

REPORT TO: East Lothian Council

MEETING DATE: 26 June 2018

BY: Chief Executive

SUBJECT: Local Scrutiny Plan 2018/19

1 PURPOSE

- 1.1 To inform the Council of Audit Scotland's East Lothian Council Local Scrutiny Plan 2018/19.

2 RECOMMENDATIONS

- 2.1 Council is asked to note the Local Scrutiny Plan 2018/19.

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. This process results in each council receiving a Local Scrutiny 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.
- 3.2 The East Lothian Council's Local Scrutiny Plan 2018/19 (see Appendix 1) is in the same format as last year's plan. The Plan is based on a shared risk assessment undertaken by the LAN drawing on a range of evidence from the scrutiny bodies represented on the Network.
- 3.3 The shared risk assessment for 2018/19 "concluded that there were no significant risks for the council in the coming 12 months that would warrant any specific scrutiny activity."
- 3.4 Members will be aware that Audit Scotland has been carrying out a Best Value Assurance Review of the Council as part of the rolling programme of reviews it is carrying out of all 32 local authorities. The review started with desk based research and audit work as part of the 2016/17 local audit. The bulk of the fieldwork for the review was carried out during March and April with some follow up research being carried out in May

and June. The outcome of the review will be reported to the Accounts Commission in October 2018 following which the Council will have the opportunity to consider the review's findings and recommendations.

4 POLICY IMPLICATIONS

- 4.1 The Local Scrutiny Plan 2018/19 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 INTEGRATED IMPACT ASSESSMENT

- 5.1 An impact assessment has not been carried out on this report as it does not directly affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

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 2018/19

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East Lothian Council

Local Scrutiny Plan

2018/19

East Lothian Council

Local Scrutiny Plan – April 2018 to March 2019

Introduction

This local scrutiny plan sets out the scrutiny risks identified by the local area network (LAN), proposed scrutiny responses and expected scrutiny activity for East Lothian Council (the Council) during the financial year 2018/19.

The scrutiny risks and responses are based on a shared risk assessment undertaken by the 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 risks in the council and the Integration Joint Board (the IJB).

Expected scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2018/19 which is available on the Audit Scotland website.

Scrutiny Risks

The SRA for East Lothian Council concluded that there were no significant risks for the council in the coming 12 months that would warrant any specific scrutiny activity.

Financial Sustainability: Last year's Local Scrutiny Plan (LSP) highlighted financial challenges facing the Council. In common with other councils, East Lothian continues to face significant challenges and uncertainties. In December 2017 the Council prepared a Financial Strategy for the five year period from 2018/19 to 2022/23 which recognises challenges arising from reduced grant funding and a rapidly expanding population. Current approved spending plans require delivery of over £12.5 million of additional efficiencies between 2018/19 and 2020/21. The total estimated revenue savings which will be required over the next 5 years, in addition to current planned savings based on a number of different scenarios, range from £12.4 million to £39 million. The Council has a programme of transformational change to explore new ways of working and further options for partnership working. Progress in this area will be considered as part of the Best Value Assurance Review in 2018 and the external auditors will continue to monitor progress through the 2018/19 annual audit.

Education: The LAN has concluded that no specific additional scrutiny work is required beyond the ongoing inspection and support activity that Education Scotland provides to the Council.

The Council has appropriate governance arrangements in place to ensure that educational provision is well organised and led. Appropriate arrangements are also in place to support the planning and spend related to the Pupil Equity Funding (PEF) with clear officer responsibility and

lines of accountability. Education Scotland will continue to liaise with establishments as appropriate.

The new senior leadership team have put in place a range of well-considered processes to support professional learning and bring about improvements across the educational stages. The ethos and culture of the education service has changed significantly in recent years. Senior leaders have a sound understanding of the strengths and areas for improvement across the educational stages and are making good progress in implementing change.

The Council has a performance reporting approach which provides accessible and regularly updated information about Education Services. The most up-to-date report covering indicators across 2015 to 17, presents a mixed picture in terms of outcomes although there are self-reported improvements in terms of Pr1 progress in reading and maths. Overall, scrutiny outcomes including inspections, have been positive in recent years. However in a number of inspections, across sectors, Education Scotland has evaluated aspects of provision as satisfactory or weak.

Outcomes for young people are generally improving but in a few specific measures, including rates of exclusion, less positive than outcomes for young people with similar needs and backgrounds elsewhere in the country. The newly enhanced quality improvement team are strengthening their support and direction for their schools. They are providing more effective support and challenge across the educational stages with high expectations of all provision.

The Best Value Assurance Review in 2018 will consider the educational performance of the Council as part of the wider Review process. Education Scotland will engage in on-going oversight and monitoring as part of the support provided by Area Lead Officers but will not engage in a formal scrutiny response other than already planned inspections and reviews.

Social care: East Lothian Integration Joint Board (IJB) is making progress in the implementation of the integration of health and social care. Governance and management arrangements continue to be streamlined and there is evidence of processes, procedures and plans being put in place such as a workforce plan and performance outcomes, where impact will be measured.

During the past two financial years, both the Adult Wellbeing and Children's Wellbeing services have been identified as at high risk of not operating within their approved budgets, with additional funding required (and provided by Partners) in 2016/17. Both services continue to be monitored closely by management and the external auditors will continue to monitor progress through the annual audit process.

Both Children and Adult Services in East Lothian Council area have been the subject of joint inspections. Comprehensive improvement plans are in place to address areas for improvement identified from these joint inspections. Progress against follow up actions continues to be monitored by the Care Inspectorate at link inspector meetings with chief officers.

Current grades across all Community Care services provided by the Council demonstrate satisfactory performance. Regulated services will continue to be monitored by the Care Inspectorate through regulatory inspection.

Social Care – national scrutiny activity

Duties under the Public Bodies (Joint Working) (Scotland) Act: From April 2017 the Care Inspectorate and Healthcare Improvement Scotland have a joint duty under the Public Bodies (Joint Working) (Scotland) Act 2014 to assess and report on the effectiveness of integration authorities' strategic plans. In these early stages of the integration of health and social care, the Care Inspectorate will report on the progress which integration authorities are making towards a more collaborative culture and integrated approaches to planning and delivering services which should deliver improved outcomes for people in communities. During 2018/19 the Care Inspectorate intends to visit three partnerships and report on their progress. Where councils are to be involved, the Care Inspectorate will confirm this directly with the relevant council and respective LAN lead.

Self-directed support: The Care Inspectorate is currently undertaking preparatory work for a thematic review of self-directed support which will be carried out during 2018/19. The aim is to build on the key findings of Audit Scotland's progress report (August 2017) particularly to explore the ability and confidence of front line staff to implement self-direction support legislation by offering choice and control and making decisions with people about their support.

Throughout the year the Care Inspectorate will conduct an inspection in up to six areas across the country with the aim of identifying factors which support effective implementation of the legislation and barriers which require to be overcome. The Care Inspectorate will provide feedback on each area and publish an overview report which will be disseminated more widely, with the expectation that all areas will then use these findings to evaluate their own practice and make improvements where necessary. East Lothian has been selected for the Thematic Review of SDS with fieldwork taking place in Quarters 3 and 4 in 2018/19.

Joint inspections of services for children and young people: From April 2018 Scottish Ministers have asked the Care Inspectorate to lead another programme of joint inspections of services for children and young people alongside scrutiny partners Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland. Scottish Ministers have asked these organisations to provide assurance about how community planning partners are protecting and meet the needs of children and young people who have experienced, or at risk of, abuse and neglect, and how they are working together to improve outcomes for children and young people who are subject to corporate parenting requirements. The intent is to carry out five joint inspections in 2018/19. It has been agreed with Ministers that for the duration of this programme of inspections, an area of specific enquiry will be incorporated each year, with the aim of identifying key lessons and best practice which all partnerships could use to support their

own continuous improvement. An overview report will be published at the end of each year. Where councils are to be involved, the Care Inspectorate will confirm this directly with the relevant council and respective LAN lead.

Housing and Homelessness: To assess the risk to registered social landlord (RSL) services, the Scottish Housing Regulator (SHR) has reviewed and compared the performance of all Scottish RSLs and has identified that the Council is in the bottom quartile for a number of key indicators.

East Lothian Council was one of the first councils to pilot the introduction of Universal Credit. In the Council's 2017/18 LSP, SHR said that it would monitor performance in relation to arrears. Since then the SHR has met with Council officials on a number of occasions and reviewed performance reports. The SHR is assured that the Council understands the challenges it faces and has robust plans in place to improve performance

In relation to the Council's homelessness service, the SHR continues to identify risks in relation to how people access its services and the number of homeless applications submitted. There are high numbers of people in bed and breakfast temporary accommodation and people spend long periods of time there. The Council has developed a Homelessness Action Plan and increased the number of allocations it makes to homeless people.

The SHR will monitor the Council's progress in addressing arrears and the homelessness service weaknesses identified in this plan. The SHR will review the Council's quarterly performance management reports and meet Council officials as necessary.

Best Value

Best Value Assurance Review: The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed comprehensively over the five year external audit appointment, both through the on-going annual audit work and also through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:

- the Annual Audit Report for each council, that will provide a rounded picture of the council overall
- an Annual Assurance and Risks Report that the Controller of Audit will provide to the Accounts Commission that will highlight issues from across all 32 council annual audit reports
- a Best Value Assurance Review (BVAR) for each council that will be considered by the Accounts Commission at least once in a five year period.

As part of this approach, audit work is now underway which will result in a Best Value Assurance Review of East Lothian Council in October 2018. The scope of the audit work includes consideration of:

- leadership, governance and scrutiny
- outcomes and performance,
- improvement and
- partnership working.

Planned scrutiny activity

Any expected scrutiny activity between April 2018 and March 2019 is shown in [Appendix 1](#). For some of their scrutiny activity in 2018/19, scrutiny bodies are still to determine their specific work programmes including the councils and areas to be covered. Where a council is to be involved, the relevant scrutiny body will confirm this with the council and the appropriate LAN lead.

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. The outcomes of this work will help to inform future assessment of scrutiny risk.

April 2018

Appendix 1: Scrutiny activity

Scrutiny body	Scrutiny activity	Date
<p>Audit Scotland</p>	<p>Best value assurance review. The scope of the review covers:</p> <ul style="list-style-type: none"> • Leadership, governance and scrutiny: vision, priorities, member and officer roles and responsibilities – focusing on Following the Public Pound and ALEO governance arrangements, internal audit, and City Deal • Outcomes and performance: Overall assessment of outcomes, performance and public reporting – focus on Education performance • Improvement: self-evaluation, change/transformation plans and programmes • Partnership working: Community Planning Partnership - including community empowerment 	<p>Spring – Summer 2018</p> <p>Publication October 2018</p>
	<p>Audit Scotland is due to publish the following performance audit reports in 2018/19:</p> <ul style="list-style-type: none"> • Arm’s length and external organisations (ALEOs) - Spring 2018. • Scottish Fire and Rescue Service: an update - Spring 2018. • Managing the implementation of the Scotland Acts – Spring 2018. • Children’s mental health services - Autumn 2018. • Integration of health and social care - Autumn 2018. • City deals - Winter 2018/19. 	<p>Dates and locations of 2018/19 fieldwork to be determined</p>
<p>Care Inspectorate and Healthcare Improvement Scotland</p>	<p>Joint inspections of services for children and young people. Where councils are to be involved, the Care Inspectorate will confirm this directly with the council and the LAN lead.</p>	<p>Dates and locations to be determined</p>
	<p>Review of the progress which integration authorities are making towards a more collaborative culture and integrated approaches to planning and delivering services which should deliver improved outcomes for people in communities. Where integration authorities are</p>	<p>Dates and locations to be determined</p>

Scottish Housing Regulator	to be involved, the Care Inspectorate will confirm this directly with the council and the LAN lead.	
	Thematic review of self-directed support. Where councils are to be involved, the Care Inspectorate will confirm this directly with the council and the LAN lead.	Q3-Q4 in East Lothian
	The Scottish Housing Regulator (SHR) may carry out thematic inquiries during 2018/19 or it may carry out survey or on-site work to follow up on published thematic reports. The SHR will also review the Scottish Social Housing Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2018/19. Where councils are to be involved in a thematic inquiry, any follow-up work to a published thematic inquiry, or a data accuracy visit, the SHR will confirm this directly with the council and the LAN lead.	Dates and locations to be determined
Education Scotland	East Lothian Council will be the subject of a careers information advice and guidance (CIAG) review.	February 2019
	East Lothian Council will not be subject to any educational psychology service (EPS) or community learning and development (CLD) inspections during 2018/19.	N/A
	East Lothian Council will not be subject to any inspection activity within challenge authority councils or follow-up strategic inspection activity during 2018/19.	N/A