

The Highland Council

Assurance and Improvement Plan Update

2012–15

Introduction

1. The first Assurance and Improvement Plan (AIP) for The Highland Council was published in July 2010. That document set out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies.
2. The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.
3. The local area network met again in early 2011 to update the AIP for the period 2011-14. The AIP Update was published in June 2011.
4. This report is the result of the shared risk assessment which began in November 2011. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
 - The council's own performance data and self-evaluation evidence.
 - Evidence, including published inspection reports and other supporting evidence, gathered from Education Scotland, Social Care Social Work Improvement Scotland (known as the Care Inspectorate) and the Scottish Housing Regulator(SHR).
5. The outcomes of the most recent shared risk assessment are contained in this short report which summarises the LAN's risk assessments and proposed scrutiny responses. The Appendix sets out a timetable for proposed audit and inspection activity between April 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment.

Summary

6. As in previous assessments, no significant scrutiny risks were identified by the local area network (LAN) for The Highland Council in 2012. The Housing Service, which was previously assessed as uncertain scrutiny risk, has been assessed as having no significant scrutiny risks in 2012 as a result of the positive findings from the Scottish Housing Regulator's focused review.
7. The Care Inspectorate's 2011 ISLA risk assessment and scrutiny work concluded that it was too early to assess what impact plans to integrate health and social care services would have on outcomes for service users and so Social Work Services remain an area of uncertain scrutiny risk. Uncertain scrutiny risks also remains in relation to learning communities (Education, Culture & Sport Services), shifting the balance of care for older people from residential to homecare (Healthier Highland) and the ability of the council to maintain its financial position into the future given the scale of savings to be delivered by all councils (Financial Management). In 2012, the LAN also identified uncertain scrutiny risk in relation to the effectiveness of the council's new approach to self-evaluation (Challenge & Improvement) in delivering improved outcomes for service users. These areas of uncertain scrutiny risk will be kept under review by LAN members through the shared risk assessment process and the scrutiny activity set out in the following paragraphs.

National risk priorities

8. A number of core national risk priorities will be applied to all thirty two councils. These are:
 - **The protection and welfare of vulnerable people (children and adults) including access to opportunities: Uncertain scrutiny risk.** The council has recently established High Life Highland, an arms-length company, to deliver a range of council services, including adult learning services, and is currently working with NHS Highland to deliver social care services in a different way. It is too early to assess what impact these changes will have on service user outcomes and so this national risk priority has been assessed as uncertain scrutiny risk. Education Scotland have asked the council to provide a progress report on High Life Highland's provision of community learning and development services by 31 March 2012 to enable it to assess what, if any, additional scrutiny is required. A joint scrutiny review of the new arrangements for delivery of social care services will be undertaken by the Care Inspectorate and Audit Scotland in 2014/15.
 - **Assuring public money is being used properly: No significant scrutiny risks.** Assurance on the financial position of the council is obtained through the annual audit process conducted by Audit Scotland and best value reviews. Scrutiny of activities is undertaken by both members and officers and the council has an effective Audit and Scrutiny Committee which operates in line with accepted good practice.

- **How councils are responding to the challenging financial environment:** The council continues to be proactive in responding to the current financial environment but given the strategic uncertainty in this area the LAN has concluded that **financial outlook is an area of uncertain scrutiny risk**. No additional scrutiny work is planned for this area but Audit Scotland will continue to monitor the financial position of the council during the annual audit process.
 - There are **no significant scrutiny risks in the council's financial management processes**. Robust budgeting procedures in place, and the council has a good understanding of the financial challenges it faces, and been proactive in preparing financial plans to manage budget reductions.
9. The LAN is committed to engaging with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face and plans to meet the council in spring 2012. The LAN also plans to meet with the council during the autumn 2012 to discuss progress prior to the start of the 2013 SRA/AIP refresh process.

Areas of unchanged scrutiny risk assessments

10. This update focuses predominantly on those areas assessed as being uncertain or having significant scrutiny risk. However, in the interest of providing a broader view of the council's overall risk assessment, it is important to highlight those areas that were previously assessed as having no significant scrutiny risks which, based on the findings from recent inspection reports, annual audit work, performance reports and national data, continue to be so in the current year. These are:

Services Areas			
Transport, Environmental & Community Services	Planning & Development Services	Chief Executive's Services	Finance Services
Outcome Areas			
Sustainable Highland Communities	Safeguarding Our Environment	Competitive, Sustainable & Adaptable Highland Economy	Better Opportunities For All/Fairer Highland
Corporate Assessment Areas			
Vision & Strategic Direction	Leadership & Culture	Planning & Resource Alignment	Partnership Working & Community Leadership
Community Engagement	Governance & Accountability	Customer Focus & Responsiveness	Performance Management
Risk Management	ICT	Use of resources	Equalities
Sustainability			

11. The following comments relate to areas where the scrutiny risk assessment remains unchanged from the 2011/12 AIP Update.

Area	Scrutiny Risk Assessment	2012/13 Update
Service Areas		
Education, Culture & Sport (ECS)	No significant concerns except for learning communities which are assessed as uncertain scrutiny risk	There are no significant scrutiny concerns for this service area except for learning communities which are assessed as uncertain scrutiny risk. Education Scotland found a largely negative picture in the 10 inspections of learning communities completed as at November 2011, with 6 requiring follow up inspections. 3 of the 6 learning communities have recently been re-inspected with provision found to be satisfactory or better in each case. Education Scotland's joint working with the council, scheduled to take place in April 2011, was delayed until December 2011 due to the council's decision to establish an arms-length company (High Life Highland) to deliver a range of council services, including adult learning, leisure services, libraries and museums, in October 2011. Education Scotland has asked the council to provide a progress report on High Life Highland's provision of community learning and development services by 2 April 2012 to enable it to assess whether the improvements identified in recent inspections are continuing under the new management arrangements and what additional scrutiny is required. Audit Scotland plan to review High Life Highland's governance arrangements through the annual audit process.
Social Work Services	Area of uncertainty	The council is currently working with NHS Highland to deliver social work services in a different way. From 1 April 2012 the council will be responsible for children's services and NHS Highland for adult community care. The Care Inspectorate's 2011 ISLA risk assessment and scrutiny work concluded that it was too early to assess what impact these changes would have on outcomes for service users and so social work services remains an area of uncertain scrutiny risk. The LAN plans to undertake a joint scrutiny review of the new arrangements for delivery of social care services in 2014/15. The Care Inspectorate's 2011 report noted positive outcomes in a range of areas including: effective management and support of staff, effective risk assessment and risk management and significant improvement in the quality of partnership working, whilst highlighting the challenges associated with the current planning for integration of health and social care services. The report also noted further progress was required in areas such as self-evaluation and older people and mental health services. The council has developed an action plan to address the five recommendations made in the report. Progress against this action plan will be monitored by the Care

Area	Scrutiny Risk Assessment	2012/13 Update
		Inspectorate at quarterly Link Inspector meetings.
Outcome Areas		
Healthier Highlands	No significant concerns except for adult services which are assessed as uncertain scrutiny risk	There are no significant scrutiny concerns for this outcome area except for adult services where the Care Inspectorate's 2011 scrutiny work identified continuing concerns regarding the council's progress in shifting the balance of care for older people from residential to homecare. Adult services have, therefore, been assessed as uncertain scrutiny risk. Progress made in shifting the balance of care for older people will be monitored through quarterly Link Inspector meetings.
Corporate Assessment Areas		
Financial Management	No significant concerns except for financial position which is assessed as uncertain scrutiny risk	No scrutiny concerns have been identified within the council's financial management processes. The council has been proactive in preparing financial plans and identifying savings to reflect the reduced local government settlements. Given the scale of savings to be delivered by all councils, the ability of the council to maintain its financial position into the future has yet to be proven and so this is an area of uncertain scrutiny risk for the LAN. Audit Scotland will continue to monitor the financial position of the council through the annual audit process.

Changes to 2011/12 scrutiny risk assessments

12. The following table relates to scrutiny risk assessments that have been changed since the 2011/12 AIP Update.

Area	2011/12 Scrutiny Risk Assessment	2012/13 Scrutiny Risk Assessment	Reason for Change
Service Areas			
Housing & Property Services	Area of uncertainty for the Housing Service	No significant concerns	The Scottish Housing Regulator recently completed its inspection of the council's housing services. The inspection report was published in February 2012 and is generally positive. The council has a good understanding of its stock condition, and it is making progress towards the Scottish Housing Quality Standard 2015 and the 2012 homelessness requirements. No specific scrutiny is planned for 2012/13, although there are some issues the regulator may wish to follow up in 2013/14.

Area	2011/12 Scrutiny Risk Assessment	2012/13 Scrutiny Risk Assessment	Reason for Change
Corporate Assessment Areas			
Challenge & Improvement	No significant concerns	No significant concerns except for the impact of self-evaluation which is assessed as uncertain scrutiny risk	There are no significant scrutiny concerns for this corporate area. It is too early to tell how the council's new approach to self-evaluation will impact on outcomes for service users and so this area has been assessed as an area of uncertain scrutiny risk. The council has adopted the Public Sector Improvement Framework (PSIF) as its approach to self-evaluation, and commenced a 3-year rolling programme of PSIF reviews in 2011. As at 31 March 2012, six assessments were completed and had improvement plans in place, and six were underway. A further 16 assessments are planned for 2012/13 and 15 for 2013/14. Audit Scotland will review the council's evidence of the impact of self-evaluation on outcomes for service users through the annual audit process.

Review of 2011/12 scrutiny activity

13. The 2011/12 scrutiny plan was substantively completed in accordance with the timetable reported. The findings from this scrutiny work have informed the 2012/13 scrutiny risk assessment set out above.
14. The Care Inspectorate undertook a focused review of the council's social work service in May 2011, based on the results of the initial scrutiny level assessment (ISLA) completed in March 2011. The report of the review's findings was published in October 2011 and noted positive outcomes in a range of areas including: effective management and support of staff, effective risk assessment and risk management and significant improvement in the quality of partnership working. The report also highlighted the challenges associated with planning for integration of health and social care services, and noted that further progress required to be made in some areas such as self-evaluation and older people and mental health services. The council has developed an action plan to address the five recommendations made in the report. The Care Inspectorate plan to monitor progress made by the council in implementing its action plan through quarterly Link Inspector meetings.
15. The SHR undertook a focused review of the council's housing service, in October 2011, covering housing management, asset management and responsive repairs. The report setting out the findings from the inspection was published in February 2012.

16. Education Scotland was due to work with the council in April 2011. However, this was postponed following the council's decision to establish, in October 2011, an arms-length company (High Life Highland) to deliver a range of council services, including Community Learning and Development (CLD). In December 2011, Education Scotland worked with High Life Highland and Highland Council staff to develop their approaches to self-evaluation and planning for improvement, and to improve their understanding of outcomes. Education Scotland is arranging to meet with High Life Highland's Chief Executive and the Director of Education, Culture and Sport (ECS) to discuss further improvements required within CLD. These include the need for clearer strategic leadership of CLD, development and adoption by staff of a shared and coherent set of priorities, and clear arrangements for measuring and reporting on performance across the authority. Progress will continue to be reviewed at regular meetings of the Education Scotland District Inspector and Director of ECS.

Scrutiny plan changes

17. There are no changes to the scrutiny plans for 2012/13 and 2013/14 set out in the AIP 2011/14. The LAN has agreed to undertake a joint scrutiny review of the new arrangements for the delivery of social care services in 2014/15. The exact timing of this work will be discussed and agreed as part of the next shared risk assessment process. The scrutiny plan is attached at the Appendix.

Appendix - Scrutiny plan

Scrutiny activity in the shaded rows does not result from the shared risk assessment but is either at the request of the council eg supported self-evaluation work or national activity eg national follow-up work or work requested by Ministers.

THE HIGHLAND COUNCIL		2012-13											
Scrutiny activity year 1		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No additional scrutiny work identified													
Maintaining Scotland's Roads: follow up (Audit Scotland)													
Caithness Heat and Power follow up (Audit Scotland) Timing to be confirmed													
		2013-14											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No additional scrutiny work identified													
		2014-15											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved												
Review of new arrangements for delivery of social care services	Joint scrutiny activity by the Care Inspectorate, Audit Scotland and other relevant scrutiny bodies.												

Footnotes

- The focus of the AIP Update is **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 on-going throughout the period of the AIP. This will include, for example, school and residential home inspections.

- At the request of Scottish Ministers, the Care Inspectorate will lead a Joint Inspection of Children's Services in each local authority area in Scotland. These inspections will commence in 2012/13 starting with a development site in April/May 2012 and a cycle of inspection of services for children which will report publicly from Autumn 2012. The selection of local authority areas for inspection will be based on intelligence and risk and take account of the Shared Risk Assessment. LAN leads will be advised in due course.
- In addition, Audit Scotland will be working with scrutiny partners to pilot an approach to assessing the **delivery of outcomes by community planning partnerships**. Pilot sites will be confirmed with the LAN lead in due course.
- Audit Scotland undertake an annual rolling programme of **thematic performance audits**. The fieldwork sites are identified as part of the development of the scope for each individual audit. Fieldwork sites will be confirmed with LAN leads as each audit is developed.
- The **annual audit** of local government also comprises part of the baseline activity for all councils. In April 2008, the Accounts Commission agreed to a request from the Department for Work and Pensions (DWP) to take over the Benefit Fraud Inspectorate's responsibility for inspecting housing and council tax benefit (benefits) services in Scotland. As Audit Scotland has no inspection function, this '**benefits performance audit**' work has been incorporated into the annual audit of local government. The exact timing of the audits will be confirmed through the LAN lead.
- **Education Scotland**, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate the **Care Inspectorate** will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- Scrutiny bodies also reserve the right to make unannounced scrutiny visits.