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| <b>Report To:</b>       | <b>Policy &amp; Resources Committee</b>            | <b>Date:</b>       | <b>19 May 2015</b>  |
| <b>Report By:</b>       | <b>Chief Executive</b>                             | <b>Report No:</b>  | <b>GM/LP/067/15</b> |
| <b>Contact Officer:</b> | <b>Gerard Malone</b>                               | <b>Contact No:</b> | <b>01475 712710</b> |
| <b>Subject:</b>         | <b>Audit Scotland: Local Scrutiny Plan 2015/16</b> |                    |                     |

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## 1.0 PURPOSE

1.1 This report presents the Local Scrutiny Plan 2015/16 as prepared by Audit Scotland.

## 2.0 SUMMARY

2.1 The Local Scrutiny Plan is based upon a shared risk assessment undertaken by representatives of all of the main local government audit and inspection agencies (the Local Area Network "LAN"). The aim of the process is to draw on a range of evidence and to focus on scrutiny activities affecting the Council in the most effective and proportionate way.

2.2 This report updates the Local Scrutiny Plan for the period 2015/16 and is attached as **Appendix 1**.

2.3 The Local Scrutiny Plan concludes that no risks have been identified which require specific scrutiny this year. This means the LAN is satisfied that the Council continues to demonstrate a sound corporate governance and performance management framework and there is evidence to demonstrate the Council's awareness of and monitoring of key risks.

2.4 The Local Scrutiny Plan highlights several areas of risk and how the LAN intends to monitor these in the year ahead. In addition, planned scrutiny activity is detailed in the Plan.

## 3.0 RECOMMENDATION

3.1 It is recommended that the Committee consider and note the Local Scrutiny Plan 2015/16 as presented by Audit Scotland.

**John W Mundell**  
Chief Executive

## 4.0 BACKGROUND

- 4.1 Appendix 1 is based upon a shared risk assessment undertaken by the representatives of all of the scrutiny bodies who engage with the Council (Audit Scotland, the local External Auditors from Grant Thornton, the Care Inspectorate, Education Scotland and the Scottish Housing Regulator) all known as the Local Area Network (LAN).
- 4.2 The shared risk assessment process draws on a range of evidence with the aim of determining any scrutiny activity required and focuses this in the most effective and proportionate way for the Council's activities.
- 4.3 Previous shared risk assessments have been reported to the Council in 2010, 2012 and 2014 all of which evidence continuing improvement for the Council.
- 4.4 The present Local Scrutiny Plan 2015/16 concludes that no risks have been identified which require specific scrutiny by the LAN this year. This means the LAN is satisfied that the Council continues to demonstrate sound corporate governance and performance management and in service areas there has been evidence to demonstrate the Council's awareness of and monitoring of key risks.
- 4.5 Last year's plan indicated that there were two areas of scrutiny following upon national performance audits – Arm's-length external organisations (ALEOs: Are You Getting It Right? (June 2011) and Major capital investment in councils (March 2013)). Reports were issued to the Council following the completion of this work which concluded that the Council generally follows good practice in each of these areas. These were reported to the appropriate Committees at the time.
- 4.6 The LAN will continue to monitor the Council's financial position and the challenges to service delivery. Appendix 1 refers to specific areas of reporting and indicates the future planned scrutiny activity for 2015/16. There are no risks which have been identified within the plan which require specific scrutiny of the Council's services by the LAN this year.

## 5.0 FINANCIAL IMPLICATIONS

### 5.1 Financial

One off Costs:

| Cost Centre | Budget Heading | Budget Year | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|-------------|----------------------------|---------------|----------------|
| n/a         | n/a            | n/a         | n/a                        | n/a           | n/a            |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact £'000 | Virement From (If Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------------|-------------------------------|----------------|
| n/a         | n/a            | n/a              | n/a                     | n/a                           | n/a            |

There is no direct financial implication in respect of the proposals.

### Legal

- 5.2 The Local Scrutiny Plan 2015/16 has been noted in terms of its assessment of the Council's sound corporate governance procedures.

## **Human Resources**

5.3 None.

## **Equalities**

5.4 None.

## **Repopulation**

5.5 There are no direct implications in respect of repopulation.

## **6.0 CONSULTATIONS**

6.1 This report has been endorsed by the Corporate Management Team and has been discussed direct with senior representatives of Audit Scotland.

## **7.0 BACKGROUND PAPERS**

7.1 None.

# Inverclyde Council

## Local Scrutiny Plan

### 2015/16



# Inverclyde Council

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## Local Scrutiny Plan 2015/16

### Introduction

1. This paper sets out the scrutiny activity currently planned for Inverclyde Council during 2015/16.<sup>1</sup> The plan is based on a shared risk assessment (SRA) undertaken by a local area network (LAN), comprising representatives of all the scrutiny bodies who engage with the council (Audit Scotland, the local external auditors from Grant Thornton, the Care Inspectorate, Education Scotland and the Scottish Housing Regulator). 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 across Scotland. 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. The conclusion of our shared risk assessment is that no risks have been identified which require specific scrutiny by the LAN this year. This is the same position as in the previous Assurance and Improvement Plan (AIP) issued in May 2014. Scrutiny activity undertaken in the last 12 months was either at the request of the council or part of national activity.
4. This does not mean that the council has addressed all risks or that all areas of performance are improving. However, it does mean that the LAN is satisfied that the council continues to demonstrate a sound corporate governance and performance management framework. In service areas we are satisfied that there has been either:
  - information gathered by the LAN to demonstrate performance in areas where, previously, further information was required; or
  - the council has demonstrated self awareness of the standards of performance required at a service level; or
  - there is evidence to demonstrate the council's awareness of, and monitoring of, the key risks to meeting outcomes and service delivery.

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<sup>1</sup> Local Scrutiny Plans have replaced the Assurance and Improvement Plans produced by the Shared Risk Assessment in previous years

5. Last year's AIP reported areas where Audit Scotland planned to carry out scrutiny work at Inverclyde Council in connection with national reports. These related to a targeted follow-up of two national performance audits - *Arm's-length external organisations (ALEOs): are you getting it right?* (June 2011) and *Major capital investment in councils* (March 2013). Reports were issued to the council following the completion of this work. These concluded that the council generally follows good practice in each of these areas. The Accounts Commission intends to publish a national report on Major capital investment in councils in 2015, based on work carried out locally by auditors in 2013/14.
6. The LAN continues to monitor the council's financial position and the challenges to service delivery in the future from increased demand and reducing resources. The council has forecast that it will need to make savings of up to £13.4 million over the period 2015-17. This is in the context of it having ambitious plans for the improvement and regeneration of its area. The council will need to focus strategically on what it most wants to achieve and the best way it can provide high quality services for its communities. This challenging environment over the next few years will require sufficient capacity at senior management level to manage the council through the complexities of this process, while continuing to deliver improvements in services. These challenges must also be considered against the backdrop of organisational change introduced by the requirements of health and social care integration. The LAN recognises the strength of the current Community Health and Care Partnership (CHCP), and this will offer a solid platform on which to build the new arrangements, but the council will need to manage the risks arising from the transition process effectively. The LAN will continue to monitor how the council responds to these challenges and any risks to capacity.
7. The LAN has commented in previous AIP's on the relatively low attainment levels of looked after children in Inverclyde. Our work this year has concluded that although as a whole, Inverclyde is performing just behind national and virtual comparators, these statistics mask improvements within individual groups, such as children in S4 at secondary schools. The council is aware of the issues and has put in place a range of approaches to improve outcomes for children in its care.
8. In relation to housing issues, we have agreed that the Scottish Housing Regulator will continue to monitor the risks relating to the council's homelessness service. Maintaining contact with homeless applicants is critical when adopting a housing options approach. The levels of "contacts lost" by the council before and after it makes its homelessness assessment, are significantly higher than the national average. The Regulator will continue to monitor the council's performance in this area.

## Planned scrutiny activity

9. Appendix 1 summarises the scrutiny activity that the council will be subject to during 2015/16. For some of their work, scrutiny bodies have still to finalise their programmes and which specific council areas that will be involved. Where a council is to be included, the relevant scrutiny body will confirm this directly with the council and the LAN lead officer. Where activity is definitely planned this year, details are included below.
10. 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 Inverclyde Council area during May 2015.
11. Over the next two years, Education Scotland will be supporting and validating self-assessments of education psychology services in councils across Scotland. Pilot work has taken place and the first batch of councils will be involved between April and June 2015. Inverclyde will be included in this first batch, with fieldwork scheduled for April 2015. 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.

**31<sup>st</sup> March 2015**

## Appendix 1: Scrutiny plan

| Scrutiny body                                      | Scrutiny activity  | Date                   |
|--|--|------------------------|
| 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.  | May 2015               |
| Education Scotland                                 | Self evaluation of education psychology services across all councils with pilots completed by April 2015 with all councils covered over 2015 to 2017.  | April 2015.            |
| Audit Scotland                                     | 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 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.                                | To be confirmed        |
| 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. | Timing to be confirmed |
| Her Majesty's Fire Services 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. Inverclyde is not included in the programme this year.   | To be confirmed        |
| Scottish Housing Regulator (SHR)                   | 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:   | To be confirmed        |

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|--|---|--|
|  | <p>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> |  |
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