

# Argyll and Bute Council

## Local Scrutiny Plan

### 2017/18



# Argyll and Bute Council

## Local Scrutiny Plan – April 2017 to March 2018

### Introduction

1. This local scrutiny plan (LSP) sets out the planned scrutiny activity in Argyll and Bute Council ('the council') during the financial year 2017/18. 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 that the LAN has identified as requiring scrutiny, or where scrutiny is planned as part of a national programme. Planned scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2017/18, which is available on the Audit Scotland website.

### Scrutiny risks

3. The Accounts Commission's Best Value report, published in December 2015, welcomed the council's progress since the previous report in 2013, including better governance, decision-making and scrutiny arrangements, and improving relationships between political groups and between members and officers. However, the Accounts Commission also identified a number of areas where there could be further improvement. These included further developing the council's openness and transparency, and better involving communities in decision-making and scrutiny. The Accounts Commission also found that a number of relationship difficulties still persisted and that the council's approach to addressing the scale of the financial challenge it faced was not sustainable. The council accepted the findings and has developed an improvement plan to address them.
4. The LAN reported in the 2016/17 local scrutiny plan that Audit Scotland would monitor through the annual audit process the council's progress in taking forward the Accounts Commission's recommendations. Audit Scotland followed up aspects of the recommendations as part of the 2015/16 audit. While its 2015/16 annual audit report noted areas of good practice, it also identified areas for improvement, including that:
  - The council should strengthen its relationships with its communities and taxpayers by reporting more information about the budget setting process and wider issues in public.

- There was limited evidence of the council taking a new approach to dealing with its financial challenges to provide more sustainable services going forward.
  - The council should continue its efforts to improve working relations.
5. The Controller of Audit will continue to monitor through the annual audit process the council's progress in taking forward the Accounts Commission's recommendations. No additional Best Value scrutiny is therefore referred to in this local scrutiny plan.
  6. Councils are facing significant financial pressures with reductions in funding and the need to reconfigure services, increasing non discretionary costs, increasing demand for services and uncertainty around the newly created Integration Joint Boards. As at February 2017, the council forecasts a balanced budget for 2017/18 with a surplus of £193k. Indicative budgets forecast a funding gap of £3.3 million for 2018/19 rising to £9.3 million for 2019/20. The approach to meeting the required savings has yet to be developed. This creates a financial sustainability risk for the council as the level of necessary budget savings may adversely affect the level and quality of service provision. The council has recognised this risk as part of its risk management process, and has formally agreed that officers should develop a medium and long term financial strategy to address indicative funding gaps and savings targets for the years 2018/19, 2019/20 and beyond, in accordance with a defined set of budgetary principles. Audit Scotland will consider the council's approach to achieving financial sustainability through the annual audit process.
  7. A People Strategy for 2016-2020, approved by the council in September 2016, does not contain any detailed information regarding future projections for staff numbers. Without a detailed workforce plan, there is a risk that the council does not have the required capacity and skills to effectively deliver its services in the future. The council is in the process of developing a workforce plan, and has completed detailed discussions at service level on the required capacity and skills, and the particular workforce challenges faced across Argyll and Bute. Audit Scotland will monitor the progress of workforce planning through the annual audit process. No additional Best Value scrutiny is therefore included in this local scrutiny plan.
  8. In last year's local scrutiny plan the LAN reported that, given a number of concerns about the performance of the council's education services, a scrutiny response was required. A strategic inspection of the education functions of Argyll and Bute Council was carried out in autumn 2016 by Education Scotland and the results were published in March 2017. The inspection identified areas of strength as well as areas which require improvement. Education Scotland will provide support and monitor the council's progress towards improvement on the agreed actions. Education Scotland will carry out further inspection visits within the timescales specified in the published report.
  9. Education Scotland has highlighted that the council has spent all of its allocated Scottish Attainment Challenge funding. Plans for taking forward the Pupil Equity Fund (PEF) are under discussion.

10. The Care Inspectorate led on a project on the validated self-evaluation of Alcohol and Drug Partnerships (ADPs) across Scotland during 2016. All ADPs have received individual feedback to support continuous improvement and a national report will be published in May 2017.
11. The LAN has been monitoring the progress of health and social care integration. The Argyll and Bute Integration Joint Board took operational responsibility for services from the 1 April 2016. Audit Scotland will monitor its progress locally, largely as part of the Integration Joint Board audit and through a series of national reports.

## Planned scrutiny activity

12. As shown in Appendix 1, the council will be subject to a range of risk-based and nationally driven scrutiny activity between April 2017 and March 2018. For some of their scrutiny activity in 2017/18, 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.
13. 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 on-going inspection of early learning childcare and schools and care establishments by Education Scotland and the Care Inspectorate respectively.
14. The Care Inspectorate and Healthcare Improvement Scotland will introduce a revised approach to the joint strategic inspections of services for adults for 2017/18 which will assess the extent to which the planning, organisation and coordination of services comply with the principles of integration and contribute to the national health and wellbeing outcomes. Inspections will include a focus on joint strategic commissioning. In 2017/18, the Care Inspectorate will also lead on thematic activity in the areas of adult support and protection and self-directed support, working with a range of scrutiny partners.
15. Education Scotland has developed a new model of inspection for Community Learning and Development (CLD). The inspection will be based on the local authority area and will include local authority CLD provision and partners. It is anticipated that all local authorities will be covered in the next three years. Education Scotland will also carry out a follow-up review of Careers Information Advice and Guidance (CIAG) services delivered by Skills Development Scotland across all council areas.
16. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed over the five year audit appointment, as part of the annual audit work. In addition, a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five year period. The BVAR report for Argyll and Bute is not planned in the period covered by this scrutiny plan. The audit work planned this year will focus on the council's arrangements for demonstrating Best Value in financial and service planning,

financial governance and resource management. Audit Scotland will report the results of this work in the 2016/17 annual audit report.

17. Audit Scotland also plans to undertake national performance audit work in a number of areas covering local government during 2017/18. Performance audits relevant to the council include children's mental health, Arms Length External Organisations (ALEOs), City Deals and part two audit of the integration of health and social care. Engagement with councils is still to be determined on some of these studies, and councils will be updated once this has been decided. Details of future audit work are available on the Audit Scotland [website](#).

**May 2017**

## Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	Audit Scotland has performance audits planned in 2017/18 on: <ul style="list-style-type: none"> <li>Arms Length External Organisations (ALEOs)</li> <li>City Deals</li> <li>Health and social care integration (part 2)</li> <li>Children's mental health.</li> </ul>	Dates to be determined
Care Inspectorate and Healthcare Improvement Scotland	Joint strategic inspections of services for adults.	Dates to be determined
	Thematic activity in the areas of adult support and protection and self-directed support.	Dates to be determined
Education Scotland	Further inspection visits within the timescales specified in the report published March 2017.	June 2017 September 2017
	Follow up review of the quality of Careers Information and Guidance (CIAG) services delivered by Skills Development Scotland across all council areas.	Dates to be determined
Scottish Housing Regulator (SHR)	SHR will publish the findings of its thematic inquiry work into gas safety and repairs completed during 2016/17. It may carry out further thematic inquiries during 2017/18. SHR will also review the Scottish Social Housing Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2017/18. Where councils are to be involved in a thematic inquiry or a data accuracy visit, the SHR will confirm this directly with the council and the LAN lead.	Dates to be determined

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#### A summary of local government strategic scrutiny activity

This report is available in PDF and RTF formats, along with a podcast summary at:

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

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