

Shared risk assessment: Assurance and improvement plan 2010–13

The Highland Council



social work
inspection agency



THE SCOTTISH
HOUSING
REGULATOR



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AUDIT SCOTLAND

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1. Introduction

1. The Assurance and Improvement Plan (AIP) sets out the planned scrutiny activity for The Highland Council for the period April 2010 to March 2013. It explains the basis of our scrutiny risk assessment of the council and sets out the scrutiny response. The scrutiny activity is proportionate based on the assessed risks.
2. This AIP is the product of a collaborative approach adopted by the following scrutiny bodies operating in The Highland Council:
 - Audit Scotland
 - Care Commission.
 - HM Inspectorate of Education (HMIE)
 - Scottish Housing Regulator (SHR)
 - Social Work Inspection Agency (SWIA).

What do we mean by a scrutiny risk?

3. All local government scrutiny bodies have agreed the definition of shared risk assessment as:

'A joint approach using key information about local government to plan scrutiny activity that is proportionate and based on risk'

4. When we determine 'risk' we mean risk that will trigger scrutiny work and not inherent risk for example as in the risk of harm to an individual. We define risk as:
 - Red, where there are significant concerns which would indicate that we would need to undertake some scrutiny activity in order to provide public assurance.
 - Amber, where there are areas of uncertainty or gaps in the information held by us to determine whether or not we need to undertake some scrutiny activity.
 - Green, where we have no significant concerns.
5. We recognise that risk levels will change as significant events occur and as councils take action to address identified risks. Scrutiny bodies, through local area network (LAN) contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the LAN lead, in consultation with other LAN members will update the AIP as appropriate. LAN members will draw any significant matters to the attention of the LAN lead as they arise. The LAN lead will determine what action should be taken in terms of initiating contact with other LAN members.
6. The council is expected to initiate contact with the LAN lead where significant events occur that are likely to influence scrutiny activity. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.

What does proportionate scrutiny mean?

7. When considering the appropriate level of scrutiny activity for each council we consider the following points to ensure that it is proportionate:
 - Is scrutiny activity the best driver for improvement?
 - If so, how can we tailor that activity to the areas where it will have the most impact?
 - How can we tailor that activity in terms of its frequency, intensity and scope?
 - What is the minimum level of scrutiny required to provide assurance to the public?
 - How can we work together to minimise the impact of the scrutiny activity on the council?

8. The overall objectives of this collaborative approach are to maximise the efficiency and effectiveness of scrutiny work and minimise the impact of scrutiny activity on the council. This will be achieved by:
 - coordinating the timing and approach of our risk assessment work
 - helping to identify and monitor key risks through the sharing of intelligence and information
 - building on each other's work to maximise its value
 - drawing on, and taking account of each other's work
 - avoiding duplication of effort.

9. The AIP draws on a number of sources of information, including:
 - the Strategic Audit Risk Assessment (SARA) for 2009, produced by the Audit Scotland local audit team
 - the recent audit of Best Value and Community Planning (BV2)
 - the annual audit report to the Controller of Audit and elected members for 2008/09
 - the council's own self evaluation and supporting evidence
 - reports and data from HMLe, SWIA, SHR and the Care Commission (including published inspection reports and other supporting evidence).

National risk priorities

10. National risk priorities have been identified by the Scottish Government and these are reflected in national scrutiny priorities which have been considered in the shared risk assessments for all councils. The national scrutiny priorities are:
 - protection, welfare and access to opportunities for: children, adults in need of support and protection and older people
 - assuring public money is being used properly
 - the impact of the recession.

2. Summary

No significant scrutiny risks have been identified. The Highland Council generally provides good quality services that are responsive to local communities and customer satisfaction is high. Good progress has been made against most of the outcomes defined in the Single Outcome Agreement (SOA). Areas of improvement have been identified in relation to housing management and adult social work through the recent Best Value 2 (BV2) report. Both the SHR and SWIA will undertake scrutiny work during the year in these services to review the progress made by the council in these service areas. The BV2 audit covered all corporate assessment areas. Whilst it is not viewed as a significant scrutiny risk the council needs to do more to demonstrate value for money in the way it delivers services. The council's improvement actions in these areas and others identified in the BV2 report will be subject to monitoring through Audit Scotland's annual audit work.

11. The council generally provides good quality services that are responsive to local communities and customer satisfaction is high. Good progress has been made against most of the outcomes defined in the SOA. The council's strong political and managerial leadership, combined with improved political and management arrangements, provide a strategic focus and effective community leadership for its diverse communities. Partnership working and engagement with its communities are effective.
12. The BV2 report of May 2010 says that overall, the council has good self awareness and demonstrates a clear commitment to best value and community planning. It concludes that the council's pace of change and direction of travel is positive and the council is demonstrating that it is improving well and is well placed to deliver future improvement.
13. The council uses a range of improvement activity and has a good awareness of the areas where it needs to improve. However, its improvement agenda could be more effective and have more impact if its approach was better coordinated and prioritised. It also needs to do more to demonstrate value for money in the way it delivers services. The council's improvement actions in these areas and others identified in the BV2 report will be subject to monitoring through Audit Scotland's annual audit work.
14. The council is pro-active in planning ahead to address the significant financial pressures being faced over the next three years. Whilst the budget process for 2009/10 identified future savings relating to 2010/11 and 2011/12, all services have been tasked with identifying on-going efficiencies. Budget savings ideas of up to £41 million have been identified and are out to extensive public consultation. These include reducing some services, charging more for some services and finding new and more cost effective ways of providing services. There is a risk that reductions in some services will be required to balance the financial position.
15. The appendices to this plan show a summary of the evidence we considered and the overall risk assessments made by the LAN on the outcome, service and corporate risk assessments. They show what scrutiny response the LAN has decided is appropriate in each area. The shared risk assessment process is designed to ensure the level of scrutiny activity is proportionate based on the assessed risks.
16. The national risk priorities identified by the Scottish Government have been considered in the shared risk assessments for all councils. The conclusions for the Highland Council are:

- Protection, welfare and access to opportunities for: children, adults in need of support and protection and older people. Following Ministerial request, HMIE recently carried out a joint inspection of services to protect children and the report which was published in April 2010 was very positive. In partnership with NHS Highland a Transformational Change Programme, a joint Change Team and 14 work streams have been established to address the on-going challenges around the balance of care for older people. The council will be investing an additional £1 million in Care at Home services in 2010/11, which is in addition to the extra £1 million that had already been committed in each of the past three years. Whilst we have identified this national scrutiny priority as an area of low risk there will be some specific work undertaken on social work services as outlined at paragraph 46 below.
- Assuring public money is being used properly - securing efficiency is a core part of the council's corporate improvement programme but its approach to demonstrating value for money is under-developed. This is being addressed under the council's 2010 BV Improvement Plan. Progress against this plan will be reviewed as part of the annual audit.
- The impact of the recession - The council's recession action plan was considered by the council in June 2009 and outlines 38 actions for the short, medium and longer term in areas including housing, the capital programme, money and employability advice and support to individuals, businesses and wider economic initiatives. Progress made by the council in managing the impact of the recession will be reported as part of the annual audit.

3. The council's context

The Highland Council covers a wide rural area accounting for one third of Scotland. This presents the council with significant challenges in both the provision of and access to services. Highland council's strategic priorities recognise and respond to these challenges.

17. The Highland Council area covers 33 per cent of Scotland's land mass and includes 14 inhabited island communities. It has a population of 219,400, which is 4.2 per cent of Scotland's population. Its population has grown in the past ten years by 4.3 per cent, higher than Scotland's growth rate. Population estimates suggest the population will increase by 18 per cent between 2008 and 2033, with increases in people of pensionable age projected to be significantly higher than the Scottish average. Highland's population is dispersed, with nearly three-quarters classed as living in rural locations and around 26 per cent living in 'super sparse' areas. This presents significant challenges in the provision of services to the population and has implications for the costs of that provision. Highland council's strategic priorities recognise and respond to these challenges.
18. When compared with the rest of Scotland the Highlands fair well in many areas. A greater proportion of its working age population is economically active, unemployment and long term unemployment are lower than average, educational attainment is higher and the proportion of people not in education, employment or training (NEET) is lower. Life expectancy is higher than average and hospital admissions for drug misuse are comparatively low. The number of recorded crimes and offences are slightly lower than the national average and clear up rates are higher.
19. Highland compares less favourably with the rest of Scotland in average earnings which are 5 per cent lower. The geography of the area means that access deprivation – the financial cost, time and inconvenience of having to travel to access basic services - is higher than most Local Authorities in Scotland. The Highlands are also above the national average in the number of serious road accidents, alcohol misuse levels and house prices.
20. In 2008/09, The Highland Council spent £877 million on the provision of public services with £804 million being spent on revenue services and £73 million on capital. The council's net operating expenditure in 2008/09 was £587 million and, after local and statutory adjustments to remove the effect of capital and retirement costs, the general fund reported a deficit of £0.7 million for 2008/09. The council had unallocated balances of £13 million at the year end, which is less than its policy to maintain free reserves of up to 3 per cent of the revenue budget (£16.1 million in 2008/09) to cope with risks. The council is actively looking at ways to increase its level of reserves and the position will be monitored as part of Audit Scotland's annual audit work.
21. Significant financial pressures are being faced across the public sector and in the Highland Council over the next three years all services have been tasked with identifying on-going efficiencies. In total £59 million of savings are required and £23 million have been approved. For the remaining £36 million, a range of budget savings ideas have been identified and are subject to wide consultation in public forums, focus groups, partnership meetings and on-line. An extensive corporate improvement programme (CIP) is in place within the council to identify and maximise efficiencies. This is expected

to bring £7.45 million of savings over the next three years. There is a risk that, with the scale of savings to be found, reductions in some services will be required to balance the financial position. Progress towards implementing the CIP will be monitored as part of the annual audit process.

22. The council, its partners and local communities benefit from strong partnership working and there is a broad consensus on what the main priorities are for the area which helps the council and its partners focus their activity. The Highland Community Planning Partnership (CPP) process involves a range of public, private and third sector organisations operating at the Highland and local community levels. The current CPP Performance Board includes; the Highland Council, NHS Highland, Highland and Islands Enterprise, Northern Constabulary, Highlands and Islands Fire and Rescue Service and Scottish Natural Heritage and the Scottish Government. In their first Single Outcome Agreement (SOA) the partners identified 53 local outcomes to support the main outcomes areas, for their second SOA, 5 key themes have been identified and 15 local outcomes agreed and these are covered later in this plan. Progress on these outcomes is measured by 167 indicators.

Self-evaluation

23. The BV2 report concludes that the council uses a range of improvement activity and has made good progress in addressing the areas for improvement from its first best value audit in 2006. It has a good awareness of the areas where it needs to improve and the pace of improvement has increased since a change in the political leadership and senior management team in 2007. However the BV2 report comments that its improvement agenda could be more effective and have more impact if its approach was better coordinated and prioritised. Improvement actions in this area will be kept under review by the LAN.
24. Self evaluation is used to varying extents at The Highland Council and the process is more mature in some services, particularly Education and joint self-evaluation of child protection services is also strong. Self evaluation is developing further through the Public Sector Improvement Framework (PSIF). This promotes a holistic approach to continuous improvement by incorporating a number of established organisational improvement tools into one framework. This framework was used extensively to prepare a corporate assessment review which proved a useful tool in the audit of BV2. It has been subsequently used in other corporate areas, for example, equalities, to assess how the council is progressing and to identify improvement actions.
25. PSIF is a significant item in the Management Development programme. The Senior Management Team has recently agreed to support the full implementation of the framework in two service areas and on one outcome from the CPP. The results of these pilots will help inform and shape further development of self evaluation through the PSIF.
26. The introduction of the electronic performance and risk management system in June 2010 will improve the analysis and speed of retrieval of key performance data. The self-evaluation completed as part of the PSIF reviews will feed into this system for monitoring the achievement of improvement

actions. The quarterly performance reviews remain the forum for discussion and challenge of the service results, which are reported to members and posted on the intranet for all staff to access.

27. We were able to use the data from the council's performance reviews to inform our risk assessment, in particular the data mapped to outcomes.

4. Delivering outcomes for communities

The Highland Council has made progress in delivering its stated outcomes and no significant areas of concern or scrutiny risks have been identified. The council generally provides good quality services that are responsive to local communities and customer satisfaction is high. However there are a number of ongoing challenges and areas for improvement in relation to four of the council's outcomes and in demonstrating competitiveness in how it delivers services in the current financial climate. Performance information in these areas will be kept under review as part of the ongoing SRA process. Areas of improvement have also been identified in relation to housing management and adult social work through the BV2 report. Both the SHR and SWIA will undertake scrutiny work during the year in these services to identify progress made by the council in these service areas.

Strategic priorities

28. The council has identified five key themes to support delivery of its SOA. Fifteen key outcomes, monitored through the SOA process are linked to these themes as shown below:

Theme	Outcomes
Sustainable Highland Communities	<ol style="list-style-type: none"> 1. People across the Highlands have access to the services they need. 2. People are, and feel, safe from crime, disorder and danger. 3. Our communities take a greater role in shaping their future. 4. Public services are delivered effectively, efficiently and jointly.
Safeguarding our environment	<ol style="list-style-type: none"> 5. Our natural heritage is protected and enhanced enabling it to deliver economic, health and learning benefits. 6. Carbon emissions are reduced and communities are protected from the consequences of changing weather patterns.
A competitive, sustainable and adaptable Highland economy	<ol style="list-style-type: none"> 7. The impact of the recession is limited and sustainable economic growth is supported. 8. Growth in the knowledge economy is supported by achieving university title for UHI in 3 years. 9. To support the economy access is improved to housing, transport and high speed broadband. 10. More people are supported into employment.
A healthier Highlands	<ol style="list-style-type: none"> 11. Healthy life expectancy is improved especially for the most disadvantaged. 12. The health and independence of older people is maximised. 13. Attitudes and behaviours towards alcohol and other drugs are changed and those in need are supported by better prevention and treatment services.
Better opportunities for all / A fairer Highland	<ol style="list-style-type: none"> 14. The impact of poverty and disadvantage is reduced. 15. The cycle of deprivation is broken through intervention in early years.

29. In assessing whether The Highland Council is delivering outcomes for its communities, we considered relevant performance measures from a number of key sources including: the SOA performance report, statutory performance indicators (SPIs), key performance indicators, quarterly performance reviews and other inspection/audit reports. Details of our evaluation are contained in Appendix 1.

Sustainable Highland communities

30. The Sustainable Highland Communities theme focuses on access to services, crime, community involvement and efficient public services delivered in partnership. The council generally provides good quality services that are responsive to local communities and customer satisfaction is high. Most community safety outcomes show a positive trend and good progress has been made in reducing the level of crime and improving the community's perception on safety and crime. The council and its partners have invested in local schools, community facilities, transport links and facilities, police and fire services and telecommunications. Progress has been made in helping communities to buy land or property for community benefit and increasing the number of communities securing community benefit from renewable development.
31. 87 per cent of the local indicators for this theme show improved or sustained performance with 11 per cent showing a decline, the remaining indicators lack sufficient data to assess performance. However, there are a number of challenges in delivering services across an area as large as the Highlands and these could adversely impact on the council's ability to sustain this performance. Overall we have concluded that there are no significant scrutiny risks in this area, performance outcomes will continue to be reviewed as part of the ongoing SRA process.

Safeguarding our environment

32. Given the geography of the Highlands the council has a strong environmental agenda and is making excellent progress in delivering outcomes under this theme in relation to protecting and enhancing its natural heritage and reducing carbon emissions. In the SOA1 performance report for 2008/09 the partnership reported that almost 94 per cent of indicators show improving or sustained performance with the remaining six per cent showing a decline. The council arrangements for promoting sustainability are considered to be an area of good practice. Work done as part of the BV2 audit highlighted that the council has a strong vision, with strong leadership and commitment being shown on sustainable development which features prominently in strategic plans such as the SOA, Strengthening the Highlands, and the Corporate Plan. The Climate Change Working Group demonstrates good practice in the council's approach to sustainability issues. The workforce is actively involved in the sustainability agenda through 'Green Ambassadors.' No significant risks have been identified in this area, performance outcomes will continue to be reviewed as part of the ongoing SRA process.

Competitive, sustainable and adaptable Highland economy

33. The outcomes that relate to this theme include limiting the impact of recession, growing a knowledge based economy, improving access to housing, transport and high speed broadband and supporting people into employment. There has been good progress to date against these outcomes with 83 per cent of the 81 indicators showing improving or sustained performance. The on-going challenges the council faces in continuing to deliver on this theme include; the impact of the recession on the local economy, the availability of employment opportunities and deprivation. Overall we have concluded

that there are no significant scrutiny risks in this area, performance outcomes will continue to be reviewed as part of the ongoing SRA process.

Healthier Highlands

34. The local priorities under this theme include improving healthy life expectancy, maximising the health and independence of older people and improving services to prevent and treat alcohol and drug misuse. There has been more mixed performance in delivering outcomes under this theme with 68 per cent showing an improvement or sustained performance and 32 per cent declining.
35. A key area for improvement here is to shift the investment in the balance of care for older people to the community. The council and NHS Highland acknowledge that this area continues to be a significant joint challenge for them and are working with the Scottish Government's Joint Improvement Team to address the challenge. In November 2009, the partnership initiated a Transformational Change Programme, and a joint Change Team and 14 work streams have been established. These include a review of assessment processes, the commitment to re-ablement and rehabilitation across all services, the development of new models of care and support to prevent hospital admission, and to provide speedier means to achieve discharge. As part of this, the council will be investing an additional £1million in Care at Home services in 2010/11, which is in addition to the extra £1 million that had already been committed in each of the previous three years.
36. Despite the mixed picture overall we have concluded that there are no significant scrutiny risks in this area, performance outcomes will continue to be reviewed as part of the ongoing SRA process.

Better opportunities for all/fairer Highland

37. For this theme the council and its partners have agreed outcome targets to reduce the impact of poverty and disadvantage and to prevent deprivation by targeting children most at risk. Performance is improving, with 71 per cent of the indicators showing either improved or sustained performance. 23 percent of the indicators had declined with some no longer being reported and 6 per cent had no data or baseline information to measure against. Further improvements to performance could be achieved by improving the attainment of Looked After Children, this is an area that will be subject to on-going scrutiny by both HMIE and SWIA, improving the standard of reports to the Children's Reporter and reducing fuel poverty levels for the Highland population. Despite the mixed picture overall we have concluded that there are no significant scrutiny risks in this area, performance outcomes will continue to be reviewed as part of the ongoing SRA process.

Services

38. The council generally provides good quality services that are responsive to local communities and customer satisfaction is high. However the BV2 report concludes that the council could do more to demonstrate competitiveness in how it delivers services in the current financial climate. Details of our evaluation are contained in Appendix 1.

39. Education, **Culture & Sport**– Each year the council asks a random sample of residents for their views on their contact with the council and satisfaction with services. The performance survey results show that Education, Culture & Sport is generally a well regarded service. Library visits achieved a net satisfaction score of 62% and visits to pools are well above average. Overall 56% of all respondents were satisfied with schools and 4% were dissatisfied. Educational attainment in schools is generally higher than the national average. Findings from inspection reports have however identified some areas where improvements could be secured in community learning and development and ensuring consistency in the quality of provision in schools. Overall we have concluded that there are no significant scrutiny risks in this area, improvement areas identified will be reviewed as part of the ongoing SRA process.
40. Transport **Environment & Community Services** - The Highlands has a dispersed population over a large geographical area which brings a number of challenges. It also has the longest road network in Scotland and was ranked 16 out of all the councils in 2008/09 in terms of road condition. Much of the road network and the bridges require considerable work though the council have acknowledged this as an area for improvement and have committed funds within the capital programme at least to maintain the quality of the network. Other challenges arise from high refuse collection and waste disposal costs which are being reviewed through the waste management strategy and the forthcoming review of waste collection. Overall we have concluded that there are no significant scrutiny risks in this area, improvement areas identified will be reviewed as part of the ongoing SRA process.
41. **Housing & Property Services** – This service has been assessed by the LAN as an amber assessment, as there are gaps in the information held by the LAN in relation to the quality of service provision across all of the council's housing function. The council's SPIs also indicate a mixed performance in relation to some aspects of housing management. The Scottish Housing Regulator (SHR), in discussion with the council, will determine the type of regulatory work that will be undertaken during 2010/11.
42. **Planning & Development Services** - The overall service revenue budget position in 2009/10 is showing a projected overspend of £0.372 million and a supplementary budget estimate has been requested. This is largely attributable to a projected fee income gap of £1.135 million and is a reflection of the current economic climate. Whilst we have concluded there are no significant scrutiny risks in this area and we do not plan to carry out any specific scrutiny activity, an audit of building standards by the Scottish Government Building Standards Division is due to take place in 2010. The LAN will consider the results of this audit as part of the ongoing SRA process, to avoid duplication of this work.
43. **Social Work Services** – Adult social work was highlighted as an area for improvement in the BV2 audit. Progress against the 21 recommendations from the 2007 SWIA report has been variable although a lot has been achieved in relation to the management and support of staff and in the development of integrated children's services through Get it Right For Every Child (GIRFEC). Progress is slower on a range of mainly community care issues including developing strategies for

carers and for commissioning. An Initial Scrutiny Level Assessment (ISLA) is scheduled for the last quarter of 2010 to establish an up to date assessment of progress from the 2007 report. This will determine the level of scrutiny activity required in this service.

Implications for scrutiny activity

44. Our risk assessment for the outcomes and service performance has not identified any significant scrutiny risks and we will therefore be limiting scrutiny work in these areas. There are a small number of areas where we will be carrying out some scrutiny activity to enhance our knowledge of the risks faced as detailed below.
45. The Scottish Housing Regulator will discuss, with the council, the type of regulatory work it will undertake. If this work highlights any risk areas where there is potential to undertake joint scrutiny work with SWIA in the homeless service this will be considered. An assessment of the council's plans to meet the Scottish Housing Quality Standards (SHQS) by 2015 will be included.
46. SWIA will complete an ISLA to assess the required amount of external scrutiny of social work services. This exercise involves reading a sample of files and desk-top scrutiny.
47. Following consultations with the Scottish Prison Service and Scottish Government, SWIA will undertake a national inspection of prison based social work services between March and May 2010. This scrutiny activity will impact on all of the local authorities that currently provide prison based social work services to the fourteen prison establishments in Scotland.
48. The Association of Directors of Social Work (ADSW), in partnership with Scottish Government and SWIA, is leading follow-up activity in relation to the multi-agency inspection that led to the publication of the report 'Assessing and managing offenders who present a high risk of serious harm' in June 2009. Rather than engaging in further scrutiny work, SWIA will plan and resource a programme of supported self-evaluation in order to build capacity in local authorities to enable criminal justice social work services to address the performance issues raised in the report. This will be provided to all 32 Scottish local authorities and will involve a series of six (one day) contacts for each council, between June 2010 and April 2011.
49. The council volunteered to carry out an education services self evaluation and the results of this will be published in a joint council/HMIE report by June 2010. The results of the self evaluation will be considered by LAN members as part of ongoing scrutiny work.
50. As part of pre-existing regulatory requirements the Care Commission will carry out annual inspections of both fostering and adoption services in 2010/11.
51. Audit Scotland's annual audit process will monitor key corporate developments and performance within the council including any areas of service reform and the council's progress in responding to the current economic downturn.

5. Corporate assessment

Overall no significant scrutiny risks have been identified in our corporate assessment. The council's strong political and managerial leadership, combined with improved political and management arrangements, provide a strategic focus and effective community leadership. The council uses a range of improvement activity and has a good awareness of the areas where it needs to improve. The council was subject to a recent BV2 audit which covered all corporate assessment areas. The council's response to the BV2 findings are to be incorporated into an improvement plan. Whilst it is not viewed as a significant scrutiny risk the council needs to do more to demonstrate value for money in the way it delivers services and the value for local communities. The council's improvement actions in this and other corporate improvement areas will be subject to monitoring through Audit Scotland's annual audit work.

Corporate assessment

52. Overall no significant scrutiny risks have been identified in our corporate assessment. The recent BV2 review highlights a positive approach on the 'pace of change and direction of travel' and that the council is demonstrating it is improving well. The council's 2010 BV2 improvement plan will be subject to monitoring through Audit Scotland's annual audit work.

Vision and leadership

53. The council has a clear vision for the Highlands which is shared by partners and clearly articulated in the SOA and the council's strategic plans.

54. There is strong, clear and consistent strategic leadership which identifies the key priorities for the area. Political and management arrangements provide clear mechanisms and arrangements for local priorities to feed into corporate priorities and for those priorities to translate to local activity.

55. The council has a set of key documents that reflects its aims and objectives, such as the community plan, SOA and corporate plan. These documents cascade down into service plans.

56. No significant scrutiny risks have been identified in this area of our corporate assessment.

Partnership working

57. Partnership working is progressing well within the Highlands. Community planning structures are well developed at the strategic and local level with appropriate political, official and community representations on each. The council and its partners promote a strong ethos and commitment for working together for the benefit of the Highland area through the Community Planning Partnership Performance Board and The Highland Council/NHS Highland Performance and Leadership Group, along with other key partnerships.

58. A collective understanding and collaborative approach is taken to delivering key objectives and regular monitoring and reporting of progress on the delivery and review of the SOA takes place. Effective partnership working has resulted in consistent progress in delivering complex cross cutting strategic local outcomes with partners and good service performance overall. The BV2 audit found

that there is a need to strengthen the communication links between the strategic and local partnerships and to complete the review of partnership arrangements to deliver the SOA.

59. Partnership working is particularly strong and effective in relation to child protection services but there is scope for improvement to develop partnership working further in adult services and community learning and development.
60. No significant scrutiny risks have been identified in this area of our corporate assessment.

Community engagement

61. The council's community engagement through its ward structures is considered to be an area of good practice. The structures allow councillors and local communities to influence priority setting for the council. The agenda of ward forums cover both strategic and local interest issues and they are generally well attended. Ward forums enable consultation with local communities on key plans. As well as ward forums, the council works with local communities in a number of ways. There are special interest forums such as those for community care users and carers, the environment, local access, the economy and young people. Engagement on issues for young people is particularly strong with 'Highland Youth Voice', a paid Youth Convener post, active pupil and parent councils and senior pupil interactive consultations. The council also works with community councils and representatives of equalities groups. Capacity building for engagement is supported through tenant participation approaches and through the EU Leader programme in rural communities. The council is adding to its range of engagement approaches by setting up a citizens' panel, expected in late spring of 2010.

Financial management

62. The BV report comments that council's financial monitoring arrangements are sound and that the council has a good track record of actively managing its budget however, it needs to do more to demonstrate value for money in the way it delivers services and the value for local communities. The Highland Council closely monitors and reports on its financial situation. Corporate budget monitoring reports are submitted to the Senior Management Team and to the Resources Committee on a regular basis giving an overview of the council's financial performance.
63. The council is pro-active in planning ahead to address pressures on the budget that are likely to arise in future years. Significant financial pressures are being faced over the next three years and, whilst the budget process for 2009/10 identified future savings relating to 2010/11 and 2011/12, all services have been tasked with identifying on-going efficiencies. There is also an extensive corporate improvement programme in place within the council. There remains a risk that, with the scale of savings to be found, reductions in some services will be required to balance the financial position.
64. Overall we have concluded that no significant scrutiny risks have been identified in this area of our corporate assessment. However the council's improvement actions in demonstrating value for money and responding to the financial pressures will be kept under review as part of the annual audit work.

Performance management

65. The council's performance management framework is sound and is integrated with service planning and delivery. A comprehensive and robust approach to reporting service performance is in place through the Quarterly Performance Reviews which hold Directors and Services to account.
66. The council uses a range of improvement activity and has made good progress in addressing the areas for improvement from its first best value audit in 2006. It has a good awareness of the areas where it needs to improve and the pace of improvement has increased since a change in the political leadership and senior management team in 2007. However the recent BV2 report comments that its improvement agenda could be more effective and secure increased impact if its approach was better coordinated and prioritised.
67. The council and its partners are responding to the need to improve their approach and have established an SOA Performance Management Group of officers from across the partnership who are responsible for coordinating the performance information. A new electronic performance and risk system, to be used by the council and partners, will be in place from June 2010.
68. Overall we have concluded that no significant scrutiny risks have been identified, however the council's improvement actions in this area will be kept under review as part of the annual audit work.

Governance and accountability

69. In August 2008 the council agreed to take over Caithness Heat and Power (CHaP). The company had been set up as a joint venture with the council to deliver an innovative district heating system to 500 houses in Wick. However the company failed to deliver its objective and has experienced a range of technological, financial and governance problems. A report recently prepared by the Head of Internal Audit in relation to CHaP identified that the governance arrangements for this project were poor. The council's governance arrangements were not complied with in the set up of the project or its ongoing monitoring. Worst case if the council has to reinstate more traditional methods of heat generation to the properties total costs over the lifetime of the project could reach in the region of £16 million. However, an action plan to address the issues has been approved by the council. Financial provision of £13.8 million has been set aside in the council's accounts and this will be reassessed. The appointed auditor is monitoring this matter. The Controller of Audit is also currently drafting a statutory report to the Accounts Commission explaining the weaknesses identified with this project and the action taken by the council in response. Whilst weaknesses have been identified with this project, other audit work indicates that overall the governance and accountability arrangements do not require any specific additional audit activity. This issue will be monitored by the LAN.

Asset management

70. The council recognises the benefits of introducing a corporate approach to asset management and has included it as one of the nine projects in its corporate improvement programme. Its aim is to make

more productive use of property assets, reduce the number of owned and leased buildings and reduce the cost of maintaining those buildings.

71. In February 2009 a Project Board was formed to oversee the Council's Asset Management Project. To date 20 properties have been identified as having immediate potential for disposal to contribute towards the council's projected savings targets.
72. The asset management team are also exploring opportunities for sharing and property rationalisation with other public sector bodies. Initial meetings have been held with NHS Highland and Highlands & Islands Enterprise to consider the potential for such opportunities across the Highlands.
73. Overall we have concluded that no significant scrutiny risks have been identified, however the council's improvement actions in this area will be kept under review as part of the annual audit work.

Managing people

74. Many aspects of a good workforce management system are in place but the pace of change has been limited in the implementation of certain HR projects, including full integration of HR into the Resourcelink system and harmonisation of pay and conditions have been ongoing for a number of years.
75. Overall we have concluded that no significant scrutiny risks have been identified, however the council's improvement actions in this area will be kept under review as part of the annual audit work.

Procurement

76. There is good awareness of the issues around and the importance of procurement and the council has a procurement strategy in place which it is currently reviewing with the aim of enhancing performance. The profile of procurement is raised by its inclusion as a key theme in the corporate improvement programme. Formal training and awareness has been developed and new reporting arrangements on procurement are being implemented.
77. Overall we have concluded that no significant scrutiny risks have been identified, however the council's improvement actions in this area will be kept under review as part of the annual audit work.

Information management

78. During 2009/10 the council agreed a new outsourced contract to support and deliver ICT services. Under the new contract, the council will implement its Information Management and ICT Strategies. Part of the strategic focus is transformation to new technologies which should improve working practices and the management of information across the services.
79. In addition to the corporate information technology, the new contract will deliver the education curriculum services in schools across the Highland area. The recently completed Pathfinder North

project to deliver broadband across the council's extensive geographical area will be instrumental to this task. This contract is also managed by the council.

80. A number of recommendations in the 2008/09 Audit Scotland information handling report are due to be implemented in 2009/10 and the council's progress in implementing these recommendations will be kept under review as part of the annual audit work. In addition, work will be carried out reviewing the management arrangements for the corporate improvement programme which is set to deliver wide-ranging efficiency benefits.
81. Overall we have concluded that no significant scrutiny risks have been identified, however the council's improvement actions in this area will be kept under review as part of the annual audit work.

Implications for scrutiny activity

82. Overall we have concluded that no significant scrutiny risks have been identified in the corporate assessment. However the council acknowledges that some improvements can be made in some areas and plans are in place to implement change. Audit Scotland's annual audit will monitor the financial position, corporate developments, implementation of best value improvement plans and the council's use of resources.

6. Conclusion

Summary of planned scrutiny activity

83. The appendices to this plan show a summary of the evidence we considered and the overall risk assessments made by the LAN on the outcome, service and corporate risk assessments. They show what scrutiny response the LAN has decided is appropriate in each area. The shared risk assessment process is designed to ensure the level of scrutiny activity is proportionate based on the assessed risks.
84. These results are then reflected in the Assurance and Improvement Plan at Appendix 3 which sets out the basis of our scrutiny risk assessment of the council and the risk based planned scrutiny activity for The Highland Council for the period from April 2010 to March 2013.

Baseline scrutiny activity

85. The focus of the AIP is risk based strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level ongoing throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. In addition, other work may be undertaken as a result of a specific Ministerial request.
86. The annual audit of local government is included in the baseline scrutiny and will continue to be conducted to comply with the Code of Audit Practice. This includes work necessary to complete the audit of housing benefit and council tax benefit arrangements.
87. On-going monitoring of the risks identified within this report by the appropriate scrutiny body will inform future risk assessments and the levels of scrutiny activity.
88. We recognise that the council's preference is to see a more comprehensive summary of planned scrutiny activity, including all baseline and specific scrutiny work identified for The Highland Council. It is acknowledged that the council is subject to additional inspectorate activity from organisations outwith the LAN membership such as the Scottish Government Building Standards Division which are outwith the scope of this AIP. The table on the next page supplements Appendix 3 and summarises the baseline annual activity for the LAN members:

Summary of LAN members baseline annual scrutiny activity:

- inspection of education and care establishments by the Care Commission and HMIE
- monitoring of performance and risk through link inspector contact by HMIE and SWIA
- annual audit of accounts, governance and accountability, the financial position and the BV improvement plan by Audit Scotland
- ongoing monitoring of emerging risks to inform future risks assessment and scrutiny plans by all members of the LAN
- Audit Scotland's national study programme
- monitoring of progress on the Scottish Quality Standard by SHR.

Ongoing role of LAN

89. We recognise that risk levels will change as significant events occur and as councils take action to address identified risks. Scrutiny bodies, through local area network contacts, will maintain awareness of activity, including unit level inspection. As new information comes to light the LAN lead, in consultation with other LAN members will update the AIP as appropriate. LAN members will draw any significant matters to the attention of the LAN lead as they arise. The LAN lead will determine what action should be taken in terms of initiating contact with other LAN members.
90. The council is expected to initiate contact with the LAN lead where significant events occur that are likely to influence scrutiny activity. Councils are encouraged to maintain contact with LAN leads to discuss any concerns arising from the AIP or any joint scrutiny activity.

Appendix 1

ASSESSMENT KEY:

Red: significant concerns and risks

Amber: areas of uncertainty

Green: no significant risks

Gold: exceptional performance

Corporate Assessment The Highland Council

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
Sustainable Highland Communities	No significant scrutiny risks	<p>The council generally provides good quality services that are responsive to local communities and customer satisfaction is high. In the SOA annual performance report for 2008/09 they report that 87 per cent of the local indicators show improved or sustained performance with 11 per cent showing a decline, the remaining indicators lack sufficient data to assess performance.</p> <ul style="list-style-type: none"> • Most community safety outcomes show a positive trend and good progress has been made in reducing the level of crime and improving the community's perception on safety and crime. • The council and its partners have invested in local schools, community facilities, transport links and facilities, police and fire services and telecommunications. • Progress has been made in helping communities to buy land or property for community benefit and increasing the number of communities securing community benefit from renewable development. <p>There are a number of challenges in delivering consistent quality services across an area as large as the Highlands, for example:</p> <ul style="list-style-type: none"> • Continuing problem of providing high quality schools 	No specific scrutiny planned. Outcome indicators to be kept under review by LAN members as part of ongoing scrutiny work.

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>and access to a broad range of courses and services.</p> <ul style="list-style-type: none"> • Targets for delivery of new housing impacted by economic climate. • Reduction in the percentage of people having a sense of belonging to a community and in those who consider there is community acceptance of new residents. • Increase in number of hate crimes from 2006 baseline. 	
<p>Safeguarding our environment</p>	<p>No significant scrutiny risks</p>	<p>Given the geography of the Highlands the council has a strong environmental agenda and is making excellent progress in delivering outcomes under this theme. In the SOA1 performance report for 2008/09 the partnership reported that almost 94 per cent of indicators show improving or sustained performance with the remaining six per cent showing a decline. (see also Appendix 2 Sustainability)</p> <ul style="list-style-type: none"> • Increase in the proportion of protected nature sites in favourable condition. • Positive trends in all renewable energy, municipal waste management and global warming indicators. • Improving Cleanliness Index (streets and land). • Increase in CO2 emissions from street lighting attributed to the growth in estate within Inverness City. 	<p>No specific scrutiny planned. Outcome indicators to be kept under review by LAN members as part of ongoing scrutiny work.</p>

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
<p>Competitive, sustainable and adaptable Highland economy</p>	<p>No significant scrutiny risks</p>	<p>The council and its partners report good progress to date against this outcome area with 83 per cent of the 81 indicators showing improving or sustained performance. The on-going challenges for the Highlands include; the impact of the recession on the local economy, the availability of employment opportunities and deprivation.</p> <ul style="list-style-type: none"> • Recession action plan in place covering housing, the capital programme, money and employability advice and support to individuals, businesses and wider economic initiatives. • Good achievement in schools compared to national average and comparator authorities. • High proportion of young people moving directly into education, employment or training. • Working with Skills Development Scotland to support school leavers in Training for Work, Skillseekers and Modern Apprenticeship programmes. • Number of multi-agency groups established focussing on issues raised in 'For Highland's Children 2' plan. • Decline in business start up rate from the 2007 baseline. • Low median gross FTE weekly earnings in Highland. • Significant increase in the number of working age population unemployed and living in Highland in the 15% most deprived datazones in Scotland in 2008/09. • Slow progress on prioritizing provision of paid employment opportunities for people with disabilities. • Unambitious target of 2 per cent increase in number of looked after children who attain SCQF level 3 in at least one subject set. 	<p>No specific scrutiny planned. Outcome indicators to be kept under review by LAN members as part of ongoing scrutiny work.</p>

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
Healthier Highlands	No significant scrutiny risks	<p>Under this theme 68 per cent of outcomes are either improving or are showing a sustained performance with 32 per cent showing a decline in performance.</p> <ul style="list-style-type: none"> • Longer life expectancy for both men and women, lower number of hospital admissions for drug misuse and lower teenage pregnancies. • Joint Council/NHS health improvement plan provides focus for health improvement activity and monitoring of progress. 50% of targets within the Play Strategy delivered and on target to deliver 75% by 2010/11. • Improvements in care indicators such as: <ul style="list-style-type: none"> - home care for older people at weekends - people receiving evening or overnight care - older people receiving intensive care at home of between 10 and 20 hours. - people waiting >6 weeks to be discharged from hospital into a more appropriate care setting - total hours of home care provided, increase in number of people receiving at least 10 hours of care at home, and increase in the number of new houses built for older people or people with disabilities - increase in numbers of older people receiving enhanced telecare services - increase in number of respite bed nights. • Well advanced to submit evidence for silver award under the Healthy Working Lives scheme. • Improvement in overall figure for High Life leisure membership. • All Highland schools are Health Promoting Schools. • Slow to shift the balance of care for older people compared to other local authorities. The council and NHS Highland are working with Scottish Government's Joint Improvement Team to address the challenge. 	<p>No specific scrutiny planned. Outcome indicators to be kept under review by LAN members as part of ongoing scrutiny work.</p>

Strategic priorities	Initial risk assessment	Evidence/rationale	What we plan to do
<p>Better opportunities for all/fairer Highland</p>	<p>No significant scrutiny risks</p>	<p>Performance is improving, with 71 per cent of the indicators for this theme showing either improved or sustained performance. 23 percent of the indicators had declined with some no longer being reported and 6 per cent had no data or baseline information to measure against.</p> <ul style="list-style-type: none"> • Percentage of Highland school leavers moving into higher education broadly in line with national average but percentage going on to further education is lower. • Higher proportion of school leavers go straight into employment compared to nationally, but this can be a short term solution leading to a lack of skills development and career progression. • Effective early intervention services for vulnerable children and families. • A very positive child protection report in 2010. • Long standing involvement with the Duke of Edinburgh's Award scheme. • Both alcohol and drug related crimes have fallen. • Decline in the percentage of Looked After Children ceasing to be looked after 'away from home' attaining SCQF level 3 in at least one subject. • Decline in the proportion of young people (16-24 year olds) who sustain a tenancy for more than 12 months. • Percentage of Highland population (estimate) in fuel poverty is higher than the Scottish average. • Constraints in eliminating use of unsuitable temporary accommodation where housing supply is limited. • Dip in number of reports to the Children's Reporter meeting national standard Getting it Right For Every Child (GIRFEC) pathfinder and not progressing towards the target of 70% by 2010/11. 	<p>No specific scrutiny planned. Outcome indicators to be kept under review by LAN members as part of ongoing scrutiny work.</p>

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
ECS – Education, culture & sport	No significant scrutiny risks	<p>This is amongst the most well regarded services from Performance Survey results. Libraries achieved net satisfaction score of 62%. Visits to pools are well above average. Primary and secondary education achieved net satisfaction scores of 56% and 44% respectively. Net satisfaction score for pre-school services was slightly lower at 37%. Overall 56% of all respondents were satisfied with schools and 4% were dissatisfied. Among those with experience of schools, the figures were more positive at 81% and 6% respectively. Educational attainment in schools is generally higher than the national average.</p> <ul style="list-style-type: none"> • Most schools inspected achieve positive outcomes. • Pathfinder authority for the implementation of the GIRFEC agenda. • Overall attainment at secondary school remains better than that in comparator authorities. • Recent inspections of preschool centres show that all were satisfactory or better in key quality indicators with some weaknesses in the curriculum and self evaluation. • Attainment levels for primary school pupils are in line with or slightly below that of comparator authorities in reading and writing and broadly in line with comparators in mathematics but targets for improving pupils' attainment is unambitious. • Robust systems are in place to track children who are missing from education. • High satisfaction with users of museums, galleries, parks libraries, open spaces, community centres and facilities. • Visits to indoor sports and recreation facilities much lower than average but have increased from last year. 	The council volunteered to carry out a self evaluation and the results of this will be published in a joint council/HMIE report by June 2010. The results of the self evaluation will be considered by LAN members as part of ongoing scrutiny work.

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
		<ul style="list-style-type: none"> • Mixed picture in secondary schools inspections. Dip in mathematics in 2009, falling below comparator authorities and nationally for the first time. • Decline in number of pupils attaining 5+ awards at level 6 or better in S5 but remain above comparator authorities and nationally although this may not be sustained. • Mixed picture from inspections of community learning and development which is not a strong area and the capacity to improve not always evident. • Broad range of support for children and young people with additional support needs but uncertainties about provision given increased demand and reducing resources. Inspections of special schools have been mixed. • Education plans, including Co-ordinated Support Plans still to be integrated into new assessment frameworks applied by social work and health staff. 	

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
TECS – Transport, environment and community services	No significant scrutiny risks	<p>The Highlands has a dispersed population over a large geographical area which brings a number of challenges. It also has the longest road network in Scotland and was ranked 16 out of all the councils in 2008/09 in terms of road condition.</p> <ul style="list-style-type: none"> • The corporate plan recognises the need to maintain the road network and the council is committed to invest £54m over the next 3 years to maintain the quality of the network and to carry out improvement to roads and bridges. • Joint work is being undertaken to progress the projects contained in the Scottish Government's Strategic Projects Review to improve transport for Inverness and the surrounding area. • Environmental Health performance in completing risk assessments has been good in relation to improving the quality of private water supplies which is likely to have contributed to a drop in the instances of cryptosporidium reported in the year. • Street cleanliness has shown a steady improvement and the council is ranked 3 out of all Scottish councils in 2008/09. • A third of the road network is below acceptable standard. This is being addressed through the council's capital programme. • 46 per cent of street lighting columns are over 30 years old – the accepted industry wide period at which columns should be replaced. A programme to replace these old columns is in place. • A third of bridges do not meet European standard. Highland have responsibility for 1,400 bridges many of which are on minor roads and only 1% have a weight or height restriction in place. A programme of bridge replacement is in place. • Costs for refuse collection are relatively high as are 	No specific scrutiny planned. Outcome indicators and improvement plans to be kept under review by LAN members as part of ongoing scrutiny work.

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>satisfaction rates for the service. This may in part be attributed to weekly refuse collections and is being considered as part of the current review of the council's waste collection strategy.</p> <ul style="list-style-type: none"> Waste disposal costs are high with the council ranked 31 out of the 32 councils in Scotland. However these costs include the restoration of landfill sites which is an area that has incurred significant expenditure over the last few years. The council has agreed a waste management strategy to improve the position, reduce carbon reduction and contribute to the achievement of the 'zero waste' targets. 	
Housing & property services	Area of uncertainty	<p>The LAN has limited information on the quality of service provision across all of the council's housing function. The council's SPIs also indicate a mixed performance in relation to some service delivery areas. The BV2 report highlights that the management of council housing rent arrears is an area for improvement.</p> <ul style="list-style-type: none"> Of the nine SPIs that have trend information, five show declining performance and all of these relate to management of rent arrears. The council's rents are one of the highest in Scotland, with high rent arrears, higher than average void loss, high debt per house and entering into further borrowing for new build. It implemented a rent arrears action plan in August 2008 but this has yet to deliver better control over arrears levels. There is a lack of information on tenant satisfaction with the housing service. A new allocation policy was agreed in November 2009 however outcome information on allocation of houses is limited. A stock condition survey (30% of stock) was completed in 2005 and a further survey is underway. Overall 	<p>SHR, in discussion with the council, will determine the type of focused work that it will undertake during 2010/11.</p>

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>significant work is still required to meeting the requirements of the SHQS. The council project 20% of the stock will meet the standard by 2010.</p> <ul style="list-style-type: none"> • There is a range of policies and procedure in place to manage the council's responsibilities for home safety e.g. gas maintenance, electrical surveys and asbestos safety but there is insufficient evidence to determine how well responsibilities are met in practice. • It has a poor/fair performance in completing housing repairs within target. Repair response times are not that challenging. • Performance is significantly below average for council house sale times and costs remain higher than average. 	
<p>Planning & development services</p>	<p>No significant scrutiny risks</p>	<p>The overall service revenue budget position in 2009/10 is showing a projected overspend of £0.372m and a supplementary budget estimate has been requested. This is largely attributable to a projected fee income gap of £1.135m and is a reflection of the current economic climate.</p> <ul style="list-style-type: none"> • Planning applications and hence fees remain lower than anticipated though performance in processing applications is improving. • A full audit of building standards is due to take place in May 2010 by the Scottish Government Building Standards Division. • Establishment of the Business Gateway is ongoing and has been enhanced with a number of new initiatives. • Highland Opportunity loan activity and job creation/retention is performing above target. 	<p>No specific scrutiny activity though the results of the building standards audit will be considered by the LAN.</p>

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
Chief Executive's services	No significant scrutiny risks	<ul style="list-style-type: none"> • See corporate assessment 	See corporate assessment.
Social work services	Area of uncertainty	<p>Adult social work was highlighted as an area for improvement in the BV2 audit. Progress against the 21 recommendations from the 2007 SWIA report has been variable although a lot has been achieved in relation to the management and support of staff and in the development of integrated children's services through GIRFEC. Progress is slower on a range of mainly community care issues.</p> <ul style="list-style-type: none"> • High satisfaction level of users of community centres and facilities. • Project is in progress to facilitate electronic data sharing for child protection and single shared assessment. • Recent Joint Child Protection Inspection of Services to Protect Children in Highland was very positive with a few areas for improvement. • Staff effectively develop the trust of children and families. • Need to develop strategies for carers and for commissioning. • 75 per cent of SPIs for respite care show an overall decline in performance since 06/07. • Not all child protection workers received regular supervision and support. Some specialist services to help older children who have experienced trauma or neglect are not available in all areas. • An assessment by SWIA will address the areas of uncertainty in the LAN, relating to the extent of progress made against their 2007 report. 	An Initial Scrutiny Level Assessment (ISLA) is scheduled for the last quarter of 2010.

Council Services	Initial risk assessment	Evidence/rationale	What we plan to do
Finance	No significant scrutiny risks	<ul style="list-style-type: none"> • See corporate assessment. 	See corporate assessment.

Appendix 2

Corporate Assessment Highland Council			
Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Vision and strategic direction	No significant scrutiny risks	<p>The council has a clear vision for the Highlands which is shared by partners and clearly articulated in strategic plans.</p> <ul style="list-style-type: none"> Broad consensus between partners and elected members on the main issues for the Highland area and clear set of priorities which are clearly articulated in the SOA and the council's strategic plans. Revised political and management arrangements provide clear mechanisms and arrangements for local priorities to feed into corporate priorities and for those priorities to translate to local activity. Strategic direction is good on children's services (GIRFEC etc) but slow to shift the balance of care in adult services, especially for older people. 	No specific scrutiny planned.
Leadership & culture	No significant scrutiny risks	<p>The council benefits from effective leadership from senior members and officers and the revised political and management arrangements have improved significantly since 2007. Challenges continue to be faced in relation to leadership of social work and education services.</p> <ul style="list-style-type: none"> BV2 reports that the council has strong, clear and consistent strategic leadership which identifies the key priorities for the area. Both the council and its partners have a good understanding of the challenges being faced. Through its Strengthening the Highlands Programme and the SOA, the council and its partners provide a clear 	No specific scrutiny planned.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>strategic direction and clear objectives to meet the challenges for the area.</p> <ul style="list-style-type: none"> • The Chief Executive promotes a positive culture, strong leadership and has an inclusive leadership style setting out clear accountabilities and responsibilities. Staff are generally positive about the leadership and the strategic direction of the council. • Child protection strongly led by the Child Protection Committee. Chief officers and senior managers across services, including the voluntary sector, work together very effectively to help staff provide high quality services for children and families. • Leadership of adult social work services had not been as good as children's services. 	
Planning & resource alignment	No significant scrutiny risks	<p>There is a sound planning framework in place with strategic priorities cascading down to operational plans. A recession action plan is in place which has short, medium and longer term actions covering housing, the capital programme, money and employability advice and support to individuals, businesses and wider economic.</p> <ul style="list-style-type: none"> • SOA, community and corporate plans are consistent despite changes of Administration in 2007 and 2008 and common priorities feature in the 'hierarchy of plans.' • Annual audit work reports that the council's planning and budgeting is well developed. • Staff are generally positive about the leadership and the strategic direction of the council, and the clear links from the strategic objectives down to team objectives. • Council will shift/ reprioritise resources to meet key priorities and initiatives. 	No specific scrutiny planned.
Partnership working	No significant scrutiny	The council and its partners promote a strong ethos and	No specific scrutiny planned. To be

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
and community leadership	risks	<p>commitment for working together for the benefit of the Highland area through the Highland Community Planning Partnership Performance Board and the Highland council/NHS Highland Performance and Leadership Group, along with other key partnerships.</p> <ul style="list-style-type: none"> • Strong senior management, elected member and board member involvement in the Board and other key strategic partnerships covering health, the economy and the environment, ensuring a collective understanding and collaborative approach to delivering key objectives. • Community Planning Partnership Performance Board carries out regular monitoring and reporting of progress on the delivery and review of the SOA. • BV2 reports that the council has effective partnership working and has made consistent progress in delivering complex cross cutting strategic local outcomes with partners and good service performance overall. • There is strong and effective partnership working within and across services in child protection, including voluntary organisations. • Need to strengthen the communication links between the strategic and local partnerships and complete the review of partnership arrangements to deliver the SOA. • Partnerships in adult services are considerably less well developed than those in children's services where GIRFEC had made a very positive impact. • Mixed picture in the quality of partnership working in the inspections of learning communities. 	kept under review by LAN members as part of ongoing scrutiny work.
Community engagement	No significant scrutiny risks	The council demonstrates effective community engagement through its ward structures and various special interest forums such as those for community care users and carers, the environment, local access, the economy and young	No specific scrutiny planned.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>people. The ward structures are considered to be an area of good practice.</p> <ul style="list-style-type: none"> • The council works well with and involves local communities, in particular community councils, in addressing local needs and concerns. Effective structures (ward forums) that allow councillors and local communities to influence priority setting for the council. Ward forums are generally well attended. • Agenda of ward forums cover both strategic and local interest issues. Ward forums enable consultation with local communities on key plans. • Strong engagement on issues for young people with 'Highland Youth Voice', a paid Youth Convener post, active pupil and parent councils and senior pupil interactive consultations. • Capacity building for engagement is supported through tenant participation approaches and through the EU Leader programme in rural communities. • The council is adding to its range of engagement approaches by setting up a citizens' panel, expected in late spring of 2010. • Services in more isolated communities are viable because of volunteers and there is a lack of employment opportunities generally. • A range of methods are used to engage with local communities but there is no evidence to show that there is an overall coordinated approach. 	

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Governance and accountability	No significant scrutiny risks	<p>Elected members conduct themselves well and show good leadership in how they approach business. Opposition members provide a strong scrutiny role and effective opposition.</p> <ul style="list-style-type: none"> • Comprehensive range of training available to members since 2007 and now focusing on getting all members to sign up to this. • Effective committee structure in place. • Council conducts business in an open and transparent way and makes good use of technology when conducting committee business. • Need to strengthen arrangements in relation to the policy and administration of common good funds. • In August 2008 the council agreed to take over Caithness Heat and Power (CHaP). The company had been set up as a joint venture with the council to deliver an innovative district heating system to 500 houses in Wick. However the company failed to deliver its objective and has experienced a range of technological, financial and governance problems. A report recently prepared by the Head of Internal Audit in relation to CHaP identified that the governance arrangements for this project were poor. The council's governance arrangements were not complied with in the set up of the project or its ongoing monitoring. Worst case if the council has to reinstate more traditional methods of heat generation to the properties total costs over the lifetime of the project could reach in the region of £16 million. An action plan to address the issues has been approved by the council. 	Audit Scotland's annual audit to report on progress made in delivering the CHaPs action plan and the administration of the common good funds.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Public performance reporting	No significant scrutiny risks	<p>The council has a sound approach to public performance reporting (PPR), using newspaper supplements and its website to publicise council performance. The approach to PPR is to be further developed by making the information on performance at ward level more publicly available</p> <ul style="list-style-type: none"> • Good level of information on the council's performance at ward level on the council's intranet and could be used more meaningfully if available to the public. The council identified this as an area for improvement in their self evaluation and it will be developed as part of the electronic performance and risk management system. • Good quarterly reporting to strategic committees. • Improving picture in relation to schools from inconsistent practice. • ECS current Standards and Quality Report provides performance information on successes and appropriate areas for improvement. 	No specific scrutiny planned.
Performance management and improvement – Customer focus and responsiveness	No significant scrutiny risks	<p>Customer satisfaction with the council is high. In the 2009 performance survey (annual postal survey commissioned by the council), 83percent of respondents were satisfied with services, the highest reported satisfaction rating since the survey started in 2003. 93 percent of respondents find it easy to contact the council and there was improving or sustained satisfaction in 22 service areas compared to the previous year's survey.</p> <ul style="list-style-type: none"> • Successfully retained its CharterMark accreditation in November 2008 demonstrating a very high level of customer service delivery. • The devolved way in which the council delivers services allows for good engagement with customers. • Council works well with local communities to explore 	No specific scrutiny planned. To be kept under review by LAN members as part of ongoing scrutiny work.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>alternative service provision in order to sustain services.</p> <ul style="list-style-type: none"> • New contract with Highland Community Care Forum to provide consultation with people using services and carers. The council also funds HCCF to provide independent advocacy services. • Effective involvement of vulnerable children and families in decision-making meetings. • Uncertainty about the degree to which the ECS service is consistently focused on responding to parents and stakeholders. 	
<p>Performance management and improvement – framework</p>	<p>No significant scrutiny risks</p>	<p>The council's performance management framework is sound and is integrated with service planning and delivery.</p> <ul style="list-style-type: none"> ▪ Corporate Performance Report shows improved outcomes for citizens and a more effective and efficient service in a number of areas. • Comprehensive and robust approach to reporting service performance to senior management through the Quarterly Performance Reviews to hold Directors and Services to account. There is regular monitoring and reporting of performance to service committees. • SOA Performance Management Group of officers from across the partnership responsible for coordinating performance information. From June 2010 an electronic performance and risk system will be used by the council and later in 2010 by partners. • Not clear how effectively the council uses performance information to identify improvement actions and develop improvement plans (see providing VFM below). 	<p>No specific scrutiny planned. Audit Scotland to monitor the council's BV improvement plan.</p>

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Performance management and improvement – Efficiency – targets	No significant scrutiny risks	<p>The council has met its efficiency savings target of 2 per cent, achieving savings of £8.2 million in 2008/09. The Annual Efficiency Statement for 2009/10 has not yet been completed but initial indications point to a similar level of efficiencies achieved for that year. The council aims to achieve further efficiency savings in the coming years, through a combination of specific efficiency proposals contained within the revenue budget plus further efficiencies arising from ongoing projects.</p> <ul style="list-style-type: none"> • Diagnostic Pathfinder Project ended in Aug 08 and resulted in the council deciding nine opportunities for improvement projects via the Corporate Improvement Programme - a key aspect of the council's efficiency strategy. It is generally anticipated that efficiencies will be generated from 2011/12 onwards. • Savings of £12 million agreed for 2010/11, of which a significant proportion represent efficiencies. 	No specific scrutiny planned. Audit Scotland to monitor progress on efficiencies/savings as part of the annual audit.
Performance management and improvement – Efficiency – providing VFM	No significant scrutiny risks	<p>The council uses a range of improvement activity that has resulted in efficiencies and other improvements, however it needs to assure itself that this activity is being prioritised and coordinated effectively to ensure maximum impact. The council also needs to have more effective arrangements in place to demonstrate that it is achieving value for money. These issues are to be taken forward through the council's 2010 BV improvement plan.</p> <ul style="list-style-type: none"> • Not clear how effectively the council uses performance information to identify improvement actions and develop improvement plans. • The council cannot evidence it has reviewed costs systematically to demonstrate Value For Money. • Number of self evaluation and review approaches in place, but not clear whether performance management activities trigger reviews and little evidence of systematic 	No specific scrutiny planned. Audit Scotland to monitor the council's BV2 improvement plan.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		testing of competitiveness of services, or options appraisals.	
Performance management and improvement – Risk managements	No significant scrutiny risks	<p>The council has a structured approach to managing risk which includes the operation of a Risk Management Group representing all council services.</p> <ul style="list-style-type: none"> • Risk management was generally good in child and adult protection, and criminal justice social work with high risk offenders. • Corporate risk register described the lack of a commissioning strategy as its number one risk in autumn 2006. (see Social Work challenges above). 	No specific scrutiny planned.
Use of resources – Financial management (budget setting)	No significant scrutiny risks	<p>The council actively managing its budget and budgetary control systems are sound with monitoring reports being submitted to services committees on a frequent basis.</p> <ul style="list-style-type: none"> • Net revenue outturn for 2008/09 was £5 million (0.9%) below budget due to a variety of underspends across services. • Full review of the capital programme to ensure it is aligned with council priorities and the financial situation and to introduce more structured Outline Business Cases. Looking at other sources of income and reductions in expenditure to balance its budget. 	No specific scrutiny planned. Audit Scotland to monitor through the annual audit.
Use of resources – Financial management (Financial pressures)	No significant scrutiny risks	<p>The council continues to face significant challenges in matching expenditure commitments to available resources in 2010/11. The council is actively managing these challenges and has an action plan which is being closely monitored by senior officers.</p> <ul style="list-style-type: none"> • General fund deficit of £0.7 million for 2008/09. The council have determined that general fund balances held for contingencies as non earmarked reserves should be at a level of 3% of the revenue budget which equated to 	No specific scrutiny planned. Audit Scotland to monitor through the annual audit and review of the BV2 improvement plan.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>approximately £16 million for 2008/09 but only held £13 million at 31 March 2009. Action being taken in the 2009/10 onward budgets to address this issue.</p> <ul style="list-style-type: none"> • Specific pressures on social work budget identified and a budget recovery plan is being closely monitored. • Cuts in funding of at least 12% in real terms predicted for next three years. Estimated £47 million gap in 2011/12 and 2012/13 budgets. Savings of £11 million already agreed leaving £36 million still to be identified. Reductions to some front line services are expected as a result of the financial position. • Reductions to the ECS budget could impact on capacity to improve school estate and quality of educational functions and the ability to deliver reduced primary class sizes. 	
<p>Use of resources – Asset management</p>	<p>No significant scrutiny risks</p>	<p>A corporate asset management policy has been in place since November 2007. Progress is being made in important areas of asset management planning including rationalisation of property and accommodation, capturing property asset data and capital planning review.</p> <ul style="list-style-type: none"> • Extensive PPP2 project complete. • Some improvement in properties in poor condition and those not suitable for current use. • Broadly positive picture in relation to new additions to the schools estate but uncertainty about sustainability of this given the high number of schools in less than good condition. • Many schools in remote areas were built for bigger population. No impetus to renew these buildings and strong parental resistance to any closure of remote rural schools. Overall there are twice as many schools in poor condition than the national average. The service is 	<p>No specific scrutiny planned. Audit Scotland to monitor through the annual audit and review of the BV2 improvement plan.</p> <p>SHR to obtain a progress update on Scottish Housing Quality Standard compliance in 2010</p>

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
		<p>looking at radical reform of the school estate.</p> <ul style="list-style-type: none"> The council projects 20% of housing stock will meet SHQS by March 2010. 	
<p>Use of resources – Managing people</p>	<p>No significant scrutiny risks</p>	<p>Many aspects of a good workforce management system are in place but the pace of change has been slow and implementation of certain HR projects has been outstanding for a considerable time.</p> <ul style="list-style-type: none"> Staff surveys highlighted five corporate improvement themes – communication, personal development/training pay, terms and conditions and working arrangements, equipment and environment plus general theme of staff morale and motivation. Reduction in Teaching and Non-teaching staff absence and teaching staff returns from pre inspection questionnaires largely positive. Good employee relations and council actively seeks staff views on a regular basis. Improvements in pay, terms and conditions and working arrangements being made but pace of change has been slow particularly with legacy issues from former district and regional council structures that changed in 1996. Corporate approach to workforce planning and staff development but the integrated HR and payroll system (Resourcelink) introduced in 2003 for payroll is still awaiting full integration of its HR supporting functions. 	<p>No specific scrutiny planned. Audit Scotland to monitor through the annual audit and review of the BV2 improvement plan.</p>

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Use of resources – Procurement	No significant scrutiny risks	<p>There is good awareness of the issues around and importance of procurement and the council has an advanced procurement plan in place.</p> <ul style="list-style-type: none"> • Review of procurement function planned, formal training developed, supplier development roadshows being held and new reporting arrangements to Members being implemented. 	No specific scrutiny planned. Audit Scotland to monitor through the annual audit and review of the BV2 improvement plan.
Use of resources - ICT	No significant scrutiny risks	<p>The council makes good use of ICT to support and deliver services. The strategy for the future development of ICT is clearly linked to the council's objectives and restructuring.</p> <ul style="list-style-type: none"> • Number of shared services projects and initiatives with third parties and other local councils underway. • CareFirst IT system upgraded in September 2007 to give staff access to accurate and current information on child protection. • Schools have effective access to the Internet. • Data handling is not robust (data not fully encrypted on mobile storage devices). An action plan is in place to address this. • ICT procurement contract agreed in October 2009 but need to enhance the profile of information security by improving the awareness amongst all staff at all levels. 	No specific scrutiny planned. Audit Scotland to monitor through the annual audit.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Equalities	No significant scrutiny risks	<p>The council has implemented sound processes and structures to progress the equalities agenda</p> <ul style="list-style-type: none"> ▪ BV2 reports implementation of sound processes and structures to progress the equalities agenda. A single equality scheme expected by mid 2010. • Equality issues explicit in service plans and policies are monitored and screened for relevance on a quarterly basis. Regular performance and feedback on equalities to the management team and recognise that equality and diversity needs to be more embedded. • Significant improvement in disabled access to council buildings. • Top 2% of woman earners has risen. • Equality and diversity not routinely considered as a priority, nor actively championed by members as effectively as sustainable development. The equalities working group will focus more closely on improving the council's performance on equality issues. • Attainment for primary and secondary Looked After Children (LAC) resident at home is relatively poor and declining slightly in reading, writing, and maths. 	No specific scrutiny planned.

Corporate assessment area	Initial risk assessment	Evidence/rationale	What we plan to do
Sustainability	No significant scrutiny risks	<p>The council has well developed arrangements for promoting sustainability and can demonstrate good progress on outcomes in this area. The arrangements for promoting sustainability are considered to be an area of good practice.</p> <ul style="list-style-type: none"> • See <i>Safeguarding our Environment</i>. • BV2 reports well developed arrangements for promoting sustainability where the council can demonstrate good progress on outcomes. • Senior members and officers show commitment to sustainable development issues and good sustainable development performance information held. • Workforce actively involved in sustainability agenda through 'Green Ambassadors'. • Partnership approach to sustainable development via the Highland Environment Forum. • Reduction of 15% in energy consumption in council buildings in 2008/09 and target being reviewed. Carbon emissions also reduced. • Carbon Management Plan 2009-2012 recognises that achievement of targets requires investment to release potential cost savings. This will be challenging in the current economic climate. • Good delivery on the Eco-Schools Scotland initiative. 	No specific scrutiny planned.

Appendix 3

THE HIGHLAND COUNCIL ASSURANCE AND IMPROVEMENT PLAN 2010-13: SUMMARY OF SCRUTINY AND IMPROVEMENT

The AIP is a three year rolling programme.

2010-11 (Year 1)												
Scrutiny activity	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
SWIA – Prison based review (national scrutiny work)												
SHR focused regulatory work on the housing service												
Care Commission – Inspection of adoption and fostering service												
SWIA – Initial Scrutiny Level Assessment - the results of this will lead to further focused scrutiny dependent on the results of the risk assessment. (last quarter 2010)												

2011-12 (Year 2)	
Issues for scrutiny /improvement	Scrutiny bodies /council potential involvement
ISLA – link inspector contact and support for self evaluation	SWIA

2012-13 (Year 3)	
Issues for scrutiny /improvement	Scrutiny bodies /council potential involvement
ISLA – link inspector contact and support for self evaluation	SWIA