

REPORT TO: POLICY & RESOURCES COMMITTEE – 9 MAY 2016 & SCRUTINY COMMITTEE – 29 JUNE 2016

REPORT ON: LOCAL SCRUTINY PLAN 2016/17

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 169-2016

1 PURPOSE OF REPORT

To provide elected members with a summary of the Local Scrutiny Plan 2016/17 that was recently issued by Audit Scotland on behalf of the various regulatory inspection bodies responsible for scrutinising the services provided by the Council.

2 RECOMMENDATIONS

It is recommended that elected members note the information contained within this report and in the attached Local Scrutiny Plan 2016/17.

3 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4 MAIN TEXT

4.1 The attached Local Scrutiny Plan (LSP) sets out a high-level programme of the scrutiny work planned to be undertaken during the period 2016/17 by the various regulatory bodies responsible for scrutinising the services provided by the Council.

4.2 The plan is the product of a collaborative approach adopted by the various scrutiny bodies. Through working together and sharing knowledge, expertise and information, this approach aims to maximise the efficiency and effectiveness of external scrutiny arrangements and focus activity where it is most needed and to determine a proportionate scrutiny response over the period of the plan.

4.3 The plan is based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of the various inspection agencies. The process draws on a range of evidence with the aim of determining the appropriate level of scrutiny required. The LSP therefore covers a wide range of the City Council's activities and, whilst some areas for improvement have been identified, the overall findings are positive. In particular, the Council can take encouragement from the following points:

- the LAN is satisfied that the Council continues to maintain an effective performance management framework and, again, no specific additional scrutiny is required
- the Council continues to make progress with its transformation programme 'Changing for Future' and has maintained or improved performance in a number of areas
- in its most recent Annual Return on the Charter, the Council reported that the number of properties it brought up to standard (SHQS) in the year exceeds the planned target
- the Council has made some improvements in terms of performance in secondary education at the senior phase
- most inspections have been positive in terms of outcomes for children and young people

- progress on the implementation of health and social care integration is steady, with agencies working closely together to finalise arrangements
- findings from the Care Inspectorate / HMICS joint review of Multi-Agency Public Protection Arrangements (MAPPA) in Scotland were very positive
- the Care Inspectorate were confident that committed and motivated staff from across the partner agencies in Dundee were working to improve the wellbeing of children and young people across the eight wellbeing domains
- the external auditor highlights that both the budget setting process and the revenue monitoring process demonstrate good financial control
- the Council has been proactive in improving financial sustainability

4.4 A high-level summary of the scrutiny activity planned for 2016/17 is detailed in Appendix 1 of the LSP. This programme includes a wide range of risk-based and nationally driven scrutiny activity. For some of the planned national work included on Appendix 1, scrutiny bodies are still to determine their detailed programmes including which specific Council areas they will cover. Where a Council is to be involved directly, the relevant scrutiny body will confirm this with the Council and appropriate LAN lead in due course. The new approach to auditing Best Value will be rolled out from October 2016. It will include an assessment each year of aspects of Best Value as part of an integrated annual audit and a public report for each Council at least once in a five year period.

4.5 In addition to the specific work outlined in Appendix 1, routine scheduled audit and inspection work will take place through the annual audit process and other ongoing inspection work.

4.6 The Council's appointed external auditor KPMG has already undertaken some of the work outlined in Appendix 1 as part of their interim audit review earlier this year. The outcome of this review will be reported in due course.

5 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major issues.

6 **CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services.

7 **BACKGROUND PAPERS**

None.

MARJORY M STEWART
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

29 APRIL 2016

Dundee City Council

Local Scrutiny Plan 2016/17

Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Dundee City 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. The conclusion of this year's shared risk assessment for 2016/17 is that there are currently no scrutiny risks identified which require specific examination. This does not mean that the council has addressed all risks in other areas, or that all areas of performance are improving. However, it does mean that the LAN is satisfied that the council continues to maintain an effective performance management framework and no specific additional scrutiny is required in 2016/17. The previous local scrutiny plan issued in March 2015 also indicated that no scrutiny risks were identified that required specific scrutiny by the LAN. Since our last scrutiny plan, the council has continued to make progress with its transformation programme 'Changing for the Future', and has maintained or improved performance in a number of areas.
4. In our scrutiny plan for 2015/16 we identified that, in delivering its housing and homelessness service, the council had a number of areas that required performance improvements. These included how the council manages its housing assets and its achievement of Scottish Housing Quality (SHQS) standards. In its most recent Annual Return on the Charter (ARC) the council reported that the number of properties it brought up to standard in the year well exceeds the planned target.
5. To assess the risk to social landlord services, SHR has reviewed and compared the performance of all Scottish social landlords in order to identify the weakest performing landlords. It found that Dundee City Council is in the bottom quartile for all social landlords for gas safety, the time taken to complete emergency and non-emergency

repairs and for repairs completed right first time. Council officials have provided assurance that they are aware of these areas of weaker performance and have a number of plans in place to improve future performance.

6. Performance on dealing with emergency and non-emergency housing repairs have not improved in its most recent ARC. The SHR met with officials and were provided with further information from the council on its proposals for performance improvement in this area during 2016/17. The SHR will continue to engage with Dundee City Council to further monitor its progress in completing emergency and non-emergency repairs.
7. In 2015/16, the LAN concluded that no specific additional scrutiny work was required beyond the ongoing inspection and support activity that Education Scotland provides to the council. The new integrated Children and Families Service brought together Education, Integrated Children's Services and Criminal Justice Social Work on 1 July 2015. Dundee City Council made some improvements in terms of performance in secondary education at the senior phase. The council continued to experience challenges to improve overall performance relative to its Virtual Comparator and the national average and close the attainment gap between the highest and lowest performing pupils. Work continues to close the gap between Dundee and the national position in the attainment of young people in national examinations in a number of indicators. The council is one of the seven challenge authorities involved in the Scottish Attainment Challenge to raise attainment for the most disadvantaged children. Plans are being implemented to address this.
8. Overall, in all sectors, most inspections have been positive in terms of outcomes for children and young people. HM inspectors continue to engage with a few establishments where this was needed to ensure further improvement. The LAN concluded that no specific additional scrutiny work is required beyond the ongoing inspection and support activity that Education Scotland provides to the council. Education Scotland will be working in partnership with the council to carry out a Validated Self Evaluation (VSE) of educational psychology services as part of a planned programme of work across all council areas. Education Scotland will notify the councils of its VSE plans each academic term.
9. The LAN will monitor progress with implementation of health and social care integration during 2016/17. This is a significant strategic development with important implications for the council and its NHS partner (NHS Tayside). The council is working with NHS Tayside to implement a body corporate model of health and social care integration. Progress is steady with agencies working closely together to finalise arrangements. The board is in place and work is being undertaken on the necessary strategic plans. Financial pressures facing NHS Tayside were highlighted by the Auditor General in October 2015. Due to the scale of the reforms and the financial pressures facing the NHS board and the council, the LAN will continue to monitor developments in this area.
10. The Care Inspectorate and HMICS undertook a joint thematic review of Multi-Agency Public Protection Arrangements (MAPPA) in Scotland during 2015. The purpose of the

review was to assess the status, efficiency and effectiveness of the MAPPA process in Scotland, in terms of keeping people safe and reducing the potential risk of serious harm by registered sex offenders in our communities. It covered all 32 local authorities and involved local authorities, Police Scotland, NHS Boards and the Scottish Prison Service. Findings from across the country were very positive with arrangements viewed as making a positive contribution to the effective and efficient management of registered sex offenders. The Strategic Operational Group of Tayside Community Justice Authority received specific, local feedback at the end of December 2015.

11. The Care Inspectorate carried out a joint inspection into services for children and young people in Dundee City in the latter part of 2015. This activity was undertaken as part of the Care Inspectorate's national programme of inspections and not in response to any issues identified within previous LAN reports. The joint inspection of services for children and young people in the Dundee Community Planning Partnership area took place between 31 August 2015 and 30 October 2015. It covered the range of partners in the area that have a role in providing services for children, young people and families. The Care Inspectorate were confident that committed and motivated staff from across the partner agencies in Dundee were working to improve the wellbeing of children and young people across the eight wellbeing domains. The report was published in March 2016 and an action plan is being developed.
12. The LAN continues to monitor the council's financial position and the challenges to service delivery in the future from increased demand and reducing resources. The external auditor highlights that both the budget setting process and the revenue monitoring process demonstrate good financial control. The spend on council services was £8.4 million below budget in 2014/15, primarily due to net savings in staff costs across all departments (£3.85 million) and savings in relation to third sector bodies in adult services (£3.85 million). The council needs to identify £28 million savings in order to deliver a balanced budget over the next two years. The council has been proactive in improving financial sustainability and has been reducing the number of Executive Directors and streamlining portfolios. The external auditor will monitor financial performance throughout the 2015/16 audit and report in October 2016.
13. As part of the 2015/16 annual audit, the external auditor monitored the council's progress with the development of a medium-term financial strategy. They found that the council has set out the key aspects of a medium term financial strategy; however, this could be enhanced with the inclusion of financial budgeting. A three year budget based on current year budget and updated for known changes to income and expenditure would help management to identify and manage future cost pressures. It is normal for such a budget to be appropriately informed by reference to savings plans and changes in operations.
14. Dundee City Council is a key partner, alongside the Scottish Government, the Heritage Lottery Fund, Creative Scotland and the Dundee Waterfront Project. The council instigated an independent review into the circumstances surrounding the increased cost

of the construction of the Victoria and Albert (V&A) museum in Dundee. The external auditor will consider implementation in respect of the ongoing and other capital projects in their 2015/16 financial audit, reporting in October 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 in 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. 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.
17. 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.
18. Education Scotland is redeveloping its model of reviews of Careers Information Advice and Guidance (CIAG) services delivered by Skills Development Scotland (SDS). There will now be five reviews in 2016-17: Highland, Renfrewshire, South Lanarkshire, Midlothian and Dundee. These reviews focus on authorities which have 'early adopter' schools which received an enhanced service offer from SDS as part of the pilot programme in 2015-16. The enhanced service in these schools included support for transition of pupils from primary to secondary, one-to-one interviews for pupils in S2 and S3 and increased contact with parents and teachers.
19. HMICS will continue to inspect local policing across Scotland during 2016/17 as part of its rolling work programme. These inspections will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. HMICS will identify and notify LANs and the local Policing Divisions to be inspected approximately three months prior to inspection.
20. 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.

21. 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.
22. 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. 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.

March 2016

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
KPMG	Monitor financial performance given the pressures facing the council.	As part of the 2015/16 financial audit, reporting in October 2016.
	Monitoring implementation of the recommendations raised in the McClelland Review of the Victoria and Albert (V&A) museum in Dundee project as part of work on capital projects.	As part of the 2015/16 financial audit, reporting in October 2016.
Audit Scotland	<i>See above for details relating to the new approach to auditing Best Value</i>	Timing to be confirmed
	Housing Benefit audit	Quarter 2
	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.	Timing to be confirmed
Care Inspectorate	The Care Inspectorate is leading a Validated self-evaluation of Alcohol and Drug Partnerships with work being completed by December 2016.	By December 2016
	Following the Joint Inspection of Children's Services in 2015, Dundee Partnership will provide a joint action plan detailing how the Partnership will make improvements in the key areas identified within the inspection report. The Care Inspectorate will continue to offer support for improvement through their linking arrangements and will monitor the Partnership's progress in taking forward its action plan.	Timing to be confirmed
Education Scotland	Education Scotland will be working in partnership with councils to carry out a validated self-evaluation (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.	August 2016 - December 2016

	Careers Information, Advice and Guidance (CIAG) Review	February 2017
Her Majesty's Inspectorate of Constabulary (HMICS)	HMICS will continue to inspect local policing across Scotland during 2016/17 as part of its rolling work programme. These inspections will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. HMICS will identify and notify LANs and the local Policing Divisions to be inspected approximately three months prior to inspection.	n/a
Her Majesty's Fire Service Inspectorate (HMFSI)	Local fire and rescue services across Scotland will be reviewed over the next four years as part of HMFSI's inspection programme.	As part of the 2015/16 financial audit, reporting in October 2016.
Scottish Housing Regulator (SHR)	<p>The Scottish Housing Regulator (SHR) will monitor the council's progress in completing emergency and non emergency repairs.</p> <p>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.</p> <p>SHR will review the Charter data submitted by landlords and carry out data accuracy visits during quarter 2.</p> <p>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.</p>	<p>Timing to be confirmed.</p> <p>Quarter 2</p>

