

REPORT TO: East Lothian Council

MEETING DATE: 21 April 2015

BY: Chief Executive

SUBJECT: Local Scrutiny Plan 2015/16

1 PURPOSE

- 1.1 To inform Council of the Local Scrutiny Plan 2015/16 provided by Audit Scotland.

2 RECOMMENDATIONS

- 2.1 Council is asked to approve the Local Scrutiny Plan 2015/16.

3 BACKGROUND

- 3.1 Audit Scotland works closely with other local government inspectorates in a Local Area Network (LAN) of local audit and inspection representatives. The LANs undertake a shared risk assessment process for all 32 local authorities to identify targeted, risk-based scrutiny.
- 3.2 This process results in each council receiving a Local Scrutiny Plan (previously known as the Assurance and Improvement Plan) which identifies the risk areas that the LAN has identified as requiring scrutiny or where scrutiny is planned as part of a national programme.
- 3.3 The new Local Scrutiny Plan (see Appendix 1) is much more succinct than the previous Assurance and Improvement Plan. Rather than attempt to assess the full range of performance measures and outcomes the Local Scrutiny Plan takes a much more focused approach by reviewing the key risks identified in the previous year's Plan and identifying possible new risks.
- 3.4 The Council's Local Scrutiny Plan 2015/16 does not propose any additional scrutiny activity beyond:
- monitoring of improvement actions arising from previous inspections – Education Scotland will monitor the impact of the Education Service's strategic improvement planning; and the Scottish Housing Regulator will monitor progress with the

Council's performance in managing rent arrears and improvement actions to meet the Scottish Housing Quality Standards,

- the external auditors will audit of the Council's management of finances, budgeting, monitoring, implementation of the Efficiency Programme and reporting to those charged with governance; and
- possible involvement in nationally driven scrutiny activity.

3.5 This activity is detailed in the appendix to the Local Scrutiny Plan.

4 POLICY IMPLICATIONS

4.1 The Local Scrutiny Plan 2015/16 provides the Council with the LAN's assessment of areas of risk that will be subject to specific scrutiny activity. It recognises the Council's on-going commitment to continuous improvement and developing self-evaluation. The Plan provides the Council with an indication of areas where the LAN expects improvement work to be targeted.

5 EQUALITIES IMPACT ASSESSMENT

5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – none

6.2 Personnel – none

6.3 Other – none

7 BACKGROUND PAPERS

7.1 Appendix 1: East Lothian Council Local Scrutiny Plan 2015/16

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DATE	7 th April 2015

East Lothian Council

Local Scrutiny Plan 2015/16

Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in East Lothian 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. Last year's Local Scrutiny Plan (previously known as an Assurance and Improvement Plan (AIP)) covering the period 2014-17. It noted that the council continued to take forward a range of improvement activity, including the use of the *How Good is Our Council?* as a self-evaluation framework for its corporate functions and services and implementation of the East Lothian Plan (the ten-year strategic plan that acts as the council and its partners Single Outcome Agreement (SOA)). The council's streamlined senior management structure that was introduced in 2012 and the refreshed SOA are both important aspects of that improvement agenda. The council is continuing to take forward its community planning improvement agenda and established six area partnerships (with its CPP partners) to support it in taking forward the agenda of service integration, locality planning and community engagement across East Lothian.
4. The 2014-17 AIP highlighted the financial challenges facing the council and drew attention to the risk that the council's high level of external net debt might place pressure on future revenue funding as debt and associated interest is paid. The council's Financial Strategy and the Transformation Programme that had been established to deliver planned savings were noted but it was too early at that time to assess their impact. The AIP therefore highlighted the risks to service sustainability if the council was unable to achieve its savings targets. The council's 2014/15 budget forecasts a break-even position, subject to the use of £0.2m of reserves. By 2016/17 the council anticipates breaking even without any use of reserves. Given the council's

historic strategy of utilising reserves and its relatively high level of net external debt as a proportion of revenue KPMG will continue to focus on the council's financial strategy, efficiency programme, and budget monitoring and reporting to those charged with governance as part of the financial health element of the 2014-15 annual audit.

5. The April 2014 joint inspection of services for children and young people in East Lothian identified three key areas of strength:
 - joint working across services to identify children and families who are experiencing difficulties and need additional support
 - a strong child-centred culture that empowers staff to work together in the best interests of children and young people; and,
 - consistent high quality responses to children and young people at risk of abuse
6. It also identified five areas for improvement. Of those, strengthening shared leadership and planning to drive new approaches to early intervention and prevention; and improving the effectiveness of the local Child Protection Committee (CPC), which is a joint East Lothian and Midlothian Public Protection Committee, were the most significant. The council and its partners are in the process of implementing the improvement plan arising from the Joint Inspection of Services for Children. Progress against the improvement plan will be monitored as part of the Care Inspectorate's ongoing engagement with the council (and its partners), with a particular focus on the effectiveness of the local CPC. On this basis, the LAN concludes that no specific scrutiny is currently required in this area.
7. The council carried out a self evaluation of its criminal justice services in April 2014, with support from the Care Inspectorate. The local authority engaged effectively with this process and has now developed an appropriate action plan drawing on the feedback from its peer challengers. Progress against the action plan will be monitored as part of the Care Inspectorate's ongoing engagement with the council. On this basis, the LAN concludes that no specific scrutiny is currently required in this area.
8. The council has agreed that services for adults will be included within the scope of the local integration plan for health and social care services. The East Lothian partnership has adopted a body corporate model and the joint accountable officer has been appointed. The partnership has been working for some time with the Scottish Government's joint improvement team on the development of a commissioning strategy for older people. Although the East Lothian partnership appears reasonably well placed for taking forward health and social care integration some aspects of local performance are mixed. Whilst rates of unnecessary emergency hospital admissions of older people are lower than the Scottish average the partnership has not consistently met the Scottish Government's current target of no delayed discharge from hospital of medically fit older people of more than four weeks. On the basis of current performance it is unlikely that the partnership will be in a position of meeting the more stretching two week target when it is introduced from April 2015. East Lothian is scheduled for a

strategic inspection of adult services during 2015 which will, amongst other things, explore the factors underlying these aspects of partnership performance.

9. Although no major education scrutiny risks were identified in last year's AIP, ongoing monitoring of the education service took place throughout 2014. During that period a revised approach to strategic planning within education has been introduced and a Senior Management Education Board established to develop a 3-year strategic plan for the Education Service. Progress with this planning process, which is intended to inform school improvement plans, has been slower than anticipated and the extent to which it is driving improvements within education is as yet unclear. The LAN has therefore concluded that whilst no specific education scrutiny activity is required at this time it will be appropriate for Education Scotland to engage with the Education Service during 2015/16 to monitor the impact of its strategic improvement planning on learners.
10. In 2014/15 the Scottish Housing Regulator (SHR) engaged with the council in relation to its progress towards meeting the Scottish Housing Quality Standards (SHQS) and its performance in managing rent arrears. The SHR will continue to monitor the progress of the council's improvement actions in these areas during 2015/16.

Planned scrutiny activity

11. As shown in Appendix 1, the council will be subject to a range of risk-based based and nationally driven scrutiny activity during 2015/16. For some of their scrutiny activity in 2015/16, scrutiny bodies are still to determine their work programmes which specific council areas they will cover. Where a council is to be involved, the relevant scrutiny body will confirm this with the council and the appropriate LAN lead.
12. In addition to specific work shown in Appendix 1, routine, scheduled audit and inspection work will take place through the annual audit process and the ongoing 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 and will provide support and challenge as appropriate. This will help to inform future assessment of scrutiny risk.

March 2015

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	Audit Scotland will continue to carry out a programme of housing benefit risk assessments across councils in 2015/16. For East Lothian Council this will be carried out during September 2015.	September 2015
KPMG	Audit work will continue to be focused on the council's management of finances, budgeting, monitoring, implementation of the Efficiency Programme and reporting to those charged with governance. KPMG will report specifically in the annual audit report on these matters.	As part of the 2015/16 annual audit process.
Care Inspectorate and Healthcare Improvement Scotland	The Care Inspectorate and Healthcare Improvement Scotland will be carrying out joint inspections of services for adults during 2015-16. Inspections will initially focus on services for older people then, at the latter part of the year, these will encompass other adults' services, firstly learning disability services then alcohol and drug services. This is part of a wider national planned programme of scrutiny work being undertaken by the Care Inspectorate and Healthcare Improvement Scotland.	August – October 2015/16
Care Inspectorate and HMICS	The Care Inspectorate and HMICS will be undertaking a joint thematic review of Multi-Agency Public Protection Arrangements (MAPPA) in Scotland during 2015. The purpose of the review will be to assess the status, efficiency and effectiveness of the MAPPA process 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 East Lothian Council area during May 2015.	May 2015
Education Scotland	Education Scotland will engage with the Education Service during 2015/16 to monitor the impact of its strategic improvement planning on learners.	Throughout 2015/16
	Education Scotland will be working in partnership with councils to carry out a 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.	Date over the next two years to be determined
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.	Date over the next three years to be determined
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. It has yet to confirm all the local areas in its 2015/16 programme.	Date over the next three years to be determined

<p>Scottish Housing Regulator (SHR)</p>	<p>Ongoing monitoring of progress of the council's improvement actions in relation to meeting the Scottish Housing Quality Standards (SHQS) and performance in managing rent arrears.</p>	<p>Throughout 2015/16</p>
	<p>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.</p> <p>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.</p>	<p>To be determined</p>