

Midlothian Council Local Scrutiny Plan 2017/18**Report by: Kenneth Lawrie, Chief Executive****1. Purpose of the Report**

The purpose of this report is to inform Council of the Local Scrutiny Plan 2017/18 produced by Audit Scotland.

2. Background

- 2.1 Audit Scotland works with a number of local government inspectorates in what is known as a Local Area Network (LAN) of local audit and inspection representatives. The LAN undertake a shared risk assessment process for all 32 local authorities, drawing on a range of evidence in order to identify targeted, risk-based scrutiny requirements for each council.
- 2.2 The shared risk assessment process results in each council receiving a Local Scrutiny Plan which identifies the risk areas that the LAN has identified as requiring scrutiny or where scrutiny is planned as part of a national programme. Plans for each council are available on the Audit Scotland website, a copy of Midlothian Council's Local Scrutiny Plan 2017/18 is shown in Appendix 1.
- 2.3 The Local Scrutiny Plan focuses on key risks previously identified by the LAN and also identifies potential new risks.

3. Local Scrutiny Plan 2017/18

- 3.1 The conclusion of the shared risk assessment for 2017/18, is that no significant risks were identified, that would require specific scrutiny by the LAN whilst also noting that scrutiny activity undertaken in the past twelve months had been part of routine ongoing inspection work or national activity.
- 3.2 The report noted that Midlothian was one of six fieldwork sites informing the Social Work in Scotland Report (Audit Scotland) September 2016, in this Midlothian was highlighted as a good practice example in engaging with people who use services.
- 3.3 The LAN noted that in terms of financial sustainability the Council recognised the significant challenges it faced and that the Financial Strategy in place was interlinked with the Single Midlothian Plan and underpinned by a range of supporting strategies and activities. The LAN further noted that whilst the Council was delivering against financial targets, the position beyond 2017/18 was unclear but that the planned activity of the Strategic Leadership Group would bring forward proposals for a balanced longer term financial plan to Council.
- 3.4 The LAN recognised the good progress the Council has made in the delivering of integrated Health and Social Care with its NHS Lothian partners, referencing the historical strength of partnership working and meeting national delay discharge targets in recent years.

- 3.5 In relation to Education the report noted the improvement in attainment, particularly in respect of literacy and numeracy and closing the gap between the most and least disadvantaged children and recognised the Council's intention and plans to continue to seek further improvements whilst also recognising the Council's continued recognition and celebration of the wider achievements of children and young people. Reducing exclusions figures was also noted as a priority identified by the Education Service.
- 3.6 In relation to Children's Services the LAN noted that the work undertaken in this area had produced transformational change which had improved outcomes for children, young people and their families as well as reducing the base budget of the services.
- 3.7 In addition the report notes that the Scottish Housing Regulator (SHR), as a result of its findings from a review and comparison of performance for all Scottish social landlords 2015/16, will monitor the council's progress in addressing the homelessness service risks previously identified in relation to the use of hostels, rough sleeping and outcomes for homeless people in particular, case durations. SHR will review the council's quarterly performance management reports and meet council officials as necessary.

4. Next Steps

- 4.1 The Local Scrutiny Plan 2017/18 (Appendix 1) will inform the ongoing performance and scrutiny activity undertaken by the Council. In addition to the areas identified, routine, scheduled audit and inspection work will be carried out through the annual audit process and the ongoing inspection of school and care establishments by Education Scotland and the Care Inspectorate respectively.
- 4.2 Routine scheduled audit and inspection work will take place through the annual audit Process. Following a new approach agreed 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 Midlothian Council is not planned in the period covered by this scrutiny plan. The Best Value audit work planned this year will focus on the council's arrangements for demonstrating Best Value in financial sustainability and financial management, and will be reported in the Annual Audit Report
- 4.3 The report also noted that the council may be subject to some nationally driven scrutiny or review activity between April 2017 and March 2018. Specifically this may include scrutiny or review activity around national themes, those being self-directed support and Adult support and protection. The report further noted that inclusion of Midlothian Council in either of these activities would be agreed only after further discussion with the council. Notification of Midlothian's inclusion in the joint thematic inspection of adult support and protection, commencing in November 2017, was received following publication of the Local Scrutiny Plan.
- 4.4 It is useful to note that the joint thematic inspection of adult support and protection will be the first independent scrutiny of adult support and protection in Scotland and that Midlothian is one of six partnership areas participating. The quality indicators used to conduct this scrutiny will be:
- Outcomes for adults at risk of harm and their unpaid carers
 - Key adult support and protection processes
 - Leadership for adult support and protection

4.5 The Scottish Housing Regulator may carry out further thematic inquiries during 2017/18 and 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.

5. Report Implications

5.1 Resource

There are no additional resource implications.

5.2 Risk

The Local Scrutiny Plan 2017/18 provides the Council with the LANs assessment of areas of risk and potential areas for further scrutiny.

5.3 Single Midlothian Plan

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**

5.4 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:-

- Reducing the gap in learning outcomes
- Reducing the gap in health outcomes
- Reducing the gap in economic circumstance

Clear reference is made in the Local Scrutiny Plan 2017/18 to the Single Midlothian Plan and approaches identified to deliver against it.

5.5 Impact on Performance and Outcomes

The report directly impacts Midlothian's ability to monitor and evaluate performance and outcomes by ensuring a strong focus on scrutiny activities and reporting.

5.6 Adopting a Preventative Approach

This report does not directly relate to adopting a preventative approach but the intention to adopt a preventative approach is a key approach captured in future delivery plans to address the financial challenge noted in the report.

5.7 Involving Communities and Other Stakeholders

This report does not directly relate to involving communities however co-production and capacity building is a key approach captured in future delivery

plans to address the financial challenge noted in the report.

5.8 Ensuring Equalities

This report does not directly impact people or propose any change to policy or practice however any subsequent actions identified as part of ongoing scrutiny will be subject to and EQIA as appropriate.

5.10 Supporting Sustainable Development

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

5.11 IT Issues

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

6. Recommendations

Council is asked to:

- a) Note the Local Scrutiny Plan 2017/18

Appendix 1 – Scrutiny Plan 2017/18

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Background Papers:

Audit Scotland Report, May 2017

Midlothian Council, Local Scrutiny Plan 2017/18 -
http://www.audit-scotland.gov.uk/uploads/docs/report/2017/lsp_170530_midlothian.pdf

Midlothian Council

Local Scrutiny Plan

2017/18



Midlothian Council

Local Scrutiny Plan – April 2017 to March 2018

Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Midlothian 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 conclusion of the shared risk assessment for 2017/18, is that no significant risks have been identified, that would require specific scrutiny by the LAN. Scrutiny activity undertaken in the past twelve months has been part of routine ongoing inspection work or national activity. It included the following non-risk based scrutiny:
 - The Care Inspectorate led on a national project of validated self-evaluation of alcohol and drug partnerships (ADP's) across Scotland during 2016. Fieldwork activity concluded and all partnerships received individual feedback summaries to support their local continued improvement. A national report will be published in May 2017.

Social Work in Scotland Report (Audit Scotland) September 2016 – Midlothian was one of six fieldwork sites for the audit. In this Midlothian was highlighted as a good practice example in engaging with people who use services.

4. **Financial Sustainability.** The Councils Financial Strategy is interlinked with the Single Midlothian Plan and underpinned by a range of activities including the Delivering Excellence Programme, the People Strategy and The Effective Working in Midlothian (EWiM) Plan. The Financial Strategy recognises the significant challenges facing the council including decreases in grant funding, an ageing population and the resultant pressures on services, all of which impact on the projected budget shortfalls.

5. The Financial Strategy provides Longer Term Financial Projections through to 2021/22 which indicates that the council needs to achieve significant savings over that period in addition to the £24 million already included in the council's forward change programme. Savings of £8.5 million are required for 2018/19 rising to £30.5 million by 2021/22. Having brought forward a change programme for 2017/18 which totalled £8.5 million the Strategic Leadership Group is now working to identify proposals to address the challenge for future years. This work will allow proposals for a balanced Longer Term Financial Plan to put before council.
6. The council is delivering against financial targets but the position remains unclear beyond 2017/18.
7. **Health and Social Care Integration.** The council has made good progress on delivering integrated Health and Social Care, with its partners in NHS Lothian. Partnership working has been historically strong and the partnership has met national delayed discharge targets in recent years.
8. **Education and Children's Services.** There has been improvement in attainment, particularly in respect of literacy and numeracy, closing the gap between the most and least disadvantaged children. The council recognises that there continues to be scope to improve educational attainment, particularly through the Broad General Education, and it is beginning to use data and their new dashboard to improve the attainment groups of learners living in multiple deprivation areas. Midlothian Council continues to recognise and celebrate the wider achievements of children and young people. Many are involved in activities that help them to become effective contributors and responsible citizens. In relation to Children's Services, the work undertaken in this area has produced transformational change which has improved outcomes for children, young people and their families as well as reducing the base budget of the service. Plans to spend pupil equity funding are currently under discussion.
9. Exclusions from schools show a three year improving trend in the Primary sector. However exclusions still remain above the national average in respect of children in both primary and secondary stages. In contrast the number of exclusions from special education is zero, well below the national average. Nonetheless, reducing exclusion figures remains a priority for the education service.

Planned scrutiny activity

10. The council may be subject to some nationally driven scrutiny or review activity between April 2017 and March 2018. Specifically this may include scrutiny or review activity around to national themes, those being self-directed support and Adult support and protection. Both of these activities will be led by the Care Inspectorate but undertaken with other scrutiny bodies and partners. Inclusion of Midlothian Council in either of these activities will be agreed only after further discussion with the council.

11. 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 2017/18 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.
12. To assess the risk to social landlord services the Scottish Housing Regulator (SHR) has reviewed and compared the 2015/16 performance of all Scottish social landlords to identify the weakest performing landlords. In relation to the council's homelessness service, it identified risks in relation to the use of hostels, rough sleeping and outcomes for homeless people in particular, case durations. The SHR will monitor the council's progress in addressing the homelessness service weaknesses identified in this plan. It will review the council's quarterly performance management reports and meet council officials as necessary. 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.
13. 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 Midlothian Council is not planned in the period covered by this scrutiny plan. The Best Value audit work planned this year will focus on the council's arrangements for demonstrating Best Value in financial sustainability and financial management, and will be reported in the Annual Audit Report.

May 2017

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	Audit Scotland plans to undertake performance audit work in a range of areas covering local government during 2017/18. These include Arm's Length External Organisations (ALEOs), city deals, children's mental health and health and social care integration. Any engagement with individual councils is still to be determined. Details of future audit work are available on the Audit Scotland website.	To be confirmed
Scottish Housing Regulator (SHR)	SHR will monitor the council's progress in addressing the weaknesses identified in relation to the council's homelessness service. The council will submit quarterly progress reports in relation to its proposed improvement actions and their outcomes. These will be followed by meetings with council officials as appropriate.	Quarterly

Midlothian Council


Local Scrutiny Plan

2017/18

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 

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