was made available at a national level only, ie there was no detail of individual councils' settlements and the potential variations on flat cash settlements.

At the point in time when the Scottish Government provides detailed settlement information (anticipated in December 2011) the Council will review and refine its financial strategy for 2012/13, and beyond, if multi year settlement information is provided.



Position statement regarding the Council's roll out programme of self assessment (Empower)

During 2010/11 the Council has continued to develop the use made of the self assessment tool 'Empower'. Empower derives from the Public Service Improvement Model and has been used both at a corporate and Resource level. To ensure its commitment to self assessment the Council has a number of officers across Resources who are accredited EFQM assessors and also some who undertook PSIF training.

An Empower Officer Working Group meets periodically to consider progress made and to take account of any changes made at a PSIF level. The aim is to ensure a consistent approach to self assessment and to share good practice and lessons learned.

In June 2009 the Executive Committee agreed a three year programme of assessments (2010/2011 - 2012/13). Good progress is being made by Resources in progressing these in line with the planned schedule with 40% of planned assessments completed to date. This is expected to rise to 63% by March 2012 and 100% by March 2013.

At the conclusion of each assessment a report is presented to the relevant Senior Management Team providing information on how the process worked, lessons learned, and key areas for improvement. These reports to Senior Management Teams demonstrate the benefits which can be gained from sound planning in advance of the assessment and bringing together the right mix of officers to participate in the assessment.

As well as reports to Senior Management Teams an annual report is provided to the Corporate Management Team and Executive Committee. The first annual update was presented to Executive Committee in December 2010 and the next is scheduled for December 2011.

The Council is keen to ensure that Empower provides a further opportunity to inform its improvement agenda. This will include informing areas for further review as well as identifying a small number of key outcomes from each assessment linked to continuous improvement in service delivery. In continuing to develop our approach to Empower the future emphasis will be on the key (significant) areas for improvement which will go on to form part of the Council's benefits tracking arrangements, with progress being monitored through IMPROVe (the performance management and reporting tool). This will include identifying anticipated outcomes (benefits), timescale and responsibility. The opportunity will also be taken to analyse the results of Empower assessments at a Council wide strategic level, to highlight common themes and potential areas for improvement.

Members of the LAN are:

Education Scotland – LAN lead
BV Portfolio Manager
Education Scotland – District Inspector
SCSWIS Social Work
Scottish Housing Regulator
SCSWIS Care Homes
External Auditor (PwC)
HMICS
SCSWIS Child Protection