

# City of Edinburgh

# 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 City of Edinburgh 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. In May 2013, the Accounts Commission considered a Best Value report on the City of Edinburgh Council. The Commission recognised that the council had demonstrated a good understanding of the challenges it had faced and the need to restore public confidence, however it expressed concerns around the challenges the council faced, and requested a follow-up report in 2014.
4. The follow-up report, considered by the Accounts Commission in December 2014, recognised the good progress the council had made in developing its approach to scrutiny and risk management, as well as highlighting improvements in a number of other key areas.
5. The report also emphasised, however, that the financial challenges the council faces had increased since the original Best Value review was undertaken. The council developed a transformation programme, Better Outcomes through Leaner Delivery (BOLD), to generate additional savings options from 2015/16. This programme underpinned the council's new service delivery model, *Organise to Deliver*, which aimed to empower front-line staff in the localities to ensure devolved decision-making and improved outcomes for citizens. At the time of publication of the follow-up report, the council was still developing the detailed business cases around the delivery model, therefore it was considered to be too early to assess the BOLD programme's impact in delivering the required financial savings. The report also highlighted some concern around the council's management capacity to deliver a programme of change and

improvement whilst dealing with other issues it faces, along with the council's lack of progress in developing a comprehensive workforce strategy.

6. The Accounts Commission therefore asked for a further report in 2015 focusing on these areas of concern. Consequently, last year's local scrutiny plan focused on Best Value work around the council's initiatives to address its financial challenges, and the reporting of these, along with its development of a comprehensive workforce strategy.
7. The subsequent progress report, considered by the Accounts Commission in February 2016, concluded that the council has made considerable progress in addressing its increasingly challenging financial position. The council agreed a four year budget framework and business plan in January 2016, setting out a balanced budget for the first three years, with £15.3 million of savings still to be identified for 2019/20. There is a clear strategy for how it intends to achieve the required financial savings in the medium term, and there is now evidence that these planned savings are being achieved.
8. The council now has a workforce strategy, supported by more detailed plans, setting out the size and shape of its future workforce needs. Implementation of these plans is underway, with an anticipated reduction of around 2,000 full time equivalent posts by 2017. A series of organisational reviews are currently being progressed, linking the new service delivery model, *Organise to Deliver*, to the council's future workforce needs.
9. There are currently no further best value follow-up reports planned for the council. The LAN will continue ongoing monitoring and oversight in the areas of leadership and resource management through Audit Scotland's 2016/17 annual audit process.
10. To assess the risk to social landlord services, the Scottish Housing Regulator (SHR) reviewed and compared the performance of all Scottish social landlords in order to identify the weakest performing landlords. SHR found that the City of Edinburgh Council is in the bottom quartile for all social landlords in relation to non-emergency repairs, repairs completed 'right first time', gross rent arrears, and its homelessness service. SHR will therefore engage with the council about these areas during 2016/17. Council officials have assured SHR that they are aware of these areas of weaker performance and have a number of plans in place to improve future performance. The LAN has assessed this as an area for ongoing monitoring and oversight during 2016/17. SHR's lead officer will continue to monitor this as part of her ongoing liaison with the council.
11. The LAN has considered the other key risk areas within their scope and concluded that there are no further scrutiny risks that have been identified which require specific work by the scrutiny bodies this year. This does not mean that in relation to these other areas the council has addressed all risks, or that all areas of performance are improving. However, it does mean that the LAN is satisfied that:
  - there has been further information gathered by the LAN to demonstrate performance in areas where, previously, further information was required
  - the council has demonstrated self awareness of the standards of performance required at a service level

- there is evidence to demonstrate the council's awareness of, and monitoring of, the key risks to meeting outcomes and service delivery.

## Planned scrutiny activity

12. 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 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.
13. 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.
14. 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](#).
15. 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.
16. 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.
17. 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. However, appropriate elements of the new approach, such as reporting mechanisms, will also be tested in some councils.

18. 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.
19. In relation to its housing and homelessness services, SHR will engage with the City of Edinburgh Council to monitor its progress in addressing the weaknesses identified in relation to non-emergency repairs, repairs completed 'right first time', gross rent arrears, and its homelessness service. The council will submit half yearly progress reports in relation to its proposed improvement actions and outcomes. SHR will meet with council officials if considered necessary.
20. 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 strategic commissioning, reviewing the validated self-assessment of Alcohol and Drug Partnerships and undertaking a variety of thematic programmes of work. The Care Inspectorate, along with Health Improvement Scotland, plans to carry out a joint strategic inspection of adults' services in the City of Edinburgh Council area in the third quarter of 2016/17.
21. 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. Local policing in Edinburgh was inspected in 2015 as part of this programme.

## March 2016

## Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	Audit Scotland has three planned performance audits covering local government in 2016/17 focusing on early learning and childcare, self-directed support and equal pay.	To be determined
Care Inspectorate and Healthcare Improvement Scotland	The Care Inspectorate will undertake Validated Self-Evaluation (VSE) activity with Alcohol and Drug Partnerships with a national overview report completed by the end of 2016.	March – December 2016
	Care Inspectorate, along with Health Improvement Scotland, plans to carry out a joint strategic inspection of adults' services in the City of Edinburgh Council area in the third quarter of 2016/17.	October – December 2016
Scottish Housing Regulator (SHR)	<p>The Scottish Housing Regulator (SHR) will monitor the council's progress in addressing the weaknesses identified in relation to non-emergency repairs, repairs completed 'right first time' gross rent arrears, and its homelessness service. The council will submit half yearly progress reports in relation to its proposed improvement actions and their outcomes. This will be followed by meetings with council officials and representative tenant groups, if considered necessary.</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>Half yearly</p> <p>To be confirmed</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](http://www.audit-scotland.gov.uk) 

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