

REPORT TO ABERDEENSHIRE COUNCIL – 18 JUNE 2015

LOCAL SCRUTINY PLAN 2015/16 (ABERDEENSHIRE PERFORMS)

1 Recommendations

It is recommended that Council:-

- 1.1 Consider the Local Scrutiny Plan (LSP) for 2015/16; and
- 1.2 Remit the Local Scrutiny Plan to Scrutiny & Audit Committee for ongoing monitoring.

2 Discussion

- 2.1 The purpose of this report is to advise Council of the Audit Scotland Local Scrutiny Plan 2015/16 for Aberdeenshire Council, attached as Appendix 1.
- 2.2 The Local Scrutiny Plan (LSP) sets out the planned external scrutiny activity for the council based on a shared risk assessment undertaken by a Local Area Network (LAN) made up of representatives of all the main local government audit and inspection agencies including Audit Scotland, Education Scotland, the Scottish Housing Regulator, Care Inspectorate and the council's external auditors (appointed by Audit Scotland) Deloitte. It draws on evidence from a range of sources, including annual reports from the council's external auditors and inspection reports, as well as the council's own performance and self-evaluation data.
- 2.3 This is the first year Audit Scotland has prepared a LSP for each council. Previously the findings of the shared risk assessment were published as an Assurance and Improvement Plan. The revised approach is more focused and concise detailing only those areas identified by the LAN as requiring ongoing oversight or that are identified as a scrutiny risk. The shared risk assessment continues to consider the areas of:
 - Delivery of local priorities and public service reform;
 - Corporate assessment including leadership and direction, financial management, people management, procurement, information management, asset management and equalities;
 - Service performance including Education, Social Care Services, Housing and Homelessness; and
 - Improving and transforming public services and public performance reporting.
- 2.4 Scrutiny risk is assessed against the following criteria:
 - No scrutiny required - there are no significant concerns, so no scrutiny work is necessary.
 - Scrutiny required - there are concerns about performance, services or outcomes, resulting in the need for scrutiny work.

- Further information required - there is insufficient information to reach a judgement about performance and there will be continued oversight through existing scrutiny channels.

2.5 Unlike the previous Assurance & Improvement Plans, the Local Scrutiny Plan no longer confirms positive outcomes from the shared risk assessment. The plan provides an update on any scrutiny that has taken place as a result of the previous plan and confirms any scrutiny planned during the life of the current plan.

2.6 Since the first shared risk assessment was undertaken in 2010, the LAN has consistently recognised Aberdeenshire Council as a low scrutiny risk and, once again, there is no risk based scrutiny planned for the council during 2015/16. This continued positive assessment reflects the council's own awareness of strengths and areas for improvement. The LAN has highlighted a small number of areas that will form part of the continued oversight and monitoring carried out by scrutiny partners. These areas are:

- **Leadership and management:** The LAN noted the appointment of a new chief executive and changes to the portfolio of the four directors in the senior leadership team. The role of the chief social work officer, now working across two directorates, was also highlighted. In addition a review of the current committee structure is underway with a view to phased implementation between mid-2015 and the commencement of the new council term following the local government elections in 2017.
- **Future years funding gap:** It was acknowledged that the council has been preparing for the increasingly challenging financial environment it faces through the establishment of officer and member working groups, reflecting each of the council's key themes, to identify where the council could make efficiencies and savings in future years. With the work of these groups completed, options being developed by senior officers will be put to wider consideration. Progress in this area will continue to be monitored, recognising that in order to achieve the required savings, the council will need to move beyond more traditional options of achieving efficiencies (e.g. vacancy management and income generation), adopting a more radical range of measures.
- **Health and social care:** In August 2014, the Care Inspectorate and Healthcare Improvement Scotland published a report on the pilot joint inspection of services for older people in Aberdeenshire. The report contained five recommendations including: improving the uptake of carers assessment; ensuring risk assessments and risk management plans are in place for all adults at risk of harm; developing a strategy for implementing new initiatives for reshaping care including having option appraisals in place for the use of resources and continuing to develop early intervention support to make best use of limited staff resources in the care at home sector. Delivery of the recommendations will be monitored by the Care Inspectorate.
- **Housing and homelessness:** There will be continued monitoring of the percentage of the council's housing stock that meets the Scottish Housing Quality Standard. Attention will also focus on performance

in completing repairs, medical adaptations to housing, the relatively high usage of bed and breakfast for temporary accommodation placements and the council's housing complaints handling performance.

- **Education:** Recruitment and retention of teaching staff was recognised as continuing to be a major challenge for the council. It was also noted that outcomes from school inspections are mixed although examples of good practice were highlighted. The council is aware of these challenges and is working to address the identified areas for improvement. Education Scotland will continue to provide related support and challenge through its on-going engagement with the council.
- 2.7 Strategic Leadership Team has identified a lead senior officer for each area who will continue to review and monitor the area and provide regular activity updates to inform, support or mitigate any findings that may arise from the scrutiny partners during annual reporting.
- 2.8 This Council previously agreed that Scrutiny & Audit Committee should be remitted to undertake the governance of the council's self-assessment and evaluation and external Shared Risk Assessment, similar to the existing governance in relation to the annual external audit report. This report will therefore be submitted to the Committee for further consideration and the Committee will receive updates on each area identified at section 2.6 as part of the six monthly improvement update report.
- 2.9 The Local Scrutiny Plan also identifies planned 'non risk based' scrutiny for the council during the period April 2015-March 2016. Planned activity includes:
- A joint inspection of Children's Services;
 - A joint thematic review of Multi Agency Public Protection Arrangements (MAPPA) in Scotland; and
 - Validated Self-Evaluation (VSE) of educational psychology services
- 2.10 There is also an indication of further 'non risk based' scrutiny on any or all of the 32 councils in 2015/16 including:
- Thematic inquiries into housing services including: Gypsy/Travellers; factoring services; gas safety; complaints handling; customer service standards; repairs; rent consultation; equalities; and openness and accessibility. Possible engagement with councils in relation to delivering housing options and prevention of homelessness services following a thematic inquiry by the Scottish Housing Regulator.
 - Local policing will be inspected at some point over the next three years and this will include local scrutiny and engagement between Police Scotland and the council. Geographic areas for 2014/15 have not yet been decided.
- 2.11 Audit Scotland will also report on a number of performance audits during 2015/16 including a position statement on Health & Social Care Integration and a follow-up audit on roads maintenance.

2.12 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments have been incorporated.

3 Equalities, Staffing and Financial Implications

3.1 An equality impact assessment is not required because the report is to inform Council on performance and there will be no differential impact, as a result of the report, on people with protected characteristics.

3.2 There are no specific staffing or financial implications arising from this report.

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Aberdeenshire Council

Local Scrutiny Plan

2015/16



Aberdeenshire Council

Local Scrutiny Plan 2015/16

Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Aberdeenshire Council during 2015-16. The plan is based on a shared risk assessment undertaken by a local area network (LAN), comprising representatives of all the scrutiny bodies who engage with the council. The shared risk assessment process draws on a range of evidence with the aim of determining any scrutiny activity required and focusing this in the most proportionate way.
2. This plan does not identify or address all risks in the council. It covers only those risk areas that the LAN has identified as requiring scrutiny, or where scrutiny is

planned as part of a national programme. Planned scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2015-16, which is available on the Audit Scotland website.

Scrutiny risks

3. In the 2014-17 Assurance and Improvement Plan (AIP), the LAN did not identify any specific areas where scrutiny was required. However, some non-risk based scrutiny activity was identified in the AIP, to be carried out across all councils during 2014-15. This included:
 - **Care Inspectorate:** Joint inspection of services for children. The Community Planning Partnership in Aberdeenshire was originally selected for inclusion in the programme of joint inspections of services for children, scheduled to take place during the fourth quarter of 2014-15. However, a change in priorities resulted in the Care Inspectorate and its partners deciding to defer the Aberdeenshire joint inspection, which will now go ahead during the first quarter of 2015-16.
 - **Audit Scotland:** External audit: targeted audit of performance audit report entitled *Arms-length organisations: are we getting it right?* A briefing on the Scotland wide work was reported to the Accounts Commission in January 2015. The Commission decided to send a letter to councils encouraging them to apply good practice more consistently across ALEOs and highlighting the importance of good governance. It also committed to undertake a review of the Following the Public Pound code in conjunction with an update of the definition of ALEOs and also to promote a stronger consideration of ALEOs in scrutiny work. The follow-up work in Aberdeenshire was reported to the council's scrutiny and audit committee in June 2014. The report identified that although the council had not established any arm's length external organisations (ALEOs) to deliver council services, it did have a financial and /or governance interest in at least 72 outside bodies. This local follow-up work did not identify any specific risks in the governance arrangements that required additional scrutiny activity. It did, however, highlight that with challenging financial decisions ahead, any decision to use ALEOs needs full consideration of the benefits and risks as outlined in the 2011 *How Council's Work* report¹. The council agreed it would have regard to these findings in any circumstances where an alternative delivery model was being considered. The Scrutiny and Audit Committee is undertaking an investigation into alternative delivery models, and this report will be a fundamental background document for this work.
 - **Audit Scotland:** External audit: targeted audit of performance audit report entitled *Major capital investments in councils*. At a national level this work

¹ How councils work: an improvement series for councillors and officers. Accounts Commission, August 2010.

has shown that the report and guidance produced in March 2013 has been discussed and used across the majority of councils, but the extent of good practice being implemented varies widely. Aberdeenshire Council was selected for stage 1 of the follow-up work - therefore no formal reporting was made to the council. This local follow-up work did not identify any specific risks in the governance arrangements that required additional scrutiny activity. However, issues were identified for on-going oversight and monitoring work by the external audit team particularly around the updated corporate asset management plan, based on the corporate prioritisation model and alignment to available funding. Overall the follow up work noted that the council had responded positively to the report and guidance. While a number of the good practice points in the report were taken from Aberdeenshire, the council took the opportunity to review its current processes and develop an action plan which has subsequently been monitored by elected members.

4. No specific risks were identified in the shared risk assessment this year. However, the LAN identified a number of areas which will now form part of the on-going oversight and monitoring work carried out by scrutiny partners. This work includes the following issues:

- **Leadership and management:** The LAN noted a number of significant changes in the council, including the appointment of a new chief executive and changes to the portfolio of the four directors in the senior leadership team. The revised responsibilities for each director are intended to facilitate and enhance responses to cross-cutting themes, as well as adapting to changes resulting from health and social care integration. The performance of the senior leadership team as it carries out the responsibilities formerly held by the Business Transformation Board will be monitored. The role of the chief social work officer, now working across two directorates, will also be considered.

A review of the current committee structure is underway at time of writing, with a view to phased implementation between mid2015 and the commencement of the new council term following the local government elections in 2017. Specific attention will be focussed on the impact of these changes, including the continuing effectiveness of elected member scrutiny within the context of any new committee structure.

- **Future years funding gap:** In early 2014, a set of officer and member working groups, reflecting each of the council's key themes, was established, in order to identify where the council could make efficiencies and savings in future years. The work of these groups has now been completed. Senior officers and elected members are currently working on a set of options, to be put to wider consideration early in the New Year. External audit will continue to monitor progress in this area, recognising that in order to achieve the required savings, the council will need to move beyond more traditional options of achieving efficiencies (e.g. vacancy

management and income generation), adopting a more radical range of measures.

- **Health and social care:** In August 2014, the Care Inspectorate and Healthcare Improvement Scotland published a report on the pilot joint inspection of services for older people in Aberdeenshire. The report contains five recommendations. The Care Inspectorate link inspector will monitor progress made in relation to the resultant action plan.
- **Housing and homelessness:** The Scottish Housing Regulator will continue to monitor the percentage of the council's housing stock that meets the Scottish Housing Quality Standard. Attention will also focus on performance in completing repairs, medical adaptations to housing, the relatively high usage of bed and breakfast for temporary accommodation placements, and the council's housing complaints handling performance.
- **Education Scotland:** Recruitment and retention of teaching staff continue to be a major challenge for Aberdeenshire Council. The council is taking positive steps to address this. Outcomes from school inspections are mixed. Whilst there are examples of good practice, there remains scope for further improvement. The council acknowledges this and is working to address the identified areas for improvement. Education Scotland will continue to provide related support and challenge through its on-going engagement with the council.

Planned scrutiny activity

5. As shown in Appendix 1, the council and its community planning partners will be subject to a joint inspection of services for children. This is part of the Care Inspectorate's wider programme of national inspection, and is not a result of the LAN shared risk assessment.
6. Audit Scotland has three planned performance audits covering local government during 2015/16. It will be working jointly with the Care Inspectorate looking at social care and jointly with both the Care Inspectorate and Health Improvement Scotland (HIS) on a Health and Social care integration position statement. It will also carry out a follow-up audit on roads maintenance. Any engagement with councils is still to be determined. Publication of these reports is scheduled for between October 2015 and February 2016.
7. The Care Inspectorate and HMICS will be undertaking a joint thematic review of Multi Agency Public Protection Arrangements (MAPPA) in Scotland during 2015 and 2016.

This forms part of a wider programme of national inspection, and is not a result of the LAN shared risk assessment. The purpose of the review will be to assess the state, efficiency and effectiveness of the MAPPA in Scotland, in terms of keeping people safe and reducing the potential risk of serious harm by registered sex offenders in our communities. It will cover all 32 local authorities and involve local

authorities, Police Scotland, NHS Boards and the Scottish Prison Service. The joint review will cover the Aberdeenshire Council area during June 2015.

8. The Scottish Housing Regulator (SHR) has a planned programme of thematic inquiries into housing services which will be carried out largely in the first quarter of 2015-16, with publication of inquiry reports in the first and second quarters of the year. The thematic inquiries will cover a range of housing services including: Gypsy/Travellers; factoring services; gas safety; complaints handling; customer service standards; repairs; rent consultation; equalities; and openness and accessibility. Some of the thematic inquiries will not involve any on-site work at all and no local authority will be selected for on-site work in more than one thematic. The SHR will contact individual landlords with details about their potential inclusion.
9. During the first and second quarters of the year, the SHR will review the Charter data submitted by social landlords in May 2015 and identify topics for a further programme of thematic inquiries to be taken forward in the second and third quarters of the year.
10. Education Scotland will be working in partnership with councils to carry out Validated Self-Evaluation (VSE) of educational psychology services across all councils over a two-year period beginning in 2015/16. Education Scotland will notify councils of its VSE plans each academic term.
11. In addition to specific work listed above, and/or shown in Appendix 1, routine, scheduled audit and inspection work will take place through the annual audit process and the on-going inspection of school and care establishments by Education Scotland and the Care Inspectorate respectively. Audit Scotland will carry out a programme of performance audits during 2015-16 and individual audit and inspection agencies will continue to monitor developments in key areas of council activity, providing support and challenge as appropriate. This will help to inform future assessment of scrutiny risk.

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	There will be specific targeted follow-up work on specific national reports again this year. Topics identified to date: roads maintenance follow-up; social care; health and social care integration.	TBC

Care Inspectorate	The Care Inspectorate will lead joint inspection of services for children and young people, and will also involve participation by Healthcare Improvement Scotland, Education Scotland and HMICS. These inspections are part of the Care Inspectorate's wider planned programme of national scrutiny work.	April - June 2015
Care Inspectorate and HM Inspectorate of Constabulary (Scotland)	Joint Thematic Review of Multi-Agency Public Protection Arrangements (MAPPA).	22-26 June 2015
Education Scotland	VSE of educational psychology services across all councils	Over a two-year period beginning in 2015/16
Her Majesty's Inspectorate of Constabulary (HMICS)	HMICS will be inspecting local policing across Scotland over the next three years. These inspections will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. Two local Policing Divisions are programmed to be inspected in addition to Edinburgh Division in 2015/16. The Divisions will be identified approximately three months prior to inspection, the first being no earlier than October.	TBC
Her Majesty's Fire Service Inspectorate (HMFSI)	HMFSI will be inspecting local fire and rescue services across Scotland over the next five years. These inspections will examine, amongst other things, local scrutiny and engagement between the Scottish Fire and Rescue Service and councils. As part of its programme, HMFSI will inspect four local fire and rescue services during 2015/16. Aberdeenshire is not included in the programme this year.	TBC
Scottish Housing Regulator (SHR)	The SHR will carry out a number of thematic inquiries in 2015/16. If a council is to be involved in a thematic inquiry the SHR will confirm this with the council and the appropriate LAN lead.	TBC