

Midlothian Council

Assurance and Improvement Plan

2014–17

Contents

Midlothian Council	1
Contents	2
Introduction	3
Summary	5
Planned scrutiny activity.....	6
Local priorities and public service reform	8
Community planning and Single Outcome Agreements.....	8
Police and fire	8
Health and social care integration	9
Welfare reform	10
Corporate assessment	11
Service performance	18
Improving and transforming public services/public performance reporting	20
Appendix 1: Scrutiny plan	22

Introduction

1. This Assurance and Improvement Plan (AIP) sets out the planned scrutiny activity in Midlothian Council between April 2014 and March 2017. The AIP is based on a shared risk assessment undertaken by a local area network (LAN). There is a LAN for each council, comprising representatives of all the scrutiny bodies who engage with the council. The aim of the shared risk assessment process is to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period.
2. This is the fifth AIP for Midlothian Council since the introduction of the shared risk assessment process.¹ It is the result of the shared risk assessment which began in October 2013. The process drew on evidence from a number of sources, including:
 - the annual report to the Controller of Audit and elected members for 2012/13 from the council's appointed external auditors, Grant Thornton
 - evidence gathered from Audit Scotland, Education Scotland, the Care Inspectorate, the Scottish Housing Regulator and Her Majesty's Inspectorate of Constabulary for Scotland (HMICS) (including published inspection reports and other supporting evidence)
 - the Single Outcome Agreement (SOA) and associated development plan for the council area
 - the council's own performance data and self-evaluation evidence
 - analysis of data from the SOLACE/COSLA/Improvement Service Local Government Benchmarking Framework.²
3. The shared risk assessment process was reviewed in 2013, in the context of a significantly changed scrutiny landscape and the evolving public service reform agenda.³ Based on the findings of the review, this year's shared risk assessment focused on identifying the council's current position in implementing the Scottish Government's reform agenda. It also placed more emphasis on scrutiny risk in relation to the council's improvement and transformation agenda. This change in approach is reflected in the structure of the AIP for 2014-17, which covers four areas:
 - local priorities and public service reform
 - corporate assessment
 - service performance
 - improving and transforming public services/public performance reporting.

¹ Assurance and Improvement Plans for each council since 2010 are available on the Audit Scotland website: <http://www.audit-scotland.gov.uk/work/scrutiny/aip.php>

² The indicators used in the framework can be found on the Improvement Service website: <http://www.improvementservice.org.uk/benchmarking/>

³ The review of the shared risk assessment process was one of four work streams taken forward by the Strategic Group for Local Government Scrutiny Co-ordination during 2013.

4. Scrutiny risk is assessed against the following criteria:
 - No scrutiny required - there are no significant concerns, so no scrutiny work is necessary.
 - Scrutiny required - there are concerns about performance, services or outcomes, resulting in the need for scrutiny work.
 - Further information required - there is insufficient information to reach a judgement about performance.
5. The National Scrutiny Plan for 2014/15 is available on the Audit Scotland website. It provides a summary of planned scrutiny activity across all councils in Scotland, based on the AIPs for each council.

Summary

6. Overall, Midlothian Council continues to perform well in most areas. However, the council remains in an ongoing and challenging process of development involved in the implementation of its Business Transformation change programme and not all targets have been met. There have been changes to the Corporate Management Team and this has improved management capacity but this is still relatively new. There continues to be ongoing political change in the council with changes in leadership of key posts in the SNP-Independent administration.
7. The new Single Outcome Agreement (SOA) 2013-23 is informed by a clear strategic assessment of Midlothian based upon solid evidence and extensive engagement with stakeholders to endorse the local priorities. The council and its community planning partners continue to focus on three priorities: economic growth and business support, positive destinations, and early years (including reducing child poverty) which reflect national priorities. While this focus continues to meet Midlothian's context, particularly in its more disadvantaged communities, the LAN notes that there is a need to sharpen the focus on reducing inequality through preventative approaches, to improve budgeting at neighbourhood planning level and to continue to ensure that performance reporting structures are aligned to meet these purposes. Alongside the SOA, Midlothian and its' partners are developing structures to address public sector reform. New partnerships are being developed to address health and social care integration, police and fire and welfare reform.
8. In terms of the results of scrutiny activity over the year, this has also been mixed. The publication of the Best Value audit in June 2012 recognised the progress made by the council up to that point in time. The council continues to demonstrate improvements in performance against the majority of service areas, but at the same time, some outcome indicators within the SOA continue to present a challenge to the council and its partners.
9. The recent inspection of children's services found that there was a high degree of commitment at all levels to improving the lives of children, young people and families. Services were having a largely positive impact on children, young people and families in Midlothian. This improvement aligns closely with the focus of the SOA and is further testimony to an ongoing improvement journey in children's services.
10. The Best Value audit also recognised that there were a number of areas that required further improvement. The council has not continued to make progress in all of the areas identified in the Best Value Audit of 2012. As a result, the LAN will continue to monitor the outcomes for service users over this year through the work of the external auditor and will undertake targeted Best Value follow-up activity in 2014.
11. There is a need to ensure that Corporate Governance and Accountability provides effective scrutiny of change processes such as the Business Transformation Plan in what has been a period of change in both the political administration of the council and in key political posts since the original Best Value Audit in 2012. This will be a focus area for Best Value follow-up

activity. There are a number of key challenges relating to areas such as Financial Planning, People Management and Efficiencies if crucial and planned savings are to be achieved. The lack of a robust and agreed plan for bridging potential budget shortfalls, and uncertainty over the impact of welfare reform, present a significant risk to the council's financial sustainability. These savings are central to council achieving its objectives under the Business Transformation Programme and how it delivers services. Progress in these areas has been mixed. These will also be focus areas for Best Value follow-up activity.

12. There is further work required to improve positive destinations for school leavers and educational attainment and this will be addressed by the council with Education Scotland as part of their Local Partnership Agreement. The council will continue to work with the Scottish Housing Regulator (SHR) to further improve aspects of housing services.
13. The Care Inspectorate, in partnership with the Association of Directors of Social Work and the Risk Management Authority, has been undertaking supported self-evaluation activity to assess the initial impact of the introduction of the assessment and case planning instrument LS/CMI across Scotland's criminal justice social work services. This activity started in June 2013 and will conclude with the publication of a national report by May 2014. Action plans arising from this activity will be implemented in 2014

Planned scrutiny activity

14. There is no further planned specific scrutiny activity in the period 2014-17, other than the Best Value 2 follow-up scrutiny in mid-2014. This will be focused and targeted scrutiny activity that will focus on progress made in the council's Transformational Change Programme. The LAN recognises the council's ongoing commitment to continuous improvement. There continues to be very strong commitment from officers and elected members to improving the work of the council. The council continues to extend and embed its approach to corporate self-evaluation. The individual audit and inspection agencies and the external auditor will continue to work with the council to provide support and challenge as appropriate. The LAN proposes to now develop its work with the council to support and extend self-evaluation.
15. Education Scotland will be reviewing the quality of Careers Information Advice and Guidance services delivered by Skills Development Scotland across all council areas over the next three years.
16. Care Inspectorate and Education Scotland will monitor the Action Plan from the children's services inspection
17. Audit Scotland will carry out a housing benefit risk assessment during the second quarter of 2014/15.
18. There is some scrutiny activity planned across councils in 2014/15, but where scrutiny bodies are yet to determine which specific council areas will be included. This includes the following:
 - The SHR recently carried out a thematic inquiry into the outcomes that councils are achieving by delivering housing options and prevention of homelessness services. A sample of councils were selected to take part in this as case studies. The findings from

this work could potentially lead to further engagement with some councils. The SHR will carry out further thematic inquiries between 2014/15 and 2015/16. If a council is to be involved in a thematic inquiry the SHR will confirm this with the council and the appropriate LAN lead. This may change as we get closer to publication.

- HMICS will be inspecting local policing across Scotland over the next three years. This will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. The geographic areas to be inspected during 2014-15 have yet to be determined. This may change as we get closer to publication.
 - Education Scotland will continue to engage with councils for the purpose of validated self-evaluation (VSE). The scheduling of VSEs will be arranged by negotiation between Education Scotland and individual councils.
 - Education Scotland will be working in partnership with councils to carry out self-evaluation of education psychology services over a two year period beginning in 2014/15.
19. Audit Scotland will follow up two national studies at a local level during 2014. This will involve a targeted review of *Arm's-length external organisations (ALEOs): are you getting it right?* (June 2011) in April 2014 and *Major capital investment in councils* (March 2013) in June 2014 (stage 1) and November 2014 (stage 2). Audit Scotland will also carry out a programme of performance audits during the period of this AIP that will involve work with councils. The performance audit programme for 2014/15 is available at <http://www.audit-scotland.gov.uk/work/forwardwork.php?year=2014>.
20. Scheduled audit and inspection work will take place through the annual audit process and the ongoing inspection of school and care establishments by Education Scotland and the Care Inspectorate respectively will continue as planned. The individual audit and inspection agencies will also continue to monitor developments in key areas of council activity and will provide support and challenge as appropriate. This will also help to inform future assessment of scrutiny risk.
21. A timetable for the planned audit and inspection activity in Midlothian Council between April 2014 and March 2017 is at [Appendix 1](#).

Local priorities and public service reform

22. Local councils are operating within a context of significant change as a result of the challenging financial environment and the public service reform agenda. The Scottish Government's reform agenda emphasises the importance of place, people, partnership, prevention and performance in public services. This year's shared risk assessment identified the council's current position in implementing the Scottish Government's reform agenda, specifically in relation to:
- community planning and new Single Outcome Agreements
 - police and fire oversight arrangements (following the introduction of new national police and fire services)
 - health and social care integration
 - welfare reform.

Community planning and Single Outcome Agreements

23. The Midlothian Community Planning Partnership (MCP) has chosen to continue to focus on three of the national priorities: economic growth and business support, positive destinations, and early years (including reducing child poverty). These outcomes and indicators are structured over two time periods – a medium-term three year span and a longer-term ten year period. Each of the supporting partnerships has identified outcomes and short-term priorities for 2013/14. These priorities are outlined in broad matrices which link the one year priorities and actions to the medium or long term indicators. Progress towards achieving these is ongoing and there is a mixed picture, with recent scrutiny providing some positive results in early years, while changes to welfare reform present Midlothian with challenges in maintaining employment, recovery and growth. Midlothian is establishing thematic partnerships to monitor progress but the LAN notes that there is a need to adapt MCP systems to ensure a tighter and more preventative focus to the existing performance framework. This will assist resource planning and allocation, particularly in the more disadvantaged communities within the council area.

Police and fire

24. The Midlothian Safer Communities Board, encompasses the strategic remit of the Community Safety Partnership, in addition to the statutory remits involving the police and fire and rescue services. There are well established multi-agency delivery groups responding to a range of anti-social behaviours. The Community Safety Partnership adopts a balanced approach taking action against perpetrators of antisocial behaviour, including not only enforcement but also prevention, early intervention and support measures. The Safer Communities Board has met regularly since its formation and strong local working arrangements have been maintained

and enhanced, but it is too early to comment on the effectiveness of scrutiny from the committee.

25. HMICS conducted a thematic inspection of the new arrangements for local scrutiny in 2013 and believe that the new arrangements for local scrutiny and engagement (LSE) require more time to bed in and that it is therefore too early to assess the effectiveness of these arrangements.
26. In relation to the wider issue of the delivery of community safety, HMICS has seen no significant changes to partnership arrangements since the creation of a single police service model for Scotland. HMICS is considering community safety as a possible area of focus within its 2014-17 work plan.
27. Fire reform is also still at an early stage and HM Fire Service Inspectorate (HMFSI) has not as yet undertaken any detailed examination of the way in which community safety and engagement activities are delivered across local authority areas in Scotland. HMFSI published *An Overview of the Scottish Fire and Rescue Service (SFRS)* in 2013. In its report, HMFSI highlighted that local senior officers (LSOs), who have responsibility for overseeing partnership working with local authorities in the delivery of community safety and engagement, are clearly sighted on their responsibilities and are keen to make local partnerships work in an effort to optimise community outcomes.
28. The SFRS is consulting on a suite of local fire and rescue plans. HMFSI is not currently proposing any specific scrutiny on local planning and consultation processes, but may consider this in its future inspection plans.

Health and social care integration

29. The Public Bodies (Joint Working) (Scotland) Bill was introduced by the Scottish Government in May 2013. The Bill aims to ensure that the health and social care systems work together to improve outcomes for people by providing consistency in the quality of services, ensuring people are not unnecessarily delayed in hospital and maintaining independence by creating services that allow people to stay safely at home for longer. Arrangements for how services will be delivered are determined by councils and health boards based on what they believe is the best way to meet the care needs of their local populations.
30. A new shadow board has been set up by Midlothian Council and NHS Lothian aiming at providing improved integration of social care and health services and is making good progress. The new Health and Social Care Partnership is firmly embedded in the Community Planning Partnership with the Shadow Board assuming responsibility for the Adult Health and Care Thematic Group. The primary responsibility of the Shadow Board will be to develop and deliver strategic commissioning plans for health and community care, including key strategic issues as addressing health inequalities. The new shadow board was established in April 2013 and will run until April 2015, at which point it is planned to become fully operating and take over the management and budget for health and social care services in Midlothian. A joint director has been appointed and a joint health and social care management team has

been established. This is likely to be a Corporate Body. In addition, work is under way with the Scottish Health Council to strengthen approaches to user/carer engagement. Work has progressed on the development of the joint strategic commissioning plan and a strategic issues consultation will be published in April as part of the consultation process for the new strategy. Integrating social and health services should lead to a more joined up approach to the care individuals receive in Midlothian.

Welfare reform

31. Welfare Reform presents key challenges for the council given its social and demographic profile. This has potential impact on council budgets. The council's strategic response to welfare reform has been based on a preventative approach. Core actions have therefore included training for front line staff from the council, its partners and voluntary agencies. The council has also taken steps to strengthen welfare rights provision and money advice provision. The council has also focused on employability services and awareness.
32. A cross divisional Welfare Reform Working Group was established in June 2012 to plan for and mitigate the impact of welfare reform. A programme of activity has been developed and is being implemented across the council. The Improving Opportunities in Midlothian Community Planning thematic group has a programme of work to ensure that there is an effective and coordinated approach to the development of training and employment opportunities, approaches to tackling child poverty and the welfare rights service in order to mitigate the impact of welfare reform.
33. The council has allocated its former Fairer Scotland funding of £500,000 annually to identified services to mitigate the impact of welfare reform as well as multi agency advice and support services and partnership working with local church and third sector groups. This investment has been supplemented by additional funding from the Big Lottery to strengthen the response locally to individuals experiencing hardship as a consequence of welfare reform. In 2013-14, the SHR surveyed social landlords and published findings on the early impact of welfare reform on rent arrears. It will continue to gather information on rent and arrears through the annual return on the Scottish Social Housing Charter in order to monitor the impact of welfare reform on social landlords and their tenants. The LAN will monitor this area through 2014.

Corporate assessment

34. The following table provides an assessment of scrutiny risk relating to the council's management arrangements (including how it is meeting its Best Value obligations).⁴

Area	Risk assessment	Current position	What we plan to do
Leadership and direction How the council's vision is designed around its knowledge of its local communities and how this is translated throughout all the council's plans and strategies.	No scrutiny required	Midlothian Council has continued to maintain and build upon its previous approaches in the MCPP. There is a strong and effective approach to understanding the communities of Midlothian, based around comprehensive data collection and engagement with stakeholders and communities. There is an increased focus on key localities in council plans and strategies. The recent inspection of children's services noted positive progress in the overall direction of travel with regard to a key priority in early years. The council is further developing and extending its approaches to business transformation. The council has recently concluded a review of the leadership structure. As a result, the number of heads of service has fallen from ten to eight. The review supports revised structures, including integrated service support, in line with the Transformation Strategy. The LAN will continue to monitor this area through the activities of the external auditor.	No specific scrutiny activity
Governance and	Scrutiny required	Since local government elections in May 2012 the council's	BV audit follow-up, focusing

⁴The Local Government in Scotland Act 2003. Best Value Guidance, Scottish Executive, 2004.

Area	Risk assessment	Current position	What we plan to do
<p>accountability</p> <p>Whether governance arrangements are working effectively and whether good governance underpins council decisions and supports performance improvement.</p>		<p>political leadership has undergone some changes in terms of key portfolio holders. Key policies and priorities are in place through the Single Midlothian Plan and the Business Transformation Programme and these are regularly reported upon and are adapted to fit with the emerging financial forecasts. The council reports on these on a regular basis, but there is a need to ensure that the focus of governance and accountability is maintained in what is a key transition period for the council.</p>	<p>on the effectiveness of the revised scrutiny arrangements</p>
<p>Community engagement and empowerment</p> <p>Whether the council is giving local people a greater say in local budget decisions and giving communities a right to challenge local public service delivery.</p>	<p>No scrutiny required</p>	<p>Community councils are in place and a Community Asset Transfer Policy is under consideration by the council. A review of community councils was developed in a co-productive manner and is now out for formal consultation. Community councils play a key role in neighbourhood planning and work in relation to capacity building is continuing.</p>	<p>No specific scrutiny activity</p>
<p>Financial management</p> <p>How effectively the council is planning and managing its budgets.</p>	<p>Scrutiny required</p>	<p>The council has identified a budget gap of £13.5m by 2016-17, equating to over seven per cent of the council's net cost of services. This gap and the uncertainty over the impact of welfare reform, present a significant risk to the council's financial sustainability. The council has not met its business transformation</p>	<p>BV audit follow-up, focusing on delivery of financial savings plans</p>

Area	Risk assessment	Current position	What we plan to do
		savings target. A revised transformation programme is being finalised and will be presented to the Business Transformation Steering Group for consideration together with a comprehensive update on investment and delivery to date. A financial strategy setting out the challenge ahead and incorporating revised council Transformation Programme targets and delivery plans was presented to council in February 2014. The strategy outlines savings from planned management reviews, supported by a time-limited and enhanced voluntary early release scheme, following a recent leadership restructure.	
People management The effectiveness of the council's workforce planning and management arrangements.	Scrutiny required	The council is refreshing its people strategy and a major area of challenge will be providing direction for managing the council's human resources. The council has recently completed a management re-structuring exercise, which has resulted in a reduction in head of service posts from 10 to 8. A management review is now underway to realign people resources with the service focus outlined in the Single Midlothian Plan. The management review is supported by a Voluntary Severance/Early Retiral scheme. This area will be a focus of the Best Value 2 follow-up as savings generated will be crucial to the achievement of the Business Transformation Programme	BV audit follow-up, focusing on the implementation of the organisational development strategy.
Asset management The council's arrangements for managing assets and	No Scrutiny required	The LAN considered a range of management documentary evidence and outcome data when making this judgement. During 2013 the Council's Effective Working in Midlothian (EWiM) strategy was progressed with the intention of maximising asset	The LAN will monitor this area in 2014 in conjunction with the council

Area	Risk assessment	Current position	What we plan to do
how this key resource is used to support effective service delivery.		(building) utilisation and closing residual buildings. This work is ongoing and the council has developed a medium term strategy with regard to officers and depots as shown in the supporting evidence reports provided. A further report on the medium to long term EWIM strategy was considered by council in March 2014 and this has the potential to generate significant savings. It is too early to assess the impact of this and the LAN will continue to monitor this area.	
Procurement How effectively corporate procurement contributes to the council maximising value for money in the goods and services it uses to deliver its services.	No scrutiny required	Midlothian PCA Scores demonstrate a steady increase over the last three years and at 60%, scores are now above national averages A new e-procurement system went live on the 4th November 2013, this will enable procurement staff to have real time detailed information on procurement spend. Contract compliance is achieved through goods and services orders being placed through awarded contracts, non-contract spend can be monitored and reported in real time. The use of community benefit procurement clauses is developing, to ensure local economic and social goals are supported through procurement. This work is in development and the LAN will continue to monitor this through the activities of the external auditor.	No specific scrutiny activity
Risk management The effectiveness of the council's arrangements	No scrutiny required	In February 2014, the Corporate Management Team approved a revised approach to risk management and a revised risk management strategy and policy.	No specific scrutiny activity

Area	Risk assessment	Current position	What we plan to do
for identifying, managing and mitigating risks and how its management of risk contributes to the successful delivery of public services.		The council's Corporate Management Team reviews and updates the corporate risk register on a quarterly basis. Revised risk management arrangements continue to be reviewed and embedded, and the LAN will therefore continue to monitor this through the activities of the external auditor	
Information management The effectiveness of the council's arrangements for managing information as a key resource in delivering services.	No scrutiny required	A significant amount of work has been done to improve procedures and practices and the LAN will continue to monitor this area. The council now has well established governance arrangements around information management.	No specific scrutiny
Joint working Progress with any significant shared services initiatives, in particular in relation to governance or pace of implementation.	No scrutiny required	The move away from the proposal to share educational services with East Lothian Council presents the council with new challenges. Senior management and elected members continue to view partnership working as important in delivering further value through shared resources with East Lothian. There are particular financial and management challenges, as the council's overall budget position in a difficult financial climate is finely balanced. Management are considering collaborative working arrangements for risk management, internal audit and emergency planning, with a similar model to health and safety expected. Partnership working	No specific scrutiny activity

Area	Risk assessment	Current position	What we plan to do
		<p>is also being taken forward in respect of trading standards, environmental health and public protection. Integration and collaboration of services will enable good practice to be shared as well as supporting the achievement of efficiencies.</p> <p>The council and its NHS partners responded quickly to the integrated health and social care proposals, and established a Midlothian Health and Social Care Partnership, including a Shadow Board from 1 April 2013. The council appointed a joint director of health and social work with NHS Lothian in August 2013.</p> <p>A range of workstreams have been established to improve joint working in areas such as the use of financial resources; organisational development; risk management and information systems.</p> <p>The LAN will continue to monitor this through the work of the external auditor.</p>	
<p>Efficiency</p> <p>How effectively the council is improving its efficiency in response to the budget challenges being faced.</p>	<p>Scrutiny required</p>	<p>The council's future model of service delivery recognises that the scale of the challenge ahead is too large for the council alone. Community planning arrangements remain a point of focus as a mechanism to improve economy, efficiency and effectiveness in service delivery. Transparent and robust data about the performance and risks associated with services, and the achievement of savings, will be critical to inform elected member decision-making. Financial discipline will also be critical during the period to 2016-17 and beyond. The LAN's view is that there is</p>	<p>BV audit follow-up focusing on efficiencies and delivery of savings plans</p>

Area	Risk assessment	Current position	What we plan to do
		scope for a greater role for the finance function, in challenging plans to be more ambitious where required, and in policing and monitoring the achievement of each project.	
<p>Equalities</p> <p>Whether the council is providing effective leadership of equalities and is meeting its statutory obligations.</p>	No scrutiny required	<p>The LAN considered a range of management documentary evidence and outcome data when making this judgement. The council approved the Midlothian Equality Outcome & Mainstreaming Report 2013 – 2017 on 14 May 2013 and will report on this in early 2015. The council is fully committed to equality of opportunity in relation to the planning and provision of goods and services, and as an employer of choice within Midlothian. However, its performance against key performance measures, while improving slowly is lower than national averages. The council has recently appointed a councillor as an equalities champion as part of its response to its new equalities duties.</p>	The LAN will continue to monitor this through the work of the external auditor

Service performance

35. The following table provides an assessment of scrutiny risk relating to the performance of the council's main inspected public services (education, social care services and housing) and non-inspected services (eg corporate services, culture and leisure services, environmental services).

Area	Risk assessment	Current position	What we plan to do
Education The quality of local education services and the resulting outcomes (including early years).	No scrutiny required	Educational services was a focus in the Best Value audit of 2012 when the council was seeking to improve educational services through sharing services with East Lothian Council. The move away from the proposal to share educational services with East Lothian Council presents the council with ongoing challenges as it seeks to re-develop education as a Midlothian service. Further progress is still required in a number of outcome areas such as positive destinations for Midlothian's school leavers and in educational attainment. Areas for support and challenge in 2014-15 are identified in the Education Scotland Partnership Agreement with Midlothian Council	Local Partnership Agreement with Education Scotland
Social care services The quality of local social work and care services and the resulting outcomes (including adult care, older peoples	No scrutiny required	A joint inspection report of children's services in Midlothian was published in January 2014. Overall, there was a improving picture of performance in the short and long term for the majority of social work indicators. A promising start had been made to involve staff at all levels in jointly reviewing the quality of their services. Partners now need to take a more systematic approach to joint self-evaluation to	The joint inspectors shall liaise with the Partnership to clarify the improvement actions and respective

Area	Risk assessment	Current position	What we plan to do
services, learning disability services, criminal justice services, mental health services, children and families).		improve their understanding of strengths and where further improvement is needed. Inspectors are confident that services will be able to make the necessary improvements in the light of the inspection findings.	monitoring arrangements in 2014/15.
Housing and homelessness The quality of housing and homeless services and the resulting outcomes.	No scrutiny required	The LAN considered inspection data and outcome data when making its assessment. Midlothian Council has been engaging positively with regulators over the past year and there have been improvements in its housing services. The council has addressed the serious weaknesses identified in housing services in the improvement plan and has succeeded in substantive elements of policy and cultural change while ensuring service delivery. The SHR has recognised that Midlothian Council housing services are now in a much improved position to face future challenges.	The SHR shall liaise with the council to clarify the monitoring arrangements in 2014/15.
Non-regulated services Particular strengths and challenges in the range of non-regulated services provided by the council, and any significant changes to performance.	No scrutiny required	Of the seven main areas, the council performs well, with performance levels that are slightly above average or in line with national averages. There are regular reports to councillors on performance and the council now needs to extend its self-evaluation approaches to non regulated services	No specific scrutiny activity

Improving and transforming public services/public performance reporting

36. The following table provides an assessment of scrutiny risk relating to how the council is improving and/or transforming public services, and the extent to which it is meeting its public performance reporting obligations under the Local Government in Scotland Act 2003.

Area	Risk assessment	Current position	What we plan to do
<p>Improving and transforming public services</p> <p>The council's arrangements for continuing to deliver services with reducing resources and growing demand, and what impact this is having on service outcomes.</p>	No scrutiny required	<p>The review of SPI data submitted to Audit Scotland found that performance was maintained or improved for the majority of the specified indicators. The council improved or maintained performance in 84% of the 45 statutory performance specified indicators. Key areas of improved performance include the council's progress against the Scottish Housing Quality Standard, linked to the significant housing capital programme. There were also improvements in the condition of the council's roads. The context for transforming council services is clearly set out in the Single Midlothian Plan, Council Transformation Strategy and service plans, including a Best Value Action Plan. The plans demonstrate a clear understanding of the financial challenges and demographic demands. The council has also set the policy and planning to take account of reducing resources and have been transparent in stating that transformation will not itself deliver the necessary savings. They clearly describe how the council will plan and deliver services in partnership against key MCPP themes and council priorities.</p>	No specific scrutiny activity

Area	Risk assessment	Current position	What we plan to do
<p>Public performance reporting (PPR)</p> <p>The progress that is being made by councils in meeting their PPR obligations.</p>	<p>No scrutiny required</p>	<p>Midlothian Council has an effective Planning and Performance Management Framework in place. Each service reports on its performance to the Performance Review and Scrutiny Committee on a quarterly basis. The council has adopted a range of standard indicators to allow comparisons and corporate results to be reported. The Midlothian Excellence Framework, which is based on the Public Service Improvement Framework model of self-evaluation, has not been rolled out across services in the way envisaged at the time of Audit Scotland's Best Value report in June 2012. The business transformation team commenced work to improve the council's approach to performance management to ensure it supports transformational improvement in service performance. This work is ongoing. The LAN, through the external auditor will review progress against performance management reporting within 2013-14. The LAN will seek to work with the council to build and support self-evaluation capacities within and across the council.</p>	<p>No specific scrutiny activity</p>

MIDLOTHIAN COUNCIL	2014/15
Education Scotland education psychology VSE (TBC)	

Note: The focus of the AIP is strategic scrutiny activity - that is, scrutiny activity which is focused at a corporate or whole-service level. However, there will also be baseline scrutiny activity ongoing at a unit level throughout the period of the AIP, 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 continue to regulate care services and inspect social work services in accordance their responsibilities under the Public Services Reform (Scotland) Act 2010.