

Scottish Borders Council

Local Scrutiny Plan 2016/17



March 2016

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Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Scottish Borders Council during 2016/17. 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 2016/17, which is available on the Audit Scotland website.

Scrutiny risks

3. During 2015 Audit Scotland carried out Community Planning Partnerships (CPP) audit follow-up work in Scottish Borders as part of a national progress report. The local audit work found that Scottish Borders Community Planning Partnership continues to make progress towards its three priorities (Grow the Economy, Reduce Inequalities, and Maximise the impact from the Low Carbon agenda) and against its broader improvement agenda. This has included:
 - developing a Performance Management Framework (PMF) for the 'Grow the Economy' priority area, with plans to develop similar PMFs for the CPP's two other priority areas
 - streamlining and rationalising the groups and subgroups that feed in to the CPP following a review of the CPP's governance arrangements.
4. The CPP acknowledges that there are areas where further improvement is still required, such as:
 - securing better alignment between individual partner's priorities and the Scottish Borders CPP Single Outcome Agreement (SOA)
 - improving the CPP's understanding of the total resources available for CPP priorities across the Scottish Borders
5. The CPP will be developing its improvement agenda further during 2016 in the context of the new requirements placed upon it under the Community Empowerment (Scotland)

Act 2015. The LAN will continue to monitor progress against this improvement agenda as part of its routine engagement with the council and its partners.

6. During 2015/16, the Care Inspectorate has been leading a joint inspection of services for children and young people. The findings of this work will determine the need for any future follow-up scrutiny.
7. Over the past year, Audit Scotland received correspondence from a member of the public requesting a review of the council's decision to award the waste management contract to New Earth Solutions (NES) in 2011. In response the external auditor (KPMG) examined: governance processes related to the award of the contract; the assessment of risk related to the developing technology; and the council's progress in addressing areas for improvement identified during our work on *Managing capital investment in councils* (reported in 2013). The external auditors found that relevant approval processes were adhered to, that the technology (which has subsequently not been able to be implemented) was not core to the initial agreement with NES; and that progress has been made in addressing areas for improvement with appropriate procurement, governance and risk management arrangements in place.
8. In response to a follow-up query from the correspondent KPMG looked at the termination of contract with NES as part of their 2014/15 audit work. In their 2014/15 Annual Audit Report to members they reported that 'We are satisfied that the Council has followed appropriate procedures in relation to this decision'. This was also reported in our *Major capital investment in councils: follow-up* report issued in January 2016.
9. The LAN has assessed that various aspects of the council's education service require ongoing monitoring and oversight. This includes: leadership capacity within the service to support change and improvement; the effectiveness of workforce planning and management arrangements; the use of performance information; scrutiny and challenge of performance; and the achievement of improved outcomes.
10. In February 2015, a Director of Children and Young People was appointed following a period of unsettled staffing at senior officer level that was resulting in a lack of strategic leadership. The director has made a strong commitment to improvement and leadership capacity is being developed within schools and within the newly formed Senior Lead Officer (SLO) team. More recently, the appointment of a chief education officer in September 2015 is adding to the service's ability to respond to and improve national educational initiatives. However, risks still remain at a strategic and operational level across the education service as new teams gain confidence in their respective remits and deliver on targets and achieve better outcomes for children and young people across Scottish Borders. In early years education, the pace of improvement remains too slow. A continued programme of activity and engagement between the council and Education is planned to monitor progress and support improvement.
11. SB Cares became operational on 1 April 2015. SB Cares provides a range of services in place of the council including: care at home, residential care, extra care housing,

Bordercare, older people's day services, learning disability services and the borders ability equipment store. SB Cares is a wholly owned arms length organisation (ALEO) of the council. A board of directors is in place, comprising a chair, managing director, finance director, operations manager and three non-executive directors. A Strategic Governance Group (an officer and member group) has been established to provide councillors and officers with an appropriate mechanism for scrutinising and monitoring the business plans and performance of SB Cares. The Strategic Governance Group met for the first time on 11 August 2015. SB Cares experienced challenges in registering all services within the required timeframe. It has ongoing engagement with Care Inspectorate to manage and progress registration requirements, which are now in place. It is too early to determine the impact of the transfer of services. This will become evident as the newly registered services are inspected.

12. The future financial outlook indicates significant challenges for SB Cares in delivering affordable and sustainable social work services. Scottish Borders Council acknowledges the need to undertake further strategic planning and service challenge to deliver affordable and sustainable services in the future. In addition to the specific risks for social work services, the Accounts Commission has a close interest in the operation of ALEOs. As such, the LAN will continue to monitor how risks are being addressed and maintain oversight of how SB Cares operates.
13. To assess the risk to social landlord services SHR has reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. It found the percentage of applicants that lost contact before the discharge of the Council's homelessness duty are significantly higher than the national average. The SHR undertook scrutiny in March 2016 to better understand reported performance and assess risks. It found there were weaknesses in the way SBC manages and reports lost contact with applicants and closing homeless application cases. A new staffing structure for the homeless service has just been introduced and the council is piloting a new approach to self-assessment. SHR will engage with the council to monitor its progress in addressing these weaknesses.
14. The Scottish Housing Regulator published its thematic inquiry report "Gypsy/Travellers in Scotland" in November 2015. We will expect the council to provide us with details of the progress it has made against the report's recommendations by end December 2016.

Planned scrutiny activity

15. As shown in [Appendix 1](#), the council will be subject to a range of risk-based based and nationally driven scrutiny activity during 2016/17. For some of their scrutiny activity in 2016/17, 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.

16. Since 2014/15, Her Majesty's Fire Service Inspectorate (HMFSI) has been inspecting local fire and rescue arrangements across Scotland as part of a three year programme. These inspections will examine, amongst other things, local scrutiny and engagement between the Scottish Fire and Rescue Service and councils. Scottish Borders is included in HMFSI's 2016/17 programme, with work scheduled to take place over the summer of 2016.
17. In December 2014, the Accounts Commission concluded its review of Best Value and set out principles for a new approach to auditing Best Value. These principles include the need for more frequent assurance on Best Value across all 32 councils, integrating the audit processes, an increased emphasis on driving improvement, and a strong focus on the quality of service experienced by the public and the outcomes achieved.
18. The new approach will be rolled out from October 2016 but will continue to evolve. It will include assessment each year of aspects of Best Value as part of an integrated annual audit and a public report, (Controller of Audit report to the Accounts Commission) for each council at least once in a five year period that will bring together an overall picture of the council drawn from a range of audit activity. The initial iteration of the rolling programme, which will be reviewed and refreshed annually in response to factors including the SRA, will be presented to the Accounts Commission in April 2016. The results of this current SRA will make a significant contribution to the audit intelligence that will underpin the new approach, and inform the development of the initial programme.
19. 2016 is a transition year. This includes development of the intelligence about each council for the new approach and the handover to new audit appointments. While preparation for the new approach progresses, Best Value audit work will continue. But, appropriate elements of the new approach, such as reporting mechanisms, will also be tested in some councils.
20. The Scottish Government has confirmed in its funding letters to Alcohol and Drugs Partnerships (ADPs) that the Care Inspectorate will undertake Validated Self-Evaluation (VSE) activity with Alcohol and Drug Partnerships. The purpose of this activity is to support the validation of ADP and services' self-assessment of local implementation and service compliance with the Quality Principles: Standard Expectations of Care and Support in Drug & Alcohol Services. The findings from this validation work will be reviewed by the Scottish Government to consider and inform the future programme of national support that will further encourage and support delivery of continued improvements at ADP and service level. It is anticipated that all 30 ADPs will participate. On site activity is likely to commence in March 2016 with a national overview report completed by the end of 2016. The Care Inspectorate will also provide brief, customised feedback to each ADP in order to help build their capacity for self-evaluation.
21. The Care Inspectorate will work together with partner regulatory agencies to continue to deliver a coordinated programme of joint scrutiny of Community Planning Partnerships and integration joint boards. Partner agencies are reviewing the methodology for joint

inspections of Adults' services. As well as joint strategic scrutiny programmes, the Care Inspectorate will also be reviewing its approach to strategic commissioning, reviewing the validated self-assessment of Alcohol and Drug Partnerships and undertaking a variety of thematic programmes of work.

22. 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 2016/17 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

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Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	The new approach to Best Value will be rolled out from October 2016. The timing of Best Value work in councils under the initial iteration of the rolling programme will be presented to the Accounts Commission in April 2016.	The LAN will notify the council if any Best Value work is proposed during 2016/17 after the Accounts Commission meeting in April 2016
	Audit Scotland plans to undertake performance audit work in three areas covering local government during 2016/17. It will undertake a performance audit on early learning and childcare and a follow-up on audit on self-directed support. Audit Scotland will also carry out audit work on equal pay, but is still considering the focus and outputs of work in this area. Any engagement with councils is still to be determined. Details of future audit work are available on the Audit Scotland website here .	TBC
Care Inspectorate and Healthcare Improvement Scotland	Validated self-evaluation (VSE) activity with Alcohol and Drug Partnerships Joint strategic inspection of adults' services.	During 2016 Quarter 4 of 2016/17
Education Scotland	A continued programme of activity and engagement between the council and Education is planned to monitor progress and support improvement.	Ongoing
Her Majesty's Inspectorate of Constabulary (HMICS)	HMICS has yet to agree its programme of local policing inspections over the next year. These inspections will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils.	TBC
Her Majesty's Fire Service Inspectorate (HMFSI)	Since 2014/15, HMFSI has been inspecting local fire and rescue arrangements across Scotland as part of a three year programme. Scottish Borders is included in HMFSI's 2016/17 programme.	Summer 2016
Scottish Housing Regulator (SHR)	The Scottish Housing Regulator (SHR) will monitor the council's progress in addressing the weaknesses identified. The council will provide quarterly progress reports in relation to its proposed improvement actions and their outcomes.	Quarterly
	The Scottish Housing Regulator (SHR) will publish the findings of its thematic inquiry work completed during 2015-16. It will carry out further thematic inquiries during 2016-17. SHR will review the Charter data submitted by landlords and carry out data accuracy visits during quarter 2. If the council is to be involved in a thematic inquiry or a data accuracy visit SHR will confirm this directly with the council and the LAN lead.	TBC Quarter 2

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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 

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: info@audit-scotland.gov.uk 

www.audit-scotland.gov.uk 