

The Highland Council

Audit and Scrutiny Committee

20th June 2013

Agenda Item	10
Report No	AS/16/13

External scrutiny: Assurance and Improvement Plan Update 2013-16 Report by the Chief Executive

Summary

The annual up-date of the Assurance and Improvement Plan (AIP) 2013-16 for Highland Council has been produced by Audit Scotland drawing on the assessment by four external scrutiny bodies. The AIP shows no additional scrutiny is required of the Council. The AIP was considered at the Council meeting in May 2013.

1. Introduction

1.1 Audit Scotland coordinates an Assurance and Improvement Plan (AIP) each year for every Council in Scotland. This is based on the assessment of four external scrutiny bodies on the need for any additional scrutiny of the Council in terms of it achieving its strategic priorities and demonstrating good corporate performance. It also takes into account any scrutiny needs arising from risks identified at the national level. The current national risks considered for all Councils are:

1. The protection and welfare of vulnerable people (children and adults) for which new models of joint inspections are being developed. In addition to care and protection services this includes criminal justice social work services, the prevention of homelessness and adult learning services.
2. Assuring public money is being used properly.
3. How councils are responding to the challenging financial environment.

1.2 The four scrutiny bodies involved are: Audit Scotland; Education Scotland; the Care Inspectorate and the Scottish Housing Regulator (SHR). They draw on evidence from:

- the annual report to the Controller of Audit and elected members for 2011/12;
- Council performance data and self-evaluation evidence;
- Evidence from the external scrutiny bodies and their work in Highland.

1.3 The Council's programme 'Working Together for the Highlands' has a commitment that we will:
'... continue to measure our progress openly, report on it publicly and listen to communities, to ensure we are delivering services that provide best value for Council Taxpayers.'

The AIP contributes to this commitment by forming part of our performance management and performance reporting arrangements.

2. The Assurance and Improvement Plan – assessment of risk and consequential scrutiny activity

2.1 The AIP 2013-16 for Highland Council is **appended**. In summary it identifies no areas where additional scrutiny is required. This is the same assessment since 2010 when this process was introduced.

- 2.2 While the housing service overall is assessed as having no scrutiny required, the SHR will ask the Council to complete a Homelessness Inquiry Submission and may perform on-site work to understand changes in the performance indicators for homelessness.
- 2.3 Also, there are areas identified where further information is required for a judgement on additional scrutiny to be made. These relate to:
- Community learning and development services provided for the Council through Highlife Highland (NB Education Scotland is running a workshop for staff on this matter on 28th May 2013);
 - Social work services for adults and children's services where it is too early to tell the impact of service integration;
 - The impact of the Council's programme of self-evaluation on service users;
 - Self-evaluation in schools and nurseries and in shifting the balance of care for older people from residential to home care.
- 2.4 Positively the AIP notes that the Council:
- Has well established financial management arrangements in place;
 - Has an effective Audit and Scrutiny committee which operates in line with good practice;
 - Continues to be proactive in responding to the current financial environment, showing a good understanding of the challenges and preparing financial plans and identifying savings to reflect reduced government settlements.
 - Agreed its programme 'Working Together for the Highlands' 2012-17 in June 2012.
 - Has strong managerial and political leadership with an effective administration and opposition.
 - Has well-developed community planning and engagement structures.
 - Has effective governance arrangements in place.
 - A robust performance management framework in place.
 - Achieved generally positive results from the 2012 staff survey.
 - Has effective risk management arrangements in place.
 - Has adopted a strategic approach to property asset management.
 - Has improved Fujitsu's compliance with their contractual obligations with the majority of corrective actions completed.
 - Has made good progress with carbon emissions and landfill targets.
 - Has embedded equality considerations in its processes.
- 2.5 From pages 8 to 9 of the attached AIP an up-date of the Service performance is provided based on performance data and this is mostly positive as reported to members at the Council meeting in May 2013.
- 2.5 Planned external scrutiny
The AIP notes two further areas into scope for external assessment.
1. Compliance with the duties of the Equality Act 2010 to publish outcomes and employment information will be assessed by Audit Scotland and feature in next year's assessment. Equality outcomes were agreed by the Community Safety, Public Engagement and Equalities Committee in March 2013 and employment information was approved by the Finance, Housing and Resources Committee in April 2013. The information is [published](#) on the equal opportunities pages of the Council website.
 2. The new audit of Community Planning Partnerships (CPPs), reported also to the Council meeting in May 2013, will be rolled out to five further partnerships in 2013/14. It is not clear at the time of writing when the Highland CPP will be in scope for audit activity.

- 2.6 The AIP indicates the following scrutiny of the Council over the next three years:
- Contributing to the national audit 'Reshaping Scotland's public sector workforce' April 2013;
 - Contributing to the national audit 'Scotland's Public Finances: Addressing the Challenges (follow up) May 2013;
 - Community learning and development May to June 2013;
 - Homelessness Inquiry Submission August to September 2013;
 - Housing Benefits Performance Audit September 2013
 - Joint inspection of Children's Services October to November 2013;
 - Review of new arrangements for the delivery of social care services, timing to be confirmed for 2014/15.

3. The usefulness of the AIP

- 3.1 The AIP attempts to demonstrate that external scrutiny is becoming streamlined, risk based, proportionate and that it avoids duplication. External scrutiny should reduce overall as internal scrutiny and self-evaluation improves.
- 3.2 While the AIP shows limited scheduled external scrutiny, the full range of external audit and inspection activity includes inspections of schools and care establishments and activity from other regulators, notably the Equality and Human Rights Commission and SEPA.

4. Resource implications

- 4.1 Reducing external scrutiny requires better internal scrutiny and there are costs associated with new processes of self-evaluation in terms of training, materials and staff time. These costs are absorbed in current budgets.

4.2 Legal implications

External scrutiny operates within a legal framework which places duties on the Council. Legal issues could arise with non-compliance with these duties, but as the AIP does not identify any additional scrutiny, there are no legal implications in considering the action resulting from this report.

4.3 Equality Implications

It is noted in paragraph 2.4 above that the Council is seen to have embedded equality considerations in its process and in paragraph 2.5 that the Council's compliance with publishing reports and outcomes in 2013 will be followed by Audit Scotland.

4.4 Climate Change Implications

It is noted in paragraph 2.4 that the Council has made good progress with carbon emissions and landfill targets. SEPA now regulates the Council's progress with the carbon reduction commitment. It is noted above that SEPA is not part of the shared risk assessment process which produces the AIP.

4.5 Risk Implications

The AIP identifies no additional scrutiny required of the Council.

5. Recommendation

5.1 Members are asked to note and comment on:

1. The Assurance and Improvement Plan (AIP) attached at Appendix 1 which highlights that no additional scrutiny of the Council is required for 2013-16. This was considered at the Council meeting in May 2013.
2. The positive comments made about the Council's financial management, overall performance and its strong managerial and political leadership with an effective administration and opposition and governance arrangements.
3. The areas where further information is being sought (homelessness, community learning and development and self-evaluation processes) and that there are seven areas of scheduled audit and inspection activity identified to 2016, including those contributing to national audit reports.

Designation: Chief Executive

Author: Carron McDiarmid, Head of Policy and Performance Tel (01463) 702852

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