

Aberdeen City 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 Aberdeen 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 Accounts Commission published its report on the Audit of Best Value of Aberdeen City Council in July 2015. The commission welcomed the progress by the council in a number of areas since the last best value report on the council in 2009. While the commission was encouraged by the council's self-awareness in recognising how it needs to improve, it also highlighted that a great deal more improvement needed to be delivered and consolidated. In particular the following areas were highlighted:
 - the council's vision needs to be translated into clear objectives and targets with links to service plans
 - in respect of elected members, better use should be made of the development framework, and consistent information on service performance should be provided to enable them to discharge their scrutiny role effectively
 - arrangements for employee engagement and communication should be reviewed and strengthened.
4. It was considered too early to assess the effectiveness of the improvements put in place or being implemented. While the Accounts Commission have not asked for a formal follow up report, the controller of audit has noted his continuing interest in the council. In the interim, progress will be monitored and reported through the external auditor's annual audit report.

5. Through the 2016 shared risk assessment process, the LAN did not identify any new risks which require scrutiny. However, offender serious incident reviews and educational attainment were highlighted by scrutiny partners as areas of concern. The LAN concluded that additional scrutiny in these areas would not necessarily assist improvement but that continued oversight and monitoring by link inspectors/lead area officers was essential.
6. Serious Incident Reviews (SIRs) are carried out when an offender on any kind of licence or order is involved in a serious incident. During 2014, the Care Inspectorate identified that there was significant under reporting of serious incidents by the council. Some subsequent reviews were submitted late and were not considered to be of an acceptable standard. The Care Inspectorate held discussions with the council throughout 2015 but few incidents were reported by the council and their quality has not improved.
7. A key challenge for the council remains the need to raise the standards of educational attainment and achievement for all young people. There is some evidence of improved outcomes including a higher percentage of young people moving to positive post school destinations but overall attainment in schools is not improving at a sufficient rate. There is a significant gap in levels of attainment between Aberdeen City and Virtual Comparator levels and national averages. The LAN recognised that the council continues to experience acute difficulties in recruiting and retaining teachers and acknowledged the obstacles this poses in terms of achieving stability and improvement in schools. Important steps were taken to address the matter in autumn 2015 when the Leader of the council chaired a 'Northern Alliance' summit on teaching shortages in north local authorities.
8. Another challenge is the performance of Community Learning and Development, with both inspections during the year resulting in weak evaluations. Strategies implemented by the council to improve performance are monitored on a regular basis by Education Scotland's Area Lead Officer who meets regularly with the council.
9. Audit Scotland carried out a follow-up review to assess what further progress Aberdeen Community Planning Partnership (CPP) had made in addressing the improvement areas set out in the audit report published in March 2013. This found that good progress had been made by the CPP in the following areas:
 - undertaking a strategic assessment to provide an evidence base for a refreshed Single Outcome Agreement (SOA)
 - review of performance reporting arrangements and establishment a data group to help address weaknesses in the reliability of the performance data
 - aligning its priority and budget setting schedule to the timetables of partner organisations

- considering the implications of new legislation, such as that on health and social care integration, community empowerment and community justice.
10. Audit Scotland also concluded follow-up activity in respect of Aberdeen's housing benefit risk assessment. The service was commended for the improvements it achieved in a time of significant change for the service. Consequently, no further scrutiny was considered necessary at this stage.
 11. The report of a Joint Inspection of Children's Services carried out by the Care Inspectorate, Education Scotland, Healthcare Improvement Scotland and HM Inspectorate of Constabulary for Scotland was published in March 2015. This was a positive inspection. Partners have drawn up an action plan comprehensively covering all the areas for development noted in the inspection report and is appropriately linked with the partnership's wider improvement processes. Scrutiny partners normally sign off an action plan with councils around a year later. In respect of Aberdeen, this is on track to be concluded on schedule by summer 2016.
 12. The Care Inspectorate and Healthcare Improvement Scotland carried out a joint inspection of services for older people during 2015/16. Its purpose was to assess how effectively health and social work services worked together in delivering quality services to older people whilst enabling them to be independent, safe, as healthy as possible and have a good sense of wellbeing. This is part of a wider national planned programme of scrutiny work being undertaken by the Care Inspectorate and Healthcare Improvement Scotland. Fieldwork commenced in January 2016 and is now complete. From May 2016, scrutiny partners will engage with the council on the draft inspection report which is scheduled for formal publication in summer 2016.
 13. The Care Inspectorate and HMICS carried out a joint thematic review of Multi-Agency Public Protection Arrangements (MAPPA) across all 32 local authority areas in Scotland in 2015. The purpose of the review was to assess the state, efficiency and effectiveness of MAPPA in Scotland in terms of keeping people safe and reducing the potential risk of serious harm by registered sex offenders in our communities. It involved local authorities, Police Scotland, NHS Boards and the Scottish Prison Service.
 14. The key message within the review report is that MAPPA is making an effective contribution to public safety and sex offender management. There are a number of recommendations and areas for development which are intended to improve efficiency in processes. The Care Inspectorate will be asking Strategic Oversight Groups and Responsible Authorities to outline how these will be implemented and progress monitored and evaluated
 15. Education Scotland is 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 which began in 2015/16. HM inspectors were confident that the VSE, carried out in Aberdeen City Council in early 2016, provided an accurate assessment of strengths

and areas for improvement. Progress in implementing an action plan to address the areas identified will be monitored by the Area Lead Officer.

16. To assess the risk to social landlord services the Scottish Housing Regulator (SHR) reviewed and compared the 2014/15 performance of all Scottish social landlords to identify the weakest performing landlords. We found that Aberdeen City Council was in the bottom quartile for all social landlords in relation to tenant satisfaction with the standard of their home on moving in; dealing with complaints within Scottish Public Sector Ombudsman timescales; void times; rent lost through voids; gas safety check renewal timescales; repairs time. In response to this information, SHR engaged with the council in January 2016 and were reassured by officers that action is being taken to address the areas of concern. Consequently, it was felt that continued oversight and monitoring would be a sufficient scrutiny response for the time being.
17. With regard to homelessness information for 2014/15, the number of people sleeping rough as a percentage of applications has increased, as has the percentage of applicants who lost contact before a decision is made. There has also been an increase in the average length of time spent by homeless people in bed and breakfast accommodation. Following engagement with the council, assurance has been given by council officials that there are plans in place to address these weaker areas of performance and that there is evidence of improvement.
18. 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. In February 2015, the council approved a balanced revenue budget for 2015/16. The five year indicative budget at that time however predicted a cumulative shortfall at 2019/20 of £52 million assuming that the council did nothing and accepted estimated future cost pressures.
19. Adversely impacting on this position was the Scottish Government funding settlement announcement in December 2015. This covered one year only and in respect of Aberdeen, resulted in a reduction in funding of £10 million. The council also had to identify further savings of £16 million to meet additional cost pressures. While a balanced budget was achieved for 2016/17, it was not possible to prepare anything meaningful in terms of the five year financial position until indicative funding figures for future years become available later in the year. In common with other councils, Aberdeen only approved a one year budget in February 2016.
20. The overall level of usable reserves held by the council at 31 March 2015 was £128 million. This total includes £11.3 million of unallocated general fund reserves which has been maintained within the 2016/17 budget setting process.
21. 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 Grampian. The council and NHS Grampian

agreed to implement a body corporate model in the form of an Integrated Joint Board (IJB). It was formally established in February 2016 and takes operational responsibility for services and resources delegated to it from 1 April 2016.

22. In addition to a range of work streams focusing on implementation and transformation, Aberdeen City IJB has been supported by the Good Governance Institute who has been commissioned to develop the board assurance framework, governance structures and risk appetite statement.
23. In particular, the IJB has received integrated financial monitoring statements for devolved budgets since July 2015 and more recently, the board agreed the terms of reference for an audit committee which will meet quarterly. Another important forum is the North East Partnership Steering Group which comprises the Chairs and Vice Chairs of each of the three integrated joint boards in the NHS Grampian area, the Chief Officers and the Chief Executive and Chairman of NHS Grampian.
24. While the board is well placed to assume operational responsibility in April 2016, the scale of reform suggests that further work on reviewing governance frameworks will be required in the first year of operation. The LAN will therefore continue to monitor the development of the IJB as it implements plans and monitors outcomes.

Planned scrutiny activity

25. As shown in [Appendix 1](#), the council will be subject to a range of risk-based and nationally driven scrutiny activity during 2016/17. For some of their scrutiny activity in 2016/17, scrutiny bodies are still to determine which specific council areas they will cover in their work programmes. Where a council is to be involved, the relevant scrutiny body will confirm this with the council and the appropriate LAN lead.
26. 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. In respect of Children's Services, six joint strategic inspections are planned across Scotland for the 2016/17 year. In respect of Adults' Services, work continues with partner agencies to review the methodology of these joint inspections. Accordingly there are plans to undertake three further joint strategic inspections of Adults' Services in the 2016/17 year. As well as joint strategic scrutiny programmes, there will be review or continuing review of the approach to the joint review of strategic commissioning; review of the validated self-assessment of Alcohol and Drug Partnerships and a variety of thematic programmes of work will be undertaken.
27. In addition to planned scrutiny activity, 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.

28. 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.
29. The new approach will be rolled out from October 2016 but will continue to evolve. This will include assessment each year of specified aspects of Best Value as part of an integrated annual audit. With previous best value and financial audit activity, this will bring together an overall picture of the council which will enable a public report (ie a Controller of Audit report to the Accounts Commission) to be prepared for each council at least once in a five year cycle. The results of this current SRA will make a significant contribution to the audit intelligence that will underpin the new approach, and has informed the development of the initial programme. The Accounts Commission will shortly announce the 2016/17 programme of best value reports.

March 2016

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	<p>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 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.</p> <p>An area of continuing interest to the Accounts Commission is the City Region Deals. Initial site visits are being made to all City Deal authorities with a view to gathering intelligence on, for example, governance arrangements, funding mechanisms and potential risks. This will inform a performance audit report to be published in 2017/18.</p> <p>Details of this and other future audit work are available on the Audit Scotland website here.</p> <p>In addition, there will be targeted follow-up of the national performance audit report <i>Scotland's Public Sector Workforce</i> published in November 2013.</p>	<p>To be confirmed</p> <p>Spring 2016</p> <p>June 2016</p>
Care Inspectorate and Healthcare Improvement Scotland	<p>The Care Inspectorate will undertake validated self-evaluation (VSE) activity with Alcohol and Drug Partnerships (ADP). 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. The Care Inspectorate will also provide brief, customised feedback to each ADP in order to help build their capacity for self-evaluation.</p>	<p>On site activity commenced in March 2016 with a national overview report to be completed by the end of 2016</p>

<p>Scottish Housing Regulator (SHR)</p>	<p>The Scottish Housing Regulator (SHR) will monitor the council's progress in addressing housing and homelessness service weaknesses identified in paragraphs 16 and 17. It will review the council's quarterly performance management reports and meet council officials as necessary.</p> <p>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 also review the Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2016/17. 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>Quarterly monitoring throughout 2016/17</p> <p>To be determined</p>
<p>Education Scotland</p>	<p>Review of the quality of Careers Information Advice and Guidance (CIAG) services delivered by Skills Development Scotland across all council areas over the next two years.</p>	<p>Date to be confirmed during 2017/18</p>

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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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