

**DELEGATION OF AUTHORITY NEARER TO FRONTLINE STAFF  
A SCOPING PAPER**

**1 INTRODUCTION**

- 1.1 It is intended that this paper will be consistent with the direction of travel of the 21<sup>st</sup> Century Social Work Review (hereafter called 'the Review') which is taking a fundamental look at all aspects of social work including the way social work services are organised and delivered. One of the issues which has emerged is the potential that greater delegation of budgets has; and there is a need to consider if governance and accountability structures in local government social work inhibit access to effective service delivery.
- 1.2 This scoping paper will
- set out the issues raised by consultees about current practice;
  - examine the current position in respect of governance and accountability structures in local government social work;
  - identify the barriers and constraints to effective delegated authority;
  - suggest whether these are inevitable or can be overcome and how this might happen and
  - set out the foundations of good practice in delegation, particularly to local teams that deliver effective practice for service users.
- 1.3 This paper was completed in three phases, between 9<sup>th</sup> July and 12<sup>th</sup> August 2005 –
- **Reporting and liaising with Social Work Services Policy Division** – access was given to a range of related work of 'the Review'.
  - **Research and reading** – to find out what might support delegation and any governance issues that might arise and also any good practice toolkits.
  - **Interviews with relevant organisations** – this paper is based on the comments received from key stakeholders (as noted in Appendix 1).
- 1.4 The barriers and constraints that interviewees highlighted are summarised in the paper and where these have been overcome any solutions are shown thus - ✓.

**2 METHODOLOGY**

- 2.1 In addition to the research and reading a range of very useful information was found or contributed directly by interviewees, albeit on an *ad hoc* basis. Some are included in this paper as existing examples and may be of interest to others.
- 2.2 Semi - structured interviews were held with representatives of local authorities, many of whom were Chief Officers or Heads of Service. There was some opportunity for interviews with other officers in some councils, representatives from two Criminal Justice Partnerships and a focus group in one authority area which has well established delegated budgets 'nearer to the frontline'.
- 2.3 Interviews were held with a range of representatives from national organisations, due to the nature of the process, the views expressed are best viewed as those of the representatives, and not necessarily those of the organisation.
- 2.4 The above process was commended by interviewees and thanks are due to all who made themselves available, often at relatively short notice, at this busy time of year and engaged constructively and helpfully in the process.

### 3 FINDINGS

- 3.1 Interviewees were well aware of the direction of public policy and supportive of the role that delegation can play in meeting the needs of citizens through efficient, high quality public services that deliver outcomes that matter<sup>1</sup>. There is acceptance of the importance of achieving social work provision that is responsive to individual needs, is reliable, delivered promptly and efficiently.<sup>2</sup>
- 3.2 Most view 'the Review' as another step towards achieving this and offering the opportunity to highlight, and potentially address, many of the issues about what Social Work is, and how it goes about it's business.
- 3.3 Interviewees highlighted six significant caveats on the subject of successful delegation to the frontline that –
- **Delivers efficient and effective services** - the extent of national policy and change means, often, a focus on new initiatives and makes it difficult for managers and staff to consolidate strategy, planning and service delivery.
  - **Responds to differences** - across authorities and care groups and the measure of success is 'what difference does it make?' to service users.
  - **Requires member and corporate support** – this is not new; authorities are familiar with delivering devolved management of schools<sup>3</sup>.
  - **Is a joint responsibility of the employer and the individual staff member** – an effective approach to the Codes of Practice<sup>4</sup> is pivotal.
  - **Is supported by clear and straightforward systems and processes.**
  - **Is founded on a willingness to deliver** - a 'can do' attitude.

### GOVERNANCE

*"Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes<sup>5</sup>"*

- 3.4 Some interviewees highlighted a number of constraints and barriers and some, or others, indicated how these had been overcome -
- The understanding, style and approach of, and relationships with, national and local elected members and corporate managers;
  - Some corporate managers are said to control budgets and do not operate with sufficient openness about funding and strategic budgetary decisions;
  - ✓ *clarity of purpose, roles and responsibilities and transparency.*
  - The financial realities of working with limited resources, and balancing needs and resources with conflicting policies and accountability to deliver;
  - ✓ *aligning Service Planning and Financial Planning.*
  - The need for corporate colleagues to understand the 'Joint Agenda' with Health; the policy direction of integrated Children's Services and the potential for revised Criminal Justice boundaries;
  - ✓ *meaningful involvement of corporate colleagues.*
  - Some had delegated nearer to the frontline and others were in process of doing so – particularly through the development of the Joint Future Agenda<sup>6</sup>;
  - ✓ *clear roles and responsibilities supported by systems and processes.*
  - The development of a clearer regulatory framework and the impending rigorous professional oversight;
  - ✓ *implementing and monitoring Codes of Practice and Care Standards.*

- 3.5 Examples of current practice highlighted by interviewees included –
- ✓ **Financial Regulations** - all councils have these but some are more geared to supporting the service provision needs of social work service users.
  - ✓ **List of Delegated Powers to Officers** - Aberdeenshire Council has this and it has been evolving this since 1993.

**A STRUCTURED APPROACH TO GOOD PRACTICE IN GOVERNANCE** (see Appendix 2)

- 3.6 The recent **Good Governance Standard for Public Services**<sup>5</sup> provides a framework of six standards, in a template, for dealing with the governance issues and can be used for assessment and action planning.
- 3.7 The **Corporate Governance in Local Government Framework**<sup>7</sup> sets out best practice for establishing a locally adopted code of corporate governance and defines how the principles that underpin good governance in local government should be reflected in five defined dimensions of a local authority's business.

**4 DELEGATION**

*“devolution and delegation”<sup>8</sup> - giving successful front-line professionals the freedom to deliver”*

- 4.1 Most respondents saw no overriding barriers or constraints to delegation to frontline teams, whatever their setting, and saw significant reasons in favour of this. Some had made very significant progress, others were ‘in progress’. Some suggested that getting to grips with some national policy developments had reduced their pace of progress.
- 4.2 The extent of delegation varies across the Local Authorities and across ‘care groups’ due to the nature, scale and stage of development of differing authorities, policies and / or service developments. Community Care is seen, by interviewees, to have most ‘delegation’ and is different from Children’s social work services where due to small numbers, cost of some care services and the unpredictability of demand it is not considered effective to delegate some aspects of access to services, to the frontline. Criminal Justice Services can sometimes be required to procure services based on decisions of a court and such decisions creates other tensions of access to, at times scarce, resources.
- 4.3 Additionally where people receive services from one ‘care group’, and have additional needs such as those normally met within another e.g. offenders who have community care needs, this can introduce the need for negotiation between care groups. Some report that there is generally little delay in responding to this.

**DELEGATION OF FINANCE**

*“Financial management, not as a separate activity, the province of accountants and senior managers, but is an integral aspect of the process of commissioning that involves a range of staff”*

- 4.4 Some interviewees highlighted a number of constraints and barriers and some, or others, indicated how these had been overcome -
- In contrast to the prevailing approach to delegate to teams, there was one view expressed that, in principle, delegation might go to individual workers;
  - ✓ *Where this has happened, the money is limited and the role onerous.*
  - All councils are governed by the same high level accountancy framework<sup>7</sup>, yet there are differences in the financial authority these confer on officers and few have spelled-out Schemes of Delegation beyond Senior Officers;
  - ✓ *Consideration is given to ensure delegation is fit for purpose.*

- Finance Officers, reporting to the Director of Finance but co-located in service departments, should be encouraged to understand that the importance of managing resources is firstly to ensure that service objectives are achieved whilst also ensuring the proper stewardship of public money;
- Systematic monitoring and budget meetings are common practice, although not all adopt a pro-active approach to budgetary management;
- ✓ *mid-term adjustments and virement options are made.*
- Few authorities appear to have the capacity for 'real-time' budgetary information. This limits the timeliness and relevance of the financial data and may have an adverse effect on management decisions taken;
- ✓ *a local team-based system is in place for frontline managers to record commitments against budget; however this would then require to be regularly reconciled with the corporate finance system.*

**A STRUCTURED APPROACH TO GOOD PRACTICE IN DELEGATION** (see Appendix 2)

- 4.5 **The Priorities and Risks Framework**<sup>9</sup> - Audit Scotland has developed an audit process, while focusing on risk, ensures that it includes a service focus.
- 4.6 **Effective Financial Planning and Management** was set out as five stages (Planning, Budget Setting, Managing Activity and Expenditure, Budget Monitoring and Control, and Review) by the Accounts Commission in 2000.
- 4.7 The Audit Commission summarises the **practice needs for effective delegation** in 'Eight Stages in Managing the Devolution of Budgets'<sup>10</sup>.
- 4.8 **The CIPFA Financial Model**<sup>11</sup> is a structured framework based around three styles of financial management, across five management dimensions. It is already used in several Scottish authorities for assessment, action planning and benchmarking.

**JOINT WORK**

- 4.9 The development of joint work, particularly with Health, has created very different experiences and adds dimensions such as joint teams, joint managers and multi-agency settings.
- ✓ Some have delegated authority to NHS staff who access care services, particularly social care to support people at home. There was however only one example reported of social services staff accessing health care services.
  - ✓ Most have well developed planning arrangements and many have now developed service delivery processes and systems. Information Sharing Protocols, Single Shared Assessment, and Eligibility Criteria have created the foundations of this.
  - ✓ The principles and practice of sound delegation apply equally in joint work.
  - ✓ As before the understanding, approach and personality of key managers in partner agencies enhances or detracts from the trust needed for Joint Work.
  - The main gap highlighted is that of service user risk assessment and the need to develop tools that support the creation of risk management plans.
- 4.10 Looking ahead there are three potential areas of development that could further influence joint work –
- Community Health Partnerships
  - The Integrated Children's Services agenda
  - The possibility of revised Criminal Justice Authority boundaries.

- 4.11 Examples of current practice, in joint work, highlighted by interviewees included –
- ✓ **Criminal Justice Services Partnership Model** - West Dunbartonshire, East Dunbartonshire and Argyll and Bute Councils
  - ✓ **Joint Budget Strategy** - South Lanarkshire Joint Future Partnership
  - ✓ **Partnership in Practice Agreement** - Argyle & Bute / NHS Argyle & Clyde
  - ✓ **East Dunbartonshire CHP Revised Scheme of Establishment** - East Dunbartonshire / Greater Glasgow NHS Board
  - ✓ **Single Shared Assessment** - North Lanarkshire Council / NHS Lanarkshire and others.

#### DELEGATION OF PROFESSIONAL ISSUES

- 4.12 Inevitably discussion about delegation focuses on finance; however there were some very important points made about professional practice and some interviewees recognised the importance of clarity in the delegation of professional authority. This is particularly the case in respect of statutory duties.
- 4.13 ‘The Need for Social Work Intervention’ discussion paper<sup>12</sup> highlights that *“current policy direction and changing public expectations could also lead to a more fundamental shift away from a focus on statutory intervention ...”* That discussion paper goes on to cover many issues that are relevant to the wider professional intervention, advice and support aspects of Social Work and for this reason this scoping paper will not duplicate these issues.
- 4.14 There is also concern to learn the lessons from examples of system failures and personal failures in the cases of vulnerable people. The recent enquiries<sup>13</sup> have found clear management problems and the recommendations that accompanied the Laming Report into the death of Victoria Climbié also make clear to senior managers their responsibility for delegated professional practice.
- ✓ a thorough approach to risk assessment and a rigorous approach to actions arising from risk management plans.
- 4.15 Another concern in respect of delegation is “what happens when things go wrong?” - the apparent rush to the judgement of agencies and staff. There is a desire that this could be dealt with in a more measured way, particularly by elected members.
- 4.16 Interviewees highlighted some of the cornerstones that now support delegation of professional practice –
- ✓ **The Standards Framework**<sup>14</sup> **for Children and Young People** – a comprehensive outcomes-based approach.
  - ✓ **The regulatory process** - and the developing Inspection regime that will look at how Codes of Practice and Care Standards have been implemented and are supported.

### 5 SOME BUILDING BLOCKS THAT SUPPORT DELEGATION

#### A STRATEGIC COMMISSIONING

- 5.1 The current position is summarised by some who speak of delegating local management of budgets for home based care, which are then monitored, reviewed and adjusted on an across-the-authority basis. Also, many delegate ‘a specific number of admissions to Care Home beds’ on a regular basis and some are also specified to reduce hospital waiting lists. For many this can be done at a local team level because it is possible to predict and plan over the year.

- 5.2 The need for a more strategic approach to commissioning was however highlighted by a few respondents who recognised that there are challenges in planning for changing numbers of people with needs and the nature of their demands to meet these needs. However there was an impression, from some, of a lack of a systematic and structured approach to strategic commissioning of services.
- 5.3 Some also recognised that choice for service users depended upon the options that commissioning creates at the frontline and this spoke of the need to –
- tackle the constraints of large scale provider services in all sectors;
  - respond to the evidence that Provider costs are driving prices up;
  - ensure value for money and a systematic approach to service review;
- The Improvement Service also suggests that national commissioning strategies for some services may help.
- 5.4 Examples of current practice highlighted by interviewees included -
- ✓ **Planning ahead on a 5 – 15 year cycle** - Fife Council
  - ✓ **Development of Commissioning for Self Directed Services**, including Direct Payments - North Lanarkshire Council
- 5.5 **Making Ends Meet**<sup>15</sup> is a framework that has modules on Commissioning; Finance; Partnership; Adult Services; Children's Services and Performance and is aimed at guiding good practice.

## **B ELECTRONIC SYSTEMS**

- 5.6 A significant number of interviewees spoke of the absence of well developed IT systems; both hardware and software, that deliver the information needed to get the job done.
- ✓ Some spoke of having invested in this as a priority.
- 5.7 Other constraints highlighted were –
- IT systems that are labour intensive in the input of information
  - IT systems that require staff to input more than once;
  - Some 'out-posted' staff having no access to relevant IT systems;
  - Investment is required in some areas to create electronic information-sharing capacity between organisations.
- ✓ Any support that 'the Review' offers to the need for appropriate administrative support will be readily welcomed.
- 5.8 Some of these constraints contribute to a management information gap in some councils and tackling this gap requires the commitment, based on understanding, of frontline staff of the importance of recording a required amount of information.
- ✓ Success is more likely where systems deliver information that is needed and used by staff at the frontline.
- 5.9 Examples of current practice highlighted by interviewees included –
- ✓ **Information Sharing Protocols** – many.
  - ✓ **IT Systems that information-share** – Dumfries and Galloway; North Lanarkshire.

## **C EDUCATION, TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT**

- 5.10 There is an understanding that the accountabilities that go along with delegation require staff to be trained to equip them with the skills necessary to do their job. Interviewees spoke of a continuum of education and training –

- Formal education and training;
  - Induction and post-qualifying training;
  - Continuing Professional Development.
- 5.11 Interviewees also highlighted the following –
- ✓ The drive to further delegation should be accompanied by member and management training in the aims and skills required to make a success of financial delegation. Audit Scotland<sup>16</sup> has identified this area as a risk given the experience of social work budgetary management in the past; this is also one of the core objectives of the Improvement Service.
  - ✓ Corporate staff who have financial and other social work responsibilities should be inducted into the aims of social work service delivery.
  - ✓ Team-based development opportunities should be created to embed a team based approach and culture.
  - ✓ Social workers may not be ‘ready to practice’ when they leave formal education. They not only need fundamental financial management training and induction, but some require training on the statutory roles and responsibilities of social work.
  - ✓ The unanimity of delegation to the frontline depends on the joint responsibility of the organisation and the worker, in training and Continuing Professional Development.
- 5.12 There are significant examples of current practice in this area, e.g. the Care Accolades 2005 -
- ✓ **Best employer in developing policies and practices to retain and support staff** - Hansel Alliance; West Lothian Council (Special commendation); Glasgow City Council (Winner).
  - ✓ **Most innovative training programme** - South Lanarkshire Council (Special commendation); SIRCC Core Skills Project (Winner); Fife Council.
- Also –
- ✓ **Financial Management by Social Work Professionals** – The Skill Set – CIPFA.
  - ✓ **A structured and coherent approach to CPD and accredited training** - Glasgow City Council.

## D CULTURE

- 5.13 Interviewees consistently returned to the need to be aware of ‘getting the culture right’ if delegation is to have an impact. All of the above would make a contribution to the culture of the organization, but interviewees also spoke of some of the features of a successful culture -
- ✓ Members, managers and workers with ‘can do’ attitudes
  - ✓ A corporate culture – elected members, including M.S.P.s, and corporate managers understanding the importance of meeting people’s needs
  - ✓ Social Work is ‘reprofessionalised’ - tackling low morale, recruitment and retention and diligently keeping all stakeholders informed of progress
  - ✓ A culture of continuous professional development rooted in education and training, accountable for professional decisions and managing finance
  - ✓ Organisations geared to support this in a sustainable way
  - ✓ Delivering better outcomes for service users.

- 5.14 The resource pack **Outcomes into Practice**<sup>17</sup> is a good practice guide, by SPRU York University, that facilitates an outcomes based approach from policy to practice in social care and health care agencies.
- 5.15 Examples of practice from interviewees include –
- ✓ **Fieldwork Staffing Review** - Glasgow City Council;
  - ✓ **Practice & Performance Audit Unit** - Glasgow City Council;
  - ✓ **The Monitoring and Standards Team** – North Lanarkshire Council.

## 6 SUCCESSFUL DEVELOPMENT OF DELEGATION TO THE FRONTLINE

- 6.1 Interviewees have emphasised -
- ✓ The benefits of delegation
  - ✓ There are no overriding constraints that prevent delegation ‘*per se*’
  - ✓ Many had found solutions - in joint teams or in partnership arrangements.
- 6.2 In considering the way ahead, we may learn lessons from the development of the Joint Future Agenda which appears to be held up in equal measure of positive and negative regard. The recent Care Management Guidance is seen as helpful e.g. where councils that have a corporate control-culture are encouraged to move ahead to delegate budgets – this is welcomed. However the drive to report on what are regarded as simplistic targets for services is seen as unhelpful and is seen to be overly prescriptive.
- ✓ Any approach to support further delegation nearer to the frontline is likely to be most effective if it is concerned with what is achieved, not how it is done, and therefore supports the development of measures that seeks to find out what delegation delivers for service users.
- 6.3 Care is required here, since research<sup>18</sup> highlighted the impact of audit on Social Work Practice cautions that “*The process of making social work auditable is in danger of becoming destructive, creating simplistic description of practice and focusing on achieving service outputs with little attention to user outcomes.*”
- ✓ Some have recognised the need to take account of more than outputs and are developing a broader approach that is integral to performance assessment and asks ‘what difference do we make?’
- 6.4 The issue of delegating nearer to the frontline is a journey that many have started. The extent of delegation varies across Local Authorities and also across care groups. This has implications for the way in which further change is progressed -
- ✓ a descriptive approach is the desired model due to the complexities of these differences and the fact that local expertise exists in most authorities;
  - ✓ with the involvement of stakeholder representatives, including Trade Unions.
- 6.5 In relating a recent success story, one manager explained how it was achieved –
- ✓ Consider the details, make the aims explicit, the priorities clear, engage stakeholders, adopt a transparent approach, with realistic timescales and manage the process consistently, in a Project Management way.

## 7 CONCLUSIONS

- 7.1 The findings of this paper suggest that there are two main barriers highlighted –
- Firstly a thorough-going approach to service based risk assessment and management is required (*para 4.14*). It should consider service delivery and financial delegation (*para 4.4*) and should take account of the multi agency environment (*para 4.9*). Consideration has to be given to the development of tools to support this.
  - Secondly there is a need for a more strategic approach to commissioning alternatives (*para 5.2*) and choice for service users (*para 5.3*).
- 7.2 Six important caveats are noted (*para 3.3*). Delegation should -
- ✓ deliver efficient and effective services;
  - ✓ respond to differences across authorities and care groups;
  - ✓ have member and corporate support;
  - ✓ be a joint responsibility of the employer and the individual staff member;
  - ✓ be supported by clear and straightforward systems and processes;
  - ✓ be founded on a willingness to deliver - a 'can do' attitude.
- 7.3 The main findings, *summarised throughout this paper*, show -
- ✓ support for delegation that impacts on better outcomes for services users;
  - ✓ significant degrees of delegation in some care groups, and some authorities, but not all;
  - ✓ examples of existing practice that supports good governance and financial delegation that has been developed locally across many authorities (both in single organisations and in joint teams / partnerships) – but it is by no means universal;
  - ✓ good practice models and templates, developed by a range of scrutiny, regulatory and advisory national bodies, offer advice and guidance that supports a coherent approach to delegation and could be used to support a coherent approach;
  - ✓ many stakeholders (local and national) therefore appear to have some of the pieces of a jigsaw that would support good governance and sustainable delegation in increasingly complex situations – however none appear to hold all of them;
  - ✓ there is an extent, therefore, that many are 're-inventing the wheel';
  - ✓ stakeholders who have been interviewed have indicated an appetite to share good practice in a way that would be useful;
  - ✓ if delegation is to have an impact there is a need to consider the merits of bringing the pieces together in a focused way.
- 7.4 In considering how to move ahead, many respondents spoke of their frustration that external involvement often makes demands and offers few solutions, and to encourage and support local development a stakeholder engagement process would be welcomed. Such a developmental approach could -
- ✓ offer good practice advice and local practical examples;
  - ✓ be supported by the development of a tool – kit that incorporates material from accredited models;
  - ✓ support the sharing of good practical examples by stakeholders around key aspects of the tool - kit that is also actively promoted.

**8 RECOMMENDATION**

- 8.1 There is widespread support to enhance frontline service delivery and a means to continue to encourage stakeholder ownership should be sought. The development of a tool – kit (*para 7.4*) should be considered and could be developed through a time limited process, building a national resource that is actively promoted and supported.
- 8.2 This resource should be built on accredited good practice models and existing experience and should –
- ✓ be developed as an accessible and user-friendly resource;
  - ✓ encourage the sharing of effective local practice examples;
  - ✓ involve stakeholders and include staff representatives, Health and Housing colleagues and other interests relevant to the integrated services agenda.
- 8.3 It should be lead by one key partner and involve others. It should include ADSW, COSLA, CIPFA and Unison – all of whom have expressed interest in further development to support effective delegation.
- 8.4 This model of development should also be reflected in any oversight of local progress which should therefore be descriptive about how delegation is achieved and focus on what difference it makes for service users.
- 8.5 The tool – kit should be regarded as a source of good practice for social work that complements the direction of social work in the 21<sup>st</sup> Century as it demonstrates that it meets the needs of citizens through efficient, high quality public services that deliver outcomes that matter<sup>19</sup> in a robust and sustainable way.



**Sam McLean**  
**31<sup>st</sup> August 2005**

## Relevant Organisations Consulted

### National Organisations

- COSLA, Convention of Scottish Local Authorities
- Audit Scotland
- CIPFA, The Chartered Institute of Public Finance and Accountancy
- Social Work Inspection Agency
- Scottish Social Services Council
- SOLACE, Society of Local Authority Chief Executives and Senior Managers
- ADSW, Association of Directors of Social Work
- Unison
- The Local Government Improvement Service

### Local Authorities

- Glasgow City
- Fife
- Argyll and Bute
- North Lanarkshire
- South Lanarkshire
- West Dunbarton
- Aberdeenshire
- Aberdeen City
- East Dunbartonshire
- Dumfries and Galloway

## GOOD PRACTICE EXAMPLES

## GOVERNANCE

## 1. The Good Governance Standard for Public Services

Published in June 2005. It states that the responsibility of elected members is “*the leadership, direction and control of the organisations they serve...to ensure that they address the purpose and objectives of these organisations and that they work in the public interest. They have to bring about positive outcomes for the people who use the services, as well as providing good value for the taxpayers who fund these services. They have to balance the public interest with their accountability to government and an increasingly complex regulatory environment, and motivate front-line staff by making sure that good executive leadership is in place.*” The Good Governance Standard develops a framework based on six standards which offer a template for dealing with the governance issues and can be used for assessment and action planning.

The standard says “**good governance means –**

- ***focusing on the organisation’s purpose and on outcomes for citizens and service users***
- ***performing effectively in clearly defined functions and roles***
- ***promoting values for the whole organisation and demonstrating the values of good governance through behaviour***
- ***taking informed, transparent decisions and managing risk***
- ***developing the capacity and capability of the governing body to be effective***
- ***engaging stakeholders and making accountability real.*”**

## 2. The Corporate Governance in Local Government Framework

This states that “*good corporate governance underpins credibility and confidence in our public services.*” It sets out best practice for establishing a locally adopted code of corporate governance and defines how the principles that underpin good governance in local government (**openness & inclusivity; accountability; and integrity**) should be reflected in the 5 dimensions of a local authority’s business -

- **community focus**
- **structures and processes**
- **standards of conduct**
- **risk management and internal control**
- **service delivery arrangements**

This framework has been endorsed by the Accounts Commission, COSLA and SOLACE and enables authorities to review existing corporate governance arrangements; and to prepare, adopt and maintain an up to date code of corporate governance and report annually. The framework is very relevant to delegation and e.g. asks authorities to consider, among others, how they ‘*discharge their accountability for service delivery at a local level*’; ‘*put in place sound systems for providing management information*’ and ‘*put in place arrangements to allocate resources according to priorities*’ and ‘*clear roles and responsibilities of members and officers to ensure accountability, clarity and ordering of the authorities business*’. (This is due to be updated soon.)

## DELEGATION

### 3. Audit Scotland – External Scrutiny

External scrutiny is now also developing to ensure that the money is used for purpose. In considering the importance of financial management with a service-focus, Audit Scotland is in the process of reviewing and refining its approach to public sector audit and is developing a priorities and risks framework. As part of that process, the Audit Services 'risk based modernised audit' was piloted at two local government bodies in 2004/05. Key features of the proposed new approach are:

- **Better understanding of the client's business and a focus on local risk factors**
- **A Priorities and Risks Framework - identifying risks re - national priorities**
- **An approach to risks and controls – seeking high level assurances**
- **Recognition that corporate governance, performance audit and financial statements work are closely integrated**
- **An emphasis on effective reporting and supporting improvement.**

### 4. Accounts Commission - Effective financial planning and management

The Accounts Commission sees "financial management not as a separate activity, the province of accountants and senior managers, but as an integral aspect of the process of commissioning that involves a range of staff. Different staff may be involved at each stage in this cycle and will need appropriate skills and information to fulfill their responsibilities effectively." The five stages are -

- **Planning – setting clear objectives and targets**
- **Budget Setting – agreeing the level of resources for planned activity**
- **Managing Activity and Expenditure – specifying and purchasing services**
- **Budget Monitoring and Control – information against plans and targets**
- **Review – re-examining plans to make improvements.**
- **Managers able to manage financial processes.**

### 5. CIPFA – Financial Model - Bringing it all Together.

The importance of improving financial management and effectiveness has been recognised by CIPFA in support of the need for assessment, prioritising and improving financial management with a service focus. The Financial Model is a structured framework based around three styles of financial management **Securing Stewardship, Supporting Performance, and Enabling Transformation** across five management dimensions

- **Leadership**
- **People**
- **Processes**
- **Stakeholders**
- **Results.**

It also provides a web-based option with a range of reporting and analysis options and the drawing together of scores from different parts of the organisation. It is already used in several Scottish authorities.

6. **Audit Commission - Eight Stages in Managing the Devolution of Budgets**

1. **Identify resources to be devolved ...** good information is needed on current service use and expenditure patterns. A partial devolution of resources could be useful but authorities would need to guard against creating perverse incentives.
2. **Clarify roles and responsibilities ...** clear lines of reporting and responsibility must be outlined. Formal guidelines are needed setting out duties and responsibilities for all budget holders.
3. **Ensure budget holders have right skills ...** training in financial management skills is required.
4. **Provide accounting support to budget holders ...** even with training budget holders need support from finance staff, and systems must be in place to ensure that this is available.
5. **Put in place good budget monitoring systems ...** these should be locally available, timely and user friendly. There needs to be a central system for aggregating local budget information so that managers can monitor overall expenditure and hold budget holders to account.
6. **Define measures of demand for budget allocation ...** although historic patterns of spend may provide a starting point for budget allocation this is an inadequate measure. Other information such as the number of older people, levels of deprivation and dependency measures are more likely to help match budgets to need rather than service use.
7. **Allocate pilot budget ...** this varies between authorities as care management is organised differently.
8. **Review the arrangements ...** Piloting is essential to ensure that the risks associated with changes in financial control responsibilities are minimised. Reviews should highlight any problems with issues such as over-spends and inequitable resource allocation.

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