

The Highland Council

Assurance and Improvement Plan Update 2013-16

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Introduction

1. The first Assurance and Improvement Plan (AIP) for The Highland Council (the 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 (SRA) undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies. The aim of the SRA 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 LAN met again in December 2010 and December 2011 to update the AIP. The last AIP update was published in May 2012 covering the period 2012-15.
2. This report is the result of the SRA which began in November 2012. The update process drew on evidence from a number of sources, including:
 - The annual report to the Controller of Audit and elected members for 2011/12 from the council's appointed external auditors.
 - The council's own performance data and self-evaluation evidence.
 - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
3. A timetable for proposed audit and inspection activity between April 2013 and March 2016 which reflects the revised and updated scrutiny risk assessment is set out in the Appendix.
4. Following feedback about the clarity of the SRA process we have amended our criteria to make it clearer what we mean. Our assessment criteria descriptions used last year have changed from 'significant concerns' to 'scrutiny required'; 'no significant concerns' to 'no scrutiny required'; and 'uncertainty' to 'further information required'.

Summary

5. As in previous shared risk assessments, no areas where additional scrutiny is required were identified by the LAN for The Highland Council in 2013.
6. The Housing Service, which was previously assessed as having no significant scrutiny risks, has been assessed as no scrutiny required except for homelessness where further information is required to enable the Scottish Housing Regulator (SHR) to fully understand the reasons for recent movements in the service's homelessness performance indicators. In order to obtain the information required, the SHR plans to ask the council to complete a Homelessness Inquiry submission and may undertake an onsite follow-up visit depending on the response received.
7. The LAN also reviewed the areas where there was uncertainty last year and concluded that further information is still required to reach a judgement in the following areas:
 - There is a lack of robust information on High Life Highland's provision of community learning and development services. This, together with continued risks identified in this area, means further information is still required to enable Education Scotland to reach a judgement in this area.
 - It is too early to assess what impact the new arrangements for delivering integrated health and social care services will have on outcomes for service users, and so social work services for both children and adult services remains an area where further information is required.
 - It is too early to assess the effectiveness of the council's approach to self-evaluation in delivering improved outcomes for service users and so this also remains an area, within Challenge & Improvement, where further information is required.
 - Further information is also still required about self-evaluation in schools and nurseries (Education, Culture & Sport Services), and shifting the balance of care for older people from residential to homecare (Healthier Highland).
8. These areas 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 risks

9. Local councils are operating within a context of significant change as a result of the challenging financial environment and the public service reform agenda, including the review of community planning, health and social care integration, police and fire reform, college regionalisation, and welfare reform. The Local Government Scrutiny Co-ordination Strategic Group is currently considering how audit and inspection arrangements should collectively respond to these significant strategic developments, recognising the increasing importance of partnerships, and outcomes for Scotland's public services.

10. A number of core national risks are applied to all thirty two councils. These are:

The protection and welfare of vulnerable people (children and adults) including access to opportunities:

11. At the request of Scottish ministers, the Care Inspectorate is developing a model of joint inspection of children's services in Community Planning Partnership (CPP) areas in Scotland, in co-operation with other scrutiny bodies (Education Scotland, Healthcare Improvement Scotland and HMICS). These inspections will focus on how well local public bodies (councils, the NHS, police, etc.) are working together to deliver effective outcomes for children and young people. Development work involving Angus Council took place in April/May 2012, and the programme of joint inspections, which will report publicly, began in the autumn 2012. The council is one of the councils scheduled to receive its children's services inspection in 2013/14.

12. In addition, the Care Inspectorate is working in co-operation with Healthcare Improvement Scotland to develop an approach to inspecting services providing care and health for adults drawing on its experience of implementing joint inspections of child protection and children's services. Development work involving a number of local authorities is underway and will continue into the early part of 2013. Following this, the Care Inspectorate will implement a programme of these inspections. Further details of the schedule will be confirmed in due course.

13. Subject to ministerial approval the Care Inspectorate, in partnership with the Association of Directors of Social Work (ADSW) and the Risk Management Authority (RMA) will undertake supported self evaluation across the 32 local authority criminal justice social work services during the latter part of 2013. This will look at the impact of the Level of Service Case Management Inventory (LSCMI), otherwise known as the national assessment and care planning instrument. This particular approach is one of a number of approaches the Care Inspectorate will use in its current and future scrutiny and improvement work in this area.

14. The SHR plans to carry out a thematic inspection into the outcomes that local authorities are achieving by delivering a Housing Options and Prevention of Homelessness approach. The SHR will carry out this thematic inspection during the first half of 2013/14. This is likely to involve fieldwork visits to a small sample of local authorities. The SHR is currently identifying

potential fieldwork sites and will be contacting those councils that it would like to visit in early 2013.

15. Last year, the council 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 integrate the delivery of social care services. It is too early to say what impact these changes will have on service user outcomes and so this national risk has been assessed as **further information required**.
16. Education Scotland plans to undertake some additional work on the provision of community learning and development services during 2013/14 due to the lack of robust information on the action being taken by the council and High Life Highland to address continuing concerns in this area. 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 or 2015/16.
17. Further information is also required to enable the SHR to fully understand the reasons for recent movements in the Housing Service's homelessness performance indicators. If the council is not one of the fieldwork sites chosen for the thematic inspection referred to above, the SHR plans to ask the council to complete a Homelessness Inquiry submission, with possible onsite follow up, to provide the Regulator with the additional information required.

Assuring public money is being used properly

18. Assurance on the council's financial management arrangements and controls is obtained through the annual audit process conducted by Audit Scotland, which forms part of the baseline scrutiny of all councils. The Highland Council has well established financial management arrangements, including robust budget management procedures, in place. 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. This, and the financial stewardship demonstrated by the council in previous years, enabled the LAN to conclude that **no scrutiny is required** for this national risk.

How councils are responding to the challenging financial environment:

19. Recognising the significance of the uncertain financial context within which councils operate, Audit Scotland produced 'Scotland's Public Finances: Addressing the Challenges' in August 2011. Follow-up work around the issues raised in the report will be undertaken in each council during 2013/14 to provide the Accounts Commission and the Auditor General for Scotland with evidence on the progress that public bodies are making in developing a strategic response to these long term financial challenges. In addition, a specific piece of work on Reshaping Scotland's public sector workforce will be undertaken in 2013/14.

20. The Highland Council continues to be proactive in responding to the current financial environment, showing a good understanding of the challenges it faces and preparing financial plans and identifying savings to reflect reduced government settlements. The council increased its funds and reserves by £1.9 million last year, and as at 31 March 2012, had an unallocated general fund balance of £23.5 million available to cover unexpected or unplanned events (£5.5 million in excess of its £18 million target). This enabled the LAN to conclude that ***no additional local scrutiny is required*** for this national risk other than continued monitoring through the annual audit process.
21. At the request of Scottish ministers, Audit Scotland has piloted an approach to auditing CPP and the delivery of local outcomes. The CPP audit model was tested during 2012/13 in three council areas (Aberdeen City, North Ayrshire and Scottish Borders). Following evaluation of the approach in early 2013, a number of CPPs will be audited during the second half of 2013/14. Audit Scotland will be contacting any likely audit sites in spring 2013.
22. The Equality and Human Rights Commission (EHRC) has commissioned a piece of work to assess the extent to which Scottish public authorities have complied with the specific duties of section 149 of the Equality Act 2010 during 2013. Analysis of public authorities' compliance with the duty to publish equality outcomes and employment information will be available later in 2013. The results of this activity will be reflected in future Shared Risk Assessment work.
23. The LAN is committed to maintaining its engagement with the council between now and the next SRA cycle and plans to meet with the council in Autumn 2013 to discuss progress made including how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face.

Areas that remain 'no scrutiny required'

24. This update focuses predominantly on those areas assessed as 'scrutiny required' and 'further information required'. 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 requiring no scrutiny 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:

Area	Update
Service Areas	
Transport, Environmental & Community Services	The overall percentage of the road network that should be considered for maintenance has improved as has the long term trend which is better than the national average. Costs of collecting and disposing of refuse are amongst the highest in Scotland but this is to be expected in rural areas. Recycling/composting rates are good and the cleanliness index is very high.
Planning & Development Services	Planning application indicators all demonstrate middling, improving but slightly poorer performance than the Scottish average.
Chief Executive's Services	During 2011/12 the council continued to make good progress in delivering the commitments set out in its 2008-12 Corporate Plan, Single Outcome Agreement and Best Value Improvement Plan.
Finance Services	There are robust, well established financial management processes in place with regular budget monitoring and reporting to Committees throughout the financial year. Invoices are paid quickly, and the cost of administering benefits is reducing but the cost of collecting council tax has increased.

Area	Update
Outcome Areas	
Sustainable Highland Communities	Highland continues to rate highly as a place to live with a consistent trend of above 90% of residents who view their neighbourhood or community positively as a place to live.
Safeguarding Our Environment	Carbon emissions and the amount of waste sent to landfill demonstrate short and long term improvements. All Eco school award indicators targets were significantly exceeded.
Competitive, Sustainable & Adaptable Highland Economy	The overall and disabled people employment rates are high and improving in the short term and while weekly earnings are lower than the Scottish average, the proportion of people who are income deprived is better than the Scottish average.
Better Opportunities For All/Fairer Highland	Fuel poverty and gender pay gap outcome information indicate a worsening long and short term trend, from a relatively low baseline position. However, "access to service indicators" show a more positive picture with improved engagement and participation with the Citizens Advice Bureau and leisure activities.
Corporate Assessment Areas	
Vision & Strategic Direction	In June 2012 the council agreed its programme for 2012-17 "Working Together for the Highlands".
Leadership & Culture	There is strong managerial and political leadership in the council with an effective administration and opposition.
Customer Focus & Responsiveness	The council undertakes an annual performance survey to seek the views of its customers. Overall, the 2012 performance survey results were positive with 83% of respondents satisfied with council services and 90% finding it easy to contact the council.

Area	Update
Partnership Working & Community Leadership	Community planning structures are well developed at strategic, thematic and local levels with appropriate political, official and community representation on each. The Single Outcome Agreement is regarded as the improvement plan for public services in the Highlands and has the support of all partners.
Community Engagement	Effective community engagement is achieved through the council's ward structures and special interest forums. Along with its community planning partners, the council has adopted the national standards for community engagement.
Governance & Accountability	The council has effective governance arrangements in place. Each year it assesses its own corporate governance against the CIPFA/SOLACE framework "Delivering Good Governance in Local Government" and reports the results in its financial statements in the Corporate Governance Assurance Statement.
Performance Management	The council's performance management framework is robust and integrated with service planning and delivery.
Planning & Resource Alignment	A sound planning framework is in place with strategic priorities cascading down to operational plans and budgets.
Risk Management	The council has effective risk management arrangements in place. Every six months, the Audit & Scrutiny Committee review all corporate and cross cutting risks.
ICT	The council's information systems are provided by Fujitsu Services as part of a five year contract that commenced on 1 April 2010. Whilst there have been issues relating to Fujitsu's compliance with their contractual obligations, the majority of the required corrective actions have been completed.

Area	Update
Use of Resources	The council has robust, well established financial management processes in place with regular budget monitoring and reporting to Committees throughout the financial year. The council has adopted a strategic approach to property asset management. Rationalisation of the council's property portfolio in 2011/12 generated capital receipts, and reduced running costs as well as having a positive impact on carbon emissions and climate change targets. The 2012 staff survey results were generally positive, with overall job satisfaction at 67% (an increase from 64% in 2010).
Equalities	The council has embedded equality considerations in its processes and decision making. Progress is being made towards meeting the new public sector equality duty required by April 2013.
Sustainability	Progress continues to be made in a number of areas including carbon emission and landfill targets.

Areas that remain 'scrutiny or further information required'

25. The LAN identified that, in common with the SRA last year, further information is required in the following areas:

Area	Scrutiny Risk Assessment	2013/14 Update
Service Areas		
Education, Culture & Sport	No scrutiny required except for learning communities and self-evaluation which are assessed as further information required	No scrutiny is required for this service area except for learning communities and self-evaluation which are assessed as further information required. The council submitted a progress report on High Life Highland's provision of community learning and development services in April 2012, and Education Scotland also met with senior management of the council and High Life Highland, during 2012, to discuss areas of concern and to provide support. The council agreed to provide a further progress report on the provision of community learning and development services and this was received on 1 February 2013. The LAN concluded, however, that due to the lack of robust information on the action being taken by the council and High Life Highland, along with the continued risks in this area, further information is required in this area. The Service acknowledges that self-evaluation in schools and nurseries requires improvement, and has developed an improvement plan. Support is being provided by Education Scotland's Area Lead Officer who continues to monitor progress in this area.
Social Work Services	Further information required	From 1 April 2012, the council and NHS Highland have been working together to provide integrated social work services. Governance arrangements have been established and performance management frameworks developed for both adult

Area	Scrutiny Risk Assessment	2013/14 Update
		<p>and children's services. Work is currently ongoing to develop shared support services and to redesign services in a more integrated way. The LAN concluded that it was still too early to assess what impact these changes will have on outcomes for service users and so social work services remains an area where further information is required. The LAN plans to undertake a joint scrutiny review of the new arrangements for the delivery of social care services in 2014/15 or 2015/16. In addition, Audit Scotland will review the governance and internal control arrangements as part of the 2012/13 annual audit.</p> <p>The Care Inspectorate's 2011 report noted positive outcomes in a range of areas including significantly improved partnership working, but also highlighted further progress was required in areas such as self-evaluation and older people and mental health services. The council developed an action plan to address the five recommendations made in the report and progress against this is currently being monitored through quarterly Link Inspector meetings. These meetings show that good progress is being made against the agreed actions.</p>

Area	Scrutiny Risk Assessment	2013/14 Update
Outcome Areas		
Healthier Highlands	No scrutiny required except	No scrutiny is required for this outcome area except for adult services where the Care Inspectorate's

Area	Scrutiny Risk Assessment	2013/14 Update
	<p>for adult services which are assessed as further information required</p>	<p>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 are currently evolving as part of the integration project with NHS Highland and so adult services continue to be assessed as an area where further information is required. Progress made in shifting the balance of care for older people will continue to be monitored through the Care Inspectorate's quarterly Link Inspector meetings.</p>
<p>Corporate Assessment Areas</p>		
<p>Challenge & Improvement</p>	<p>No scrutiny required except for the impact of self-evaluation which is assessed as further information required</p>	<p>No scrutiny is required for this corporate area except for the impact of self-evaluation where it is still too early to tell how the council's approach will impact on outcomes for service users. As at 31 December 2012, 12 Public Sector Improvement Framework (PSIF) reviews had been completed from the council's 3 year rolling programme. The impact of these reviews on outcomes for service users will not be known until the second round of PSIF reviews commences in 2015/16.</p>

Areas with changed assessments

26. The following table details the scrutiny risk assessments that have been changed since the 2012/13 AIP Update:

Area	2012/13 Scrutiny Risk Assessment	2013/14 Scrutiny Risk Assessment	Reason for Change
Service Area			
Housing & Property Services	No significant concerns	No scrutiny required except for homelessness which is assessed as further information required	No scrutiny is required for this service area except for homelessness which is assessed as further information required. The Scottish Housing Regulator's 2012 inspection report was generally positive about the council's housing services, but recent homelessness performance indicators indicate this is an area where further information is required to enable the Regulator to fully understand the reported position. As noted above, the Regulator plans to undertake a thematic inspection of homelessness in 2013. The council may be included as one of the fieldwork sites, or alternatively be asked to complete a homeless inquiry submission, with possible onsite follow up, to provide the Regulator with the additional information required.

Area	2012/13 Scrutiny Risk Assessment	2013/14 Scrutiny Risk Assessment	Reason for Change
Corporate Assessment Area			
Financial Management	No significant concerns except for financial position which is assessed as uncertain scrutiny risk	No scrutiny required	No additional local scrutiny is required for this corporate assessment area. The council continues to be proactive in preparing financial plans and identifying savings to reflect the reduced local government settlements and was in a relatively strong financial position as at 31 March 2012. Audit Scotland will continue to monitor the financial position of the council through the annual audit process, and by completing follow up work around the issues raised in the Scotland's Public Finances: Addressing the Challenges report published in August 2011.

Scrutiny plans

27. The 2012/13 scrutiny plan was partly completed in accordance with the timetable reported:
 - A follow-up review of progress made by the council in addressing the recommendations included in Audit Scotland's national *Maintaining Scotland's road's: a follow up report* was completed, and reported, in June 2012. This found that although the council had prepared a high level action plan to address the national report's recommendations, progress against it was not being reported to elected members. In response to the local report, an update on progress made and a revised Road Asset Management Plan was presented to the Transport, Environmental & Community Services Committee in September 2012. In addition, the council continues to refine its systems to enable reporting of roads maintenance performance data and improve the quality of information held for transport infrastructure assets on its roads asset management database
 - The follow-up review of Caithness Heat and Power (CHAPS) was not completed as planned and so has been included in the scrutiny activity for 2013/14.
28. The updated scrutiny plans are attached at the Appendix. There are two other changes to the scrutiny plan for 2013/14 set out in the AIP 2012/15:
 - Education Scotland plans to review the council's arrangements for the provision of community learning and development services.
 - The SHR plans to ask the council to complete a Homelessness Inquiry submission and may undertake an onsite follow-up visit.
29. In addition, the exact timing of the joint scrutiny review of the new arrangements for the delivery of social care services, originally planned for 2013/14, has yet to be agreed but is currently included as part of the local scrutiny for 2014/15. No additional scrutiny work is currently planned for 2015/16.
30. The following areas of national follow-up or work requested by ministers have been included in the updated scrutiny plans:
 - 'Scotland's Public Finances: Addressing the challenges' (Audit Scotland: year 2013/14).
 - Reshaping Scotland's public sector workforce (Audit Scotland; year 2013/14).
 - Supported self evaluation of the impact on quality of the newly introduced national assessment and care planning instrument (LSCMI) in local criminal justice social work services (Care Inspectorate; year 2013/14).
 - Joint inspection of Children's Services (Care Inspectorate; year 2013/14).
 - Housing and Council Tax Benefits Performance Audit (Audit Scotland; year 2013/14).

Appendix 1

National scrutiny activity 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	2013-14											
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Community Learning and Development (Education Scotland)		X	X									
Homelessness Inquiry Submission and possible onsite follow up (Scottish Housing Regulator)					X	X						
National or supported self evaluation work year 1												
'Scotland's Public Finances: Addressing the Challenges' follow up (Audit Scotland)		X										
Audit Scotland - Reshaping Scotland's public sector workforce	X											
Supported self-evaluation of the impact on quality of the newly introduced national assessment and care planning instrument (LSCMI) in local criminal justice social work services (Care Inspectorate) - timing to be confirmed												
Joint inspection of children's services (Care Inspectorate)							X	X				
Housing Benefits Performance Audit (Audit Scotland)						X						

The Highland Council	2014-15												
Scrutiny activity year 2													
Review of new arrangements for delivery of social care services - timing to be confirmed													
National or supported self evaluation work year 2													
No national work planned													

The Highland Council	2015-16											
Scrutiny activity year 3												
No local scrutiny work planned												

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 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. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. Education Scotland, through the Area Lead Officer, 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.

