

Assurance and Improvement Plan (AIP) 2014-17
Report by Kenneth Lawrie, Chief Executive**1 Purpose of Report**

The purpose of this report is to present the updated Assurance and Improvement Plan (AIP) that sets out the planned scrutiny activity for the Council for the period 2014-2017.

2 Background**2.1 Assurance and Improvement Plan (AIP)**

This is the fifth AIP for Midlothian Council since the introduction of the shared risk assessment (SRA) process. The aim of the SRA process is to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. Plans for each council since 2010 are available on the Audit Scotland website.

2.2 Assurance and Improvement Plan 2014-17

The AIP is the result of the shared risk assessment which began in October 2013 and 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 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 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

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. 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.

The change in approach is reflected in the structure of the AIP for 2014-17, which covers four areas:

- Local priorities and public sector reform
- Corporate assessment
- Service performance
- Improving and transforming public services/public performance reporting

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

The following tables provide an overview of the scrutiny risk relating to the council's management arrangements (including how it is meeting its Best Value obligations), the performance of the council's main inspected public service and non-inspected services and 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. In total 18 areas of assessment are noted, of which 4 have been identified for further scrutiny in 2014/15 and the remaining 14 noted as no scrutiny required however 3 of these areas will be subject to a monitoring schedule and a few of the remaining areas will continue to be monitored via Grant Thornton, Midlothian Council's external auditor.

Table 1 - Corporate assessment

Area	Assessment	Follow-up Actions
Leadership and direction	No scrutiny required	No specific scrutiny activity
Governance and accountability	Scrutiny required	BV audit follow-up focusing on the effectiveness of revised scrutiny arrangements
Community engagement and empowerment	No scrutiny required	No specific scrutiny activity
Financial management	Scrutiny required	BV audit follow-up focusing on delivery of financial savings plans
People management	Scrutiny required	BV audit follow-up focusing on the organisational development strategy
Asset management	No scrutiny required	LAN will monitor this are in 2014 in conjunction with the council
Procurement	No scrutiny required	No specific scrutiny activity

Risk management	No scrutiny required	No specific scrutiny No specific scrutiny activity
Information management	No scrutiny required	No specific scrutiny activity
Joint working	No scrutiny required	No specific scrutiny activity
Efficiency	Scrutiny required	BV audit follow-up focusing on efficiencies and delivery of savings plans
Equalities	No scrutiny required	LAN will continue to monitor through work of External Auditor

Table 2 - Service performance

Area	Assessment	Follow-up Actions
Education	No scrutiny required	Local Partnership Agreement with Education Scotland
Social care services	No scrutiny required	Joint inspectors will liaise with the Partnership to clarify improvement actions and respective monitoring arrangements
Housing and homelessness	No scrutiny required	Scottish Housing Regulator will liaise with council to clarify monitoring arrangements in 2014/15
Non-regulated services	No scrutiny required	No specific scrutiny activity

Table 3 - Improving and transforming public services/public performance reporting

Area	Assessment	Follow-up Actions
Improving and transforming public services	No scrutiny required	No specific scrutiny activity
Public performance reporting (PPR)	No scrutiny required	No specific scrutiny activity

2.3 Scrutiny Plan 2014-17

As noted in section 2.2 above, the framework for those areas identified for further scrutiny will be a Best Value follow-up by Audit Scotland scheduled to be carried out for the 2014/15 period, June through August.

With the exception of the monitoring of the Children's Services Inspection scheduled for January 2015, the additional monitoring plans, whilst noted in section 2.2, have still to be confirmed.

In addition to the areas assessed noted in section 2.2 further follow-up activity has been identified in relation to national or supported self evaluation work for years 1, 2 and 3 with specific reference made to:

- Ongoing LAN support to self-evaluation
- Audit Scotland national report – Arm's length external organisations (ALEOs): are you getting it right? (April 2014)
- Audit Scotland national report – Major capital investment in councils (May 2014)

Additional areas for scrutiny and national or supported self evaluation have been noted in the Assurance and Improvement Plan but are still to be confirmed therefore no further detail is provided at this time.

3 Next Steps

To ensure appropriate preparatory work is done for those areas identified for further scrutiny a short term working group will be identified with an overall co-ordinator and named officers allocated for each area of scrutiny. The purpose of the working group will be to identify and collate supporting evidence and materials for the Best Value Audit follow-up team's on site visit and to ensure that appropriate staff are available for required interviews.

4 Report Implications

4.1 Resource

An action plan to address areas for improvement and scrutiny is under development which may result in associated resource implications.

4.2 Risks

This report seeks to mitigate the risk of not delivering best value, via ensuring that an appropriate plan to address high risk areas is in place.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

4.4 Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:-

- Early years and reducing child poverty
- Economic Growth and Business Support
- Positive destinations for young people

Clear reference is made in the AIP 2014-17 to the above overarching priorities and the underpinning principles of co-production, prevention and accessibility with future improvement and scrutiny activities being informed by both the priorities and the principles.

4.5 Impact on Performance and Outcomes

This report directly impacts Midlothian's ability to monitor and evaluate performance and outcomes by ensuring a strong focus on Assurance and Improvement Plan activities and reporting.

4.6 Adopting a Preventative Approach

This report does not directly relate to adopting a preventative approach but the activities aligned to assurance and improvement should support a preventative approach.

5.7 Involving Communities and Other Stakeholders

This report does not directly relate to involving communities and stakeholders but the activities within the assurance and improvement approach should be aligned to the wider community planning priorities identified in the Single Midlothian Plan.

4.8 Ensuring Equalities

This report does not directly impact people or propose any change to policy or practice however any subsequent improvement actions identified, which impact the various equality categories will be subject to an EQIA as appropriate.

4.9 Supporting Sustainable Development

The recommendations in this report contribute to a sustainable approach to continuous improvement of Council services.

4.10 IT Issues

There are no IT implications arising from this report at this time.

5 Recommendations

Council is asked to:

- a) Note the attached Assurance and Improvement Plan and the proposed scrutiny programme for 2014/15.

26 May 2014

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Background Papers:

Assurance and Improvement Plan 2014-17

http://www.audit-scotland.gov.uk/docs/best_value/2014/aip_140603_midlothian.pdf

Declaration Box

Instructions: *This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.*

Title of Report: Assurance and Improvement Plan (AIP) 2014-17

Meeting Presented to: Midlothian Council

Author of Report: Kenneth Lawrie
Chief Executive

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- ☒ *All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- ☒ *All risk implications have been addressed.*
- ☒ *All other report implications have been addressed.*
- ☒ *My Director has endorsed the report for submission to the Council Secretariat.*

For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.

Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.