

Orkney Islands Council

Assurance and Improvement Plan

2014–17

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Introduction

1. This Assurance and Improvement Plan (AIP) sets out the planned scrutiny activity in Orkney Islands 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 Orkney Islands Council since the introduction of the shared risk assessment process.¹ It is the result of the shared risk assessment which began in December 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
 - evidence gathered from Audit Scotland, Education Scotland, the Care Inspectorate, the Scottish Housing Regulator and Her Majesty's Inspectorate of Constabulary, 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. The overall scrutiny risk assessment of Orkney Islands Council is that of a low risk council which shows good self awareness and a positive response to external scrutiny bodies. Most areas of the council are assessed as requiring no specific additional scrutiny although there are some areas (governance arrangements, joint children's services and housing services) which require ongoing monitoring by scrutiny bodies.
7. In 2013, the council detailed its corporate priorities in its Corporate Strategic Plan 2013-2018, *Our Plan*. This document incorporates the objectives of the SOA tying these to the national outcomes as detailed by the Scottish Government. Towards the end of 2013, the council agreed a Change Programme designed to meet the financial pressures it faces. The Change Programme will also contribute to the SOA targets and is set to identify options for the budget reductions required, currently estimated at 11.4 per cent savings (or £9.1 million) over the four years to 2017/18. Efficiency savings in 2013/14, as the third and last year of its 2011-2014 budget constraint period, have been set at £1.135 million (overall savings of £7.383 million from 2011 to 2013).
8. The management and service restructure implemented in the previous year has bedded in during 2012/13. The council also prepared its first Annual Governance Statement in 2012/13. The process in place to gather and assess the information to be included in the statement was robust, although a number of weaknesses (amongst them management of the new council house build programme, Orkney Health and Care protocols, policies and procedures governing the use of information and out of date financial regulations) were identified. These are currently being addressed by the council within its performance management process and will be followed up as part of the annual audit work.
9. In May 2013, the Care Inspectorate reported on a joint children's services inspection carried out several months earlier. The report identified a number of weaknesses in the progress of integrated children's planning and the strategic direction of the joint service delivery partnership, Orkney Health and Care (OHAC). An action plan was prepared and agreed with the Care Inspectorate to address the areas identified.
10. In addition, 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 Orkney Islands Council's assessment was carried out in early 2014. This work will conclude with the publication of a national report by May 2014. Action plans arising from this activity will be implemented in 2014.
11. The Scottish Housing Regulator (SHR) has highlighted a dip in performance in some service areas, and has concerns about the lack of clear financial information in relation to the council's actual and anticipated expenditure in relation to the Scottish Housing Quality Standard (SHQS).

Planned scrutiny activity

12. The 2013-16 Assurance and Improvement Plan identified no specific scrutiny activity for the three year period starting 2013/14. As a result of this year's shared risk assessment process and taking into account already agreed work, the following specific scrutiny activity is planned:
 - Community Planning Partnership audit to be carried out during 2014 by Audit Scotland and its scrutiny partners.
 - A performance inquiry will be issued in order to gain assurance on the quality of the council's housing services and in relation to the financial aspects of the SHQS. Depending on the outcome of this the SHR may consider further on-site scrutiny.
13. Audit Scotland will also follow-up two national performance audits during 2014. This will involve targeted follow-up of *Arm's-length external organisations (ALEOs): are you getting it right?* (June 2011) and *Major capital investment in councils* (March 2013). 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>.
14. 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.
15. There is also some non-risk based scrutiny activity planned across councils in 2014/15. In some cases 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 was 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.
 - 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.
 - 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.

16. 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.
17. A timetable for the planned audit and inspection activity in Orkney Islands Council between April 2014 and March 2017 is at [Appendix 1](#).

Local priorities and public service reform

18. Local councils are operating within a context of significant change as a result of the challenging financial environment and the Scottish Government's public service reform agenda. The 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

19. Community planning is the process by which councils and other public bodies work together, with local communities, the business and voluntary sectors, to plan and deliver better services and improve the lives of people who live in Scotland. Community planning is therefore an important element of the public service reform agenda and there is a consensus that community planning partnerships should be one of the key drivers of change and improvement in local public services.
20. Orkney's Community Plan *Working together for a better Orkney* incorporates the Orkney SOA 2013-16. Where many local authorities have focused their 2013-16 SOA on two or three key priorities, Orkney's report links its targets and outcomes to each of the 16 original national outcomes. The feedback from the Scottish Government considered Orkney to have a good first draft SOA, providing a clear vision and expression of strategic needs for communities in Orkney. However, the feedback also highlighted a need to focus on priorities, to consider the value the Community Planning Partnership (CPP) can add strategically and the resources needed to meet the targets identified.
21. During 2014 an audit of Orkney's CPP will be carried out by Audit Scotland and its scrutiny partners. The overall aim of the audit will be to assess the effectiveness of community planning in making a difference to local communities. The audit fieldwork is planned for May 2014 with publication of the audit report scheduled for October 2014.

Police and fire

22. Following the reorganisation in 2013 resulting in a single Scottish police force and single fire and rescue service, the new arrangements for local scrutiny and engagement are gradually

taking shape. The council's scrutiny of police and fire services takes place at the Police and Fire subcommittee, attended by seven elected members (with partners and lay members in attendance).

23. 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.
24. 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.
25. 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.
26. 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

27. The CPP has a programme in place for working collaboratively called *Working together for better health*. This programme sets out a strategic framework for improving health in Orkney and has been developed in conjunction with Orkney Islands Council, NHS Orkney, Police Scotland and the third sector.
28. Orkney Health and Care (OHAC) is the integrated partnership between the council and NHS Orkney and has delegated responsibility for a range of health services, for the full range of social services functions and for joint planning arrangements. The post of executive director of OHAC has been vacant since the middle of 2013, and OHAC is now managed by two heads of service.
29. A joint children's services inspection, led by the Care Inspectorate, was carried out between November 2012 and January 2013 and reported in May 2013. The findings highlighted that, while front line services are being prioritised, management restructuring in OHAC partner organisations has contributed to a decline of strategic direction and actions on integrated children's services not being taken forward.

30. Although there has been no recent inspection of adult services, many of the issues identified in the area of governance and strategic planning during the children's services inspection may apply here as well as the strategic direction affects the OHAC partnership in its entirety.

Welfare reform

31. The council has assessed its risks exposure to welfare reform as significant, mainly due to inherent uncertainties in the welfare programme. A number of specific risks have been identified for the short, medium and longer term, particularly in the areas of vulnerable people, increasing arrears and reputational damage. The risks are included in the council's corporate risk register, the corporate services risk register and the housing risk register.
32. The financial reduction due to welfare reform in respect of benefits administered by the council has initially been assessed at £65,000 out of a total housing benefit and council tax reduction bill of £4.2 million (approximately 1.5 per cent). These reductions will initially be off-set by other funds (such as the Scottish Welfare Fund and the Discretionary Housing Payment fund). The longer term financial effect on benefits administered by the council, including the introduction of universal credit, personal independence claimants, and removal of housing benefit for working age claimants, cannot yet be quantified, other than by reference to national estimates.
33. Since 2012, the council has taken a partnership approach to coordinating the implementation of welfare reform, through a Welfare Reform Working Group. Information is available on the council's website for citizens who may be affected by the changes along with the actions they can take to help mitigate its impact. The council has undertaken a detailed analysis to identify the number of properties and locations affected by under occupancy rules together with the financial impact of this, resulting in an increased allocation from the Discretionary Housing Payment fund for areas with geographical and rural challenges.
34. There are also uncertainties relating to national developments of and guidelines for welfare reform that will need to be implemented. In addition the impact of information technology changes required by the implementation of universal credit is slowly emerging with significant lead time being required by software companies. Audit Scotland will monitor progress in this area as part of the annual audit process.
35. In 2013-14, the Scottish Housing Regulator (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.

Corporate assessment

36. 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
<p>Leadership and direction</p> <p>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.</p>	No scrutiny required.	<p><i>Our Plan</i>, the council's corporate strategic plan 2013-18 has a significant focus on local development. Its seven key priorities are:</p> <ul style="list-style-type: none"> • Care and support for those who need it. • Promote successful, thriving communities. • Housing to meet the needs of Orkney's people. • A low carbon Orkney – renewables, energy and opportunity. • Orkney's economic development. • Orkney's transport networks. • What we need to do – which relates to how the council will be dealing with legislative changes. <p>For each priority a series of targets have been set as well as explanations of how and when the council intends to meet them.</p> <p>A management restructure in 2012/13 led to a change of personnel in a number of key positions. This new structure is continuing to bed in.</p>	No specific scrutiny activity.

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

Area	Risk assessment	Current position	What we plan to do
		<p>The planned CPP audit will also look at the leadership provided by the council to the wider CPP.</p> <p>In June 2013 Scotland's three Islands Councils – Shetland, Orkney and Comhairle nan Eilean Siar – launched their <i>Our Islands - Our Future</i> campaign and published a joint mission statement setting out their intention to engage with political leaders and decision-makers on either side of the independence debate, the key aim being to seek additional powers and resources to give the councils a greater ability to shape their destinies. In July 2013, the Scottish Government issued the Lerwick Declaration, which announced a ministerial working group to examine decentralising powers to Orkney, Shetland and the Western Isles Councils. The council regularly issues press releases on the <i>Our Islands - Our Future</i> campaign.</p>	
<p>Governance and accountability</p> <p>Whether governance arrangements are working effectively and whether good governance underpins council decisions and supports performance improvement.</p>	<p>No scrutiny required.</p>	<p>In the 2012/13 annual audit report, the external auditor assessed the council's governance and accountability arrangements as adequate. The council prepared its first annual governance statement, which sets out the council's governance framework and assesses how effective arrangements are, as part of the 2012/13 annual accounts. This identified specific areas of weakness (amongst them management of the new council house build programme, Orkney Health and Care protocols, policies and procedures governing the use of information and out of date financial regulations) and improvement actions have been put in place to address these. During the 2013/14 audit, this area will be revisited as part of the annual financial audit activity.</p>	<p>No specific scrutiny activity.</p>

Area	Risk assessment	Current position	What we plan to do
		<p>The Monitoring and Audit Committee meets regularly to receive reports from internal and external audit and scrutinise performance. The committee is well attended and overall complies with the expectations set out in CIPFA's guidance note <i>Audit Committee Principles in Local Authorities in Scotland</i>.</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>In February 2012 the council approved the service pressure growth bid to support delivery of responsibilities devolved to Community Councils. After a feasibility study funded from the growth bid, two pilot projects were identified within island communities as part of the <i>Empowering Communities</i> programme, to deliver a range of council services during a three year trial period. A member/officer working group will be overseeing the progress for the duration of the projects. Key outcomes of the two projects have been identified as:</p> <ul style="list-style-type: none"> • create efficiencies in terms of resource and/or cost • increase employment opportunities in island communities • up-skill the island based workforce • increase sustainability and improve access to services through building capacity to manage and deliver local services. <p>The Council's <i>Tough Times Tough Choices</i> consultations are well used for a variety of topics and during 2013 covered the following areas:</p> <ul style="list-style-type: none"> • All age learning disability blueprint. • Ballast water management. • Health and Care (ongoing from 2012-2022). 	<p>No specific scrutiny activity.</p>

Area	Risk assessment	Current position	What we plan to do
		<ul style="list-style-type: none"> • Homecare consultation. • Sustainable procurement. 	
<p>Financial management</p> <p>How effectively the council is planning and managing its budgets.</p>	<p>No scrutiny required.</p>	<p>The 2012/13 annual audit report highlighted that the council does not have a long term financial strategy in place which would align with council priorities over the longer term. Actions were agreed to address this, in particular the council approved a Change Programme to review and realign existing council services and budgets to 2017/18 and beyond.</p> <p>The Change Programme will also contribute to the SOA targets and is set to identify options for the budget reductions required, currently estimated at 11.4% savings (or £9.1 million) over the four years to 2017/18. Efficiency savings in 2013/14, as the third and last year of its 2011-2014 budget constraint period, have been set at £1.135 million (overall savings of £7.383 million from 2011 to 2013).</p> <p>The 2012/13 follow-up of the national report on <i>Scotland's Public Finance: Addressing the Challenges</i> found that the council continued to show a good understanding of the financial challenges it faces, and had been proactive in preparing financial plans to manage budget reductions. The council has a clear understanding of its costs and the impact of efficiency savings on service delivery. It also concluded that senior officials and members demonstrate ownership of financial plans which they scrutinise before approval.</p> <p>Audit Scotland will keep developments of the council's progress in aligning its financial resources to its longer term priorities under review as part of the annual financial audit.</p>	<p>No specific scrutiny activity.</p>

Area	Risk assessment	Current position	What we plan to do
<p>People management</p> <p>The effectiveness of the council's workforce planning and management arrangements.</p>	<p>No scrutiny required.</p>	<p>Orkney Health and Care reported in 2012/13 that staff capacity issues have affected progress of a number of priority actions. Sickness absence for the service was significantly above target, and could impact on staff capacity to deliver agreed priorities, unless alternative resources were identified.</p> <p>The council also reported that the proportion of staff receiving performance appraisals fell significantly short of its own target. This was classed as a medium to high risk.</p> <p>The council has advised that performance for both sickness absence and appraisal rates is being monitored and underperformance is being addressed. The external auditor will monitor developments and report on the council's progress in their annual audit report.</p> <p>The joint Children's Services inspection report highlighted that there is no joint workforce strategy across children's services. Without a clear plan, agreed jointly with partners, it is difficult to be confident that staff are deployed effectively across services. An action plan has been developed and agreed with the Care Inspectorate to address the areas identified.</p>	<p>No specific scrutiny activity.</p>
<p>Asset management</p> <p>The council's arrangements for managing assets and how this key resource is used to support effective service</p>	<p>Further information required.</p>	<p>There was a significant underspend against budget in the capital programme during 2012/13 (£10.525 million underspend against £58.613 million revised budget). Weaknesses in programme management were identified by Internal Audit as contributing to slippages in the capital programme. An action plan was agreed to address the findings and this will be followed up by Internal Audit.</p> <p>The council's asset management strategy is a high level, service-</p>	<p>SHR performance inquiry to be issued in 2014.</p>

Area	Risk assessment	Current position	What we plan to do
delivery.		<p>wide strategy with equal weight given to each of the services. However, some services have more assets than others and this is not reflected in the detail provided in their section of the asset management strategy.</p> <p>Audit Scotland will undertake follow-up work on the national <i>Major capital investments in councils</i> report as part of the 2013/14 external audit and will report on this towards the end of June.</p> <p>The SHR has advised that the housing service asset management plan has provided insufficient detail to identify the resources required to bring properties up to SHQS. A performance inquiry will be issued to gather more information, followed-up with on-site work if required.</p>	
<p>Procurement</p> <p>How effectively corporate procurement contributes to the council maximising value for money in the goods and services it uses to deliver its services.</p>	No scrutiny required.	<p>Procurement is an area under development. Scotland Excel's annual Procurement Capability Assessment (PCA) shows improvement during 2013, but despite this, Orkney Islands Council has the lowest PCA score in Scotland. With a score of 31 it is significantly behind the national average of 55 and remains one of only four councils that does not yet meet the 2012 Scottish Government target of a 50% PCA score.</p> <p>The council has taken a number of actions to address the issues in this area, including the preparation of a sustainable procurement policy and action plan and developing an e-procurement process. A robust procurement process should be in place by March 2016. These actions are monitored annually and Audit Scotland will assess progress as part of the annual external audit process and report on this in the annual audit report.</p>	No specific scrutiny activity.

Area	Risk assessment	Current position	What we plan to do
<p>Risk management</p> <p>The effectiveness of the council's arrangements for identifying, managing and mitigating risks and how its management of risk contributes to the successful delivery of public services.</p>	<p>No scrutiny required.</p>	<p>The council has a risk management process in place and all risks within services are identified and classified. These are then incorporated into a corporate risk register.</p> <p>The monitoring and audit committee is also a key part of the council's governance framework. Its remit includes consideration of internal and external audit plans/reports and assessment of the adequacy and effectiveness of arrangements for risk management, corporate governance and performance management.</p> <p>Internal Audit's review of the corporate risk management function is currently underway and is due to be reported shortly.</p>	<p>No specific scrutiny activity.</p>
<p>Information management</p> <p>The effectiveness of the council's arrangements for managing information as a key resource in delivering services.</p>	<p>No scrutiny required.</p>	<p>The high level risk assessment of ICT services carried out in early 2013 resulted in an action plan being agreed which contained 14 risk areas, ranging from strategic use of ICT to business continuity arrangements. Actions to address these risk areas were agreed as well as dates by which actions should be completed.</p> <p>A follow-up of the 2012/13 report is scheduled for April 2014 as part of the annual external audit process.</p>	<p>No specific scrutiny activity.</p>
<p>Joint working</p> <p>Progress with any significant shared services initiatives, in particular in relation to</p>	<p>No scrutiny required.</p>	<p>Whilst the council and NHS Orkney have a well established joint service, Orkney Health and Care (OHAC), to provide community health and social care services, there is a need for clarity between the OHAC partner bodies around structures, responsibilities and funding in order to fully realise the benefits of the partnership. For example, the chief executive of NHS Orkney has stepped down from</p>	<p>No specific scrutiny activity.</p>

Area	Risk assessment	Current position	What we plan to do
governance or pace of implementation.		<p>her interim role as executive director of OHAC and the council and health board have yet to resolve how OHAC will be represented at director level.</p> <p>Cultural differences between partner bodies and recent restructuring of senior posts means ongoing work is required to deliver effective integrated working relationships.</p> <p>Partnership working with the third sector is strongly embedded, particular with Crossroads Orkney and the Red Cross.</p> <p>A number of joint working related matters will be considered as part of the 2014 CPP audit.</p>	
<p>Efficiency</p> <p>How effectively the council is improving its efficiency in response to the budget challenges being faced.</p>	No scrutiny required.	<p>The council's transformational change programme proposals were approved by the Policy & Resources Committee in November 2013. This will replace the council's previous programme of efficiency reviews which were reported to Monitoring and Audit Committee.</p> <p>The overall purpose of the Change Programme is to transform service delivery in order to reduce costs and, where feasible, to improve services. Stage 1, starting in 2014, will involve analysis, benchmarking and the development of costed options for consideration by elected members, together with community and staff engagement and leadership development. Stage 2, expected to start mid-2015, will be designed to support services to implement the agreed changes.</p>	No specific scrutiny activity.

Area	Risk assessment	Current position	What we plan to do
<p>Equalities</p> <p>Whether the council is providing effective leadership of equalities and is meeting its statutory obligations.</p>	<p>No scrutiny required.</p>	<p>The council's Equality Outcomes 2013-2017 report was published in April 2013. It was developed in consultation with community planning and other public sector partners, local equality and diversity groups and the local community and provides details of the council's eight equality outcomes. The report reflects the results the council aims to achieve in promoting equality, tackling discrimination and fostering good relations.</p> <p>Promoting equality and fairness is one of the council's key values; it published its annual equality report in April 2013 to explain how equality is actively promoted and integrated into the council's work as an employer and as a service provider. This includes training and awareness raising for officers and elected members and assessment of the impact of equalities in all council decisions and policies. The annual equality report also contains the employment monitoring and gender pay gap information required by the specific duties.</p>	<p>No specific scrutiny activity.</p>

Service performance

37. 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 & 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.	<p>The council continues to make good progress with the implementation of Curriculum for Excellence. There is a strong infrastructure to support implementation.</p> <p>Over recent years, Education Scotland inspections of individual schools indicate a good standard of learning and achievement overall. Since September 2008, almost all inspections of nurseries, primary and secondary schools have resulted in positive outcomes.</p> <p>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.</p>	No specific scrutiny activity.
Social care services The quality of local social work and care services and the resulting outcomes (including adult care, older people's services, learning disability services,	No scrutiny required.	<p>For the quality themes (Care and Support, Staffing, Management & Leadership, and Environment) most of the services operated by OHAC have been assessed as good or very good.</p> <p>However, when compared with services provided by other local authorities, other service providers in Orkney and registered services in Scotland as a whole, OHAC did not perform as well for management & leadership.</p>	No specific scrutiny activity.

Area	Risk assessment	Current position	What we plan to do
<p>criminal justice services, mental health services, children and families).</p>		<p>Management & leadership and care service environment are also the two areas where OHAC performance has dropped. Both areas require more detailed review to establish cause and further dialogue/engagement with OHAC senior managers to discuss remedial action. This will take place through established Contact Manager arrangements.</p> <p>For the themes Care & Support and Staffing the performance of OHAC registered services for adults have improved slightly in the past year. Outcomes appear to be good to very good overall for adults using registered care service in these areas.</p> <p>A supported self-assessment in Criminal Justice Social Work was carried out by Care Inspectorate and OHAC in early 2014 and is due to be reported in May 2014.</p> <p>Through its link inspector role, the Care Inspectorate will also continue to monitor the performance and quality of social work services, encourage improvement in social work services and work with strategic partnerships (with a focus on integrated children's services planning and integrated working in adult health and social care services) to build capacity for joint self-evaluation.</p>	
<p>Housing and homelessness</p> <p>The quality of housing and homeless services and the resulting outcomes.</p>	<p>Further information required.</p>	<p>Performance regarding homelessness is generally good, with indicators improving over time, although council housing allocations to homeless people has decreased.</p> <p>Rent loss due to voids has been increasing over the last few years with figures above the national average for both low demand and non-low demand properties.</p>	<p>The SHR will issue a performance inquiry on areas of concern, with possible subsequent on site work.</p>

Area	Risk assessment	Current position	What we plan to do
		<p>Arrears have also increased, both for current and former tenants.</p> <p>The council has been unable to provide financial information at an appropriate level of detail for actual and anticipated spending needs in relation to the SHQS.</p>	
<p>Non-regulated services</p> <p>Particular strengths and challenges in the range of non-regulated services provided by the council, and any significant changes to performance.</p>	<p>No scrutiny required.</p>	<p>Leisure services attendance performance indicators are improving, and the council's performance is in the top quartile. However, user satisfaction information is not available.</p> <p>Performance in the area of protective services is lagging behind, with many complaints and enquiries taking longer to deal with than the Scottish average.</p> <p>Although roads maintenance treatment has deteriorated slightly, Orkney Islands Council is still the best performing council in Scotland for this indicator.</p> <p>Environmental services shows a high cost of waste disposal compared to other councils in Scotland, however, overall cleanliness is at a high standard.</p> <p>Orkney Ferries Ltd and Orkney Towage Ltd are currently wholly council owned companies. Over recent years, the council has considered bringing these in as council service departments. However, the legal and regulatory implications of delivering these services as either arm's length companies or as in-house services need to be taken into account which has delayed the decision-making process.</p> <p>Audit Scotland will continue to monitor non-regulated services as part of its financial audit activity.</p>	<p>No specific scrutiny activity.</p>

Improving and transforming public services/public performance reporting

38. 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 council has developed <i>Our Plan</i> to support the objectives of the SOA. The council's transformational change programme is being put in place to implement the changes required to improve council efficiency and meet the objectives of the plan.</p> <p>Over the period November 2012 to May 2013, the council carried out service self-assessments under the <i>How Good is Our Council</i> framework. Ten service areas, including finance, housing and homelessness and leisure and lifelong learning were covered. The self-assessments covered five areas: outcomes, stakeholder, processes, management and leadership. The assessments identified service strengths and weaknesses, with the draft assessments subjected to management moderation. The outputs of these self-assessments informed the development of the new service plans for the period 2013/16 and progress against the service plans is monitored on a 6-monthly basis by the relevant service committees. Audit Scotland will continue to monitor progress as part of the annual audit process.</p> <p>Aspects of the transformation programme will also be considered as part of the 2014 CPP audit.</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>At present, the performance information published on the council website is not easily accessible and therefore does not meet statutory obligations. The council's PPR arrangements are being developed, and officers anticipate a range of performance information will be made easily available to the public via its website from April 2014.</p> <p>A performance management system was implemented in 2013 which allows performance to be tracked and subsequently published. However, this depends significantly on the ability of services to keep performance information up-to-date so it can be reported in a timely fashion.</p> <p>Audit Scotland will monitor developments in this area as part of its annual work on performance indicators.</p>	<p>No specific scrutiny activity.</p>

Appendix 1: Scrutiny plan

ORKNEY ISLANDS COUNCIL 2014/15												
Scrutiny activity year 1	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Community Planning Partnership Audit (Audit Scotland)		X										
Performance inquiry issued into housing services including the SHQS (SHR)		X										
National or supported self-evaluation work year 1												
Audit Scotland: local follow-up review of Audit Scotland's national report on <i>Arm's-length external organisations (ALEOs): are you getting it right?</i> (June 2011)		X										
Audit Scotland: targeted local follow-up review of Audit Scotland's national report on <i>Major capital investment in councils</i> (March 2013)			X									

ORKNEY ISLANDS COUNCIL 2015/16												
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No additional local scrutiny work planned.												

ORKNEY ISLANDS COUNCIL

2015/16

National or supported self-evaluation work year 2												
No additional local scrutiny work planned.												

ORKNEY ISLANDS COUNCIL

2016/17

Indicative scrutiny activity for third year	Potential scrutiny bodies involved
No additional local scrutiny work planned.	

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.