

Shetland Islands Council

Local Scrutiny Plan

2015/16



March 2015

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Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Shetland Islands Council during 2015/16. The plan is based on a shared risk assessment undertaken by a local area network (LAN), comprising representatives of all the scrutiny bodies who engage with the council. The shared risk assessment process draws on a range of evidence with the aim of determining any scrutiny activity required and focusing this in the most proportionate way.
2. This plan does not identify or address all risks in the council. It covers only those risk areas where the LAN has identified that scrutiny is required, or which is planned as part of a national programme. Planned scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2015/16, which is available on the Audit Scotland website.

Scrutiny risks

3. The conclusion of this year's shared risk assessment is that no scrutiny risks have been identified which require specific scrutiny by the LAN in the coming year, however there are a number of areas where the LAN will carry out ongoing oversight and monitoring. This is a similar position to that in the previous 2014-17 Assurance and Improvement Plan (AIP) issued in May 2014. Scrutiny activity undertaken in the last 12 months was part of planned national activity. A number of reports have been issued on this work.
4. The LAN has identified risks within the area of risk management. Audit Scotland has noted that a corporate risk register is now in place and work is ongoing to ensure risk registers are up to date. In July 2014 the Executive Manager – Audit, Risk and Improvement became the council's lead officer for risk management. However, further work is required to develop and improve risk management arrangements to ensure that this is fully embedded across the council and that it forms an integral part of performance and improvement. Such arrangements should include the effective monitoring and managing of strategic and operational risks. Scott-Moncrieff was commissioned to review the council's risk management arrangements and their report (published in December 2014) identified that *'The existing risk management arrangements of Shetland Islands Council have grown organically over a number of years. However, there is widespread non-compliance with these throughout the organisation.'* As a result, the LAN has concluded that ongoing oversight and monitoring is required to assess whether risk management arrangements are progressing well and will work effectively in the coming year.
5. The LAN has also identified a risk in relation to the departure in December 2014 of the Section 95 officer. This is a key position within the Council for ensuring that effective financial

planning and management arrangements are in place. The Section 95 officer also has an obligation to ensure that the Council's financial statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The Council has reached an agreement with Aberdeen City Council to jointly share the Head of Finance at Aberdeen City Council who will carry overall responsibility for the proper administration of both Councils' finances. The LAN, through the local audit, will monitor the impact of this on Shetland Islands Council's ability to manage its resources, deliver the 2014/15 budget and deliver the Council's Medium Term Financial Plan (MTFP).

6. In relation to leadership and governance, the LAN expressed the view that elected members must work together with officers in ensuring that savings plans inherent in the MTFP are delivered effectively. Members may of course arrive at their own views on particular policy areas. However they should also be focussed on ensuring that agreed plans are adhered to and/or that the resource implications of amending plans are fully considered. Decisions not to proceed with savings initiatives need to be matched with agreed alternative proposals in order to maintain the integrity of the MTFP. The LAN is of the view that ongoing oversight and monitoring is required in this area.
7. The LAN has identified specific risks within the area of use of resources. Asset management has been an area of challenge for the Council, particularly with the requirement to replace its major educational asset, the Anderson High School. This represents a very significant funding and management challenge for the Council, as it represents a very high proportion of its planned capital resourcing and capacity. The Council has a five year asset investment plan 2014-19 totalling £94.9 million, of which £59.3 million is being funded by the Council. The main development planned for the period to 2017 is the new High School, referred to above, which is expected to cost £43 million, £28 million of which is being contributed by the Scottish Government. The Council intend to borrow externally to fund this project. As this is such a substantial development for Shetland, the LAN has assessed asset management as an area for which ongoing oversight and monitoring is required, and this will be undertaken through the local audit.
8. Financial management has been a considerable challenge for the Council over a number of years. In particular the Council's financial commitments had for some time entailed a continuing draw upon its reserves, which would not have been sustainable in the longer term. However, in recent years the Council has focussed on achieving a sustainable financial position. The Council's MTFP sets out how the Council plans to reduce the draw on reserves over the next few years so that, from 2017/18, a minimum reserve balance of £150 million is maintained, with future draws on reserves being funded by investment returns. The Council still faces the difficulties of achieving its challenging savings targets and although there has been improvement in the Council's planning and focus in this area, the LAN has assessed financial management as requiring ongoing oversight and monitoring, and this will be undertaken through the local audit.
9. As a result of recent schools rationalisation consultations, Education Scotland has not carried out secondary school inspections at the Council for the past two years. As a consequence, the LAN has also assessed education and children's services as requiring ongoing oversight

and monitoring. Officers from Education Scotland will continue to monitor this area by ongoing engagement with the Council through the Area Lead Officer.

10. The LAN has assessed that the areas of performance management and improvement, social care services and housing and homelessness services require no additional scrutiny beyond statutory/ongoing work. The Care Inspectorate carried out a planned inspection of adult and children's services in the period December 2014 to March 2015 which will be reported later in 2015.

Planned scrutiny activity

11. As shown in Appendix 1, the Council will be subject to a range of risk-based and nationally driven scrutiny activity during 2015/16. For some of their scrutiny activity in 2015/16, scrutiny bodies are still to determine their work programmes which specific council areas they will cover. Where a council is to be involved, the relevant scrutiny body will confirm this with the council and the appropriate LAN lead.
12. Audit Scotland has three planned performance audits covering local government during 2015/16. It will be working jointly with the Care Inspectorate looking at social care and jointly with both the Care Inspectorate and Health Improvement Scotland (HIS) on a Health and Social care integration position statement. It will also carry out a follow-up audit on roads maintenance. Any engagement with councils is still to be determined. Publication of these reports is scheduled for between October 2015 and February 2016.
13. The Care Inspectorate and HMICS will carry out a joint thematic review of multi-agency public protection arrangements (MAPPA) in Scotland during 2015. This forms part of a wider programme of national inspection, and is not a result of the LAN shared risk assessment. The purpose of the review will be to assess the state, efficiency and effectiveness of the MAPPA in Scotland, in terms of keeping people safe and reducing the potential risk of serious harm by registered sex offenders in our communities. It will cover all 32 local authorities and involve local authorities, Police Scotland, NHS Boards and the Scottish Prison Service. Fieldwork is scheduled to take place in Shetland Islands in late June 2015.
14. Education Scotland will be working in partnership with councils to carry out validated self-evaluations (VSE) of educational psychology services across all councils over a two-year period beginning in 2015/16. Education Scotland will notify councils of its VSE plans each academic term.
15. Education Scotland will also review of the quality of Careers Information Advice and Guidance services delivered by Skills Development Scotland across all council areas over the next three years. The review in the Shetland Islands Council will take place in June 2015.
16. The Scottish Housing Regulator (SHR) has a planned programme of thematic inquiries into housing services which will be carried out largely in the first quarter of 2015/16, with publication of inquiry reports in the first and second quarters of the year. The thematic inquiries will cover a range of housing services including: Gypsy/Travellers; factoring services; gas safety; complaints handling; customer service standards; repairs; rent consultation;

equalities; and openness and accessibility. Some of the thematic inquiries will not involve any on-site work at all and no local authority will be selected for on-site work in more than one thematic. The SHR will contact individual landlords with details about their potential inclusion.

17. During the first and second quarters of the year, the SHR will review the Charter data submitted by social landlords in May 2015 and identify topics for a further programme of thematic inquiries to be taken forward in the second and third quarters of the year.
18. In relation to housing and homelessness the SHR will continue to monitor the Council's approach to managing its housing assets, including the achievement of SHQS standards and the Council's performance in the delivery of its homeless services.
19. In addition to specific work shown in Appendix 1, routine, 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. Audit Scotland will carry out a programme of [performance audits](#) during 2014/15 and individual audit and inspection agencies will continue to monitor developments in key areas of Council activity and will provide support and challenge as appropriate. This will help to inform future assessment of scrutiny risk.

March 2015

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	There are currently three local government related performance audits in Audit Scotland's proposed programme: roads maintenance follow-up; social care; and health and social care integration. Details for these audits are still to be developed together with which councils will be involved.	Publication in second half of 2015
Care Inspectorate and HMICS	HMICS and the Care Inspectorate will undertake a review of the multi-agency public protection arrangements (MAPPA) in Scotland.	June 2015
Education Scotland	Education Scotland will be working in partnership with councils to carry out VSE of educational psychology services across all councils over a two-year period beginning in 2015/16.	Date over next two years to be determined.
	Review of the quality of Careers Information Advice and Guidance services delivered by Skills Development Scotland across all Council areas over the next three years.	June 2015
Her Majesty's Inspectorate of Constabulary (HMICS)	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. Two local Policing Divisions are programmed to be inspected in addition to Edinburgh Division in 2015/16. The Divisions will be identified approximately three months prior to inspection, the first being no earlier than October.	Date over next three years to be determined.
Her Majesty's Fire Service Inspectorate (HMFSI)	HMFSI will be inspecting local fire and rescue services across Scotland over the next five years. These inspections will examine, amongst other things, local scrutiny and engagement between the Scottish Fire and Rescue Service and councils. As part of its programme, HMFSI will inspect four local fire and rescue services during 2015/16. Shetlands Islands is not included in the programme this year.	Dates to be determined.
Scottish Housing Regulator (SHR)	The SHR will carry out a number of thematic inquires in 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.	Specific thematic inquiries and councils to be determined.

