

Orkney Islands Council

Local Scrutiny Plan

2017/18



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Introduction

1. This local scrutiny plan (LSP) sets out the planned scrutiny activity in Orkney Islands Council (“the council”) during 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 will be available on the Audit Scotland website.

Scrutiny risks

3. The 2016/17 Local Scrutiny Plan did not identify any specific additional scrutiny, although scrutiny activity was undertaken as a consequence of national follow-up work or at the direction of Scottish ministers.
4. The 2016/17 LSP identified three performance audits to be undertaken by Audit Scotland covering local government:
 - An audit of equal pay in councils. This is due to be reported in June 2017.
 - A follow-up audit on self-directed support. This is due to be reported in August 2017.
 - An audit of early learning and childcare. This is due to be reported in November 2017.
5. **Financial sustainability:** Orkney Islands Council holds considerable useable reserves (£235 million at the end of March 2016), largely due to the strength of its Strategic Reserve Fund. This provides the council with a relatively strong financial position compared with many other councils in Scotland as a foundation for future planning. The council has advised that Marine Services is at present in a position to contribute new capital to the Strategic Reserve Fund which in turn will allow the council further scope to consider useable reserves. Nevertheless, with rising demand for council services, increasing costs and further budget reductions expected, it is essential that the council has an effective long-term financial plan in place.

6. The Medium Term Resource Strategy identifies an increased funding gap of £12 million over the extended five-year period to 2021/22 and also contains reference to the plans to formulate a longer term strategy during 2017/18 which builds on the assumptions made over the medium term.
7. The council's Change Programme aims to deliver a range of options to bridge this funding gap including, budget reductions, additional external funding and income generation. The baseline budget reductions will be phased in over the five-year period, with additional planned and sustainable use of reserves enabling this phased approach.
8. The success of the Senior Management Team, supported by the Finance Team, in identifying these wider budget savings, and the Change Programme in identifying efficiencies and income generation opportunities, are fundamental to how the council is able to respond to the financial challenges over the next few years. The LAN has assessed this as an area that requires ongoing oversight and monitoring during 2017/18. This will be undertaken by the local audit team.
9. **Social care:** The LAN has identified no specific scrutiny risks in relation to social work/social care services. The Care Inspectorate and Healthcare Improvement Scotland have undertaken a joint inspection of services for older people in Orkney published on March 2017. The partnership was found to achieving good outcomes for many older people with ten recommendations made to further improve services including rationalising plans and increasing care at home capacity. The partnership is currently developing an action plan to address the recommendations. The Care Inspectorate and Healthcare Improvement Scotland will introduce a revised approach to the joint strategic inspections of services for adults for 2017/18 which will assess the extent to which the planning, organisation and coordination of services comply with the principles of integration and contribute to the national health and wellbeing outcomes. Inspections will include a focus on joint strategic commissioning. In 2017/18, the Care Inspectorate will also lead on thematic activity in the areas of adult support and protection and self-directed support, working with a range of scrutiny partners.
10. **Education:** Education Scotland worked in partnership with the council to carry out a validated self-evaluation (VSE) of educational psychology services (EPS) during 2016 which resulted in very positive outcomes. Education Scotland is confident that the EPS will continue to build on their strengths and develop further their use of self-evaluation data.
11. Education Scotland also carried out a Tackling Bureaucracy Review during 2016. The review indicated important strengths, including partnership working between the authority and professional association officials, in surveying schools and teachers to identify specific factors causing workload pressures, and the enhanced teacher pupil ratio in schools, which helps staff deal with workload pressures.
12. Over recent years, Education Scotland inspections of individual schools have indicated a good standard of learning and achievement, overall. Since September 2008, almost

all inspections of nurseries, primary and secondary schools have resulted in positive outcomes. As a result of these very positive inspections, Education Scotland has no continuing inspection engagements with any Orkney schools.

13. Plans for taking forward the Pupil Equity Fund (PEF) are under discussion.
14. **Housing:** To assess the risk to social landlord services, the Scottish Housing Regulator (SHR) has reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. While SHR has assessed that no additional scrutiny is required in Orkney Islands Council it has engaged with the council throughout 2016/17 in relation to: completing emergency and non-emergency repairs on time; its performance in collecting gross rent arrears; the speed of re-letting void properties; and the reliability of its data in the Annual Return on the Charter (ARC).
15. Orkney has worked well to improve its performance across many of its services and it has taken effective actions to provide assurance around the process of gathering and reporting on ARC data. SHR will have a reduced oversight and monitoring role in 2017/18.
16. 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.

Planned scrutiny activity

17. **Best Value Assurance Report:** The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed comprehensively over the five year audit appointment, both through the ongoing annual audit work, and also through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:
 - the Annual Audit Report for each council, that will provide a rounded picture of the council overall
 - an Annual Assurance and Risks report that the Controller of Audit will provide to the Accounts Commission that will highlight issues from across all 32 council annual audit reports
 - a Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five year period.
18. As part of this approach, audit work is now underway which will result in a Best Value Assurance Report of Orkney Islands Council, to be published in January 2018. The scope of the audit work includes consideration of: strategic direction, governance, management of resources, improvement, partnership working, and equal opportunities.

19. As shown in [Appendix 1](#), the council will be subject to a range of risk-based and nationally driven scrutiny activity during 2017/18. For some of their activity in 2017/18, scrutiny bodies are still to determine their work programmes and 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.
20. Routine, scheduled audit and inspection work will take place through the annual audit process and the ongoing inspection of school, housing and care services by Education Scotland, the Scottish Housing Regulator and the Care Inspectorate respectively.
21. Audit Scotland also plans to undertake national performance audit work in four areas covering local government during 2017/18. It will undertake performance audit work on ALEOs (arm's length external organisations), city deals, early learning and childcare, and a follow-up on the integration of health and social care. Engagement with councils is still to be determined on some of these studies, and councils will be advised. Details of future audit work are available on the Audit Scotland website [here](#).

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	<p>Best value assurance review. The scope of the covers:</p> <ul style="list-style-type: none"> • Strategic direction: including the council's vision, priorities, planning and performance management framework. • Governance: including member and officer roles and responsibilities, learning and development, scrutiny, Following the Public Pound and ALEO governance arrangements. • Management of resources: including financial planning, financial management, workforce planning and capacity, digital approach - IT and technology. • Improvement: including self-evaluation, change/transformation plans and programmes, community engagement and developing community empowerment. • Partnership working. • Equal opportunities arrangements. 	<p>Spring – Summer 2017</p> <p>Publication January 2018</p>
	<p>Audit Scotland has planned performance audit work in a range of areas covering local government in 2017/18. It will undertake:</p> <ul style="list-style-type: none"> • a performance audit on arm's length external organisations (ALEOs) • a performance audit on children's mental health • a follow-up audit on health and social care integration, and • a performance audit on City Deals. <p>Engagement with individual councils has yet to be determined.</p>	<p>Timing and locations yet to be determined</p>
Education Scotland	Community Learning and Development strategic level inspection	November 2017
	Career Information, Advice and Guidance Services review	Sept 2017
Scottish Housing Regulator	The Scottish Housing Regulator will engage with the council for a six month update on performance in relation to emergency and non-emergency repairs, gross rent arrears and rent lost due to void properties.	Oct – Nov 2017

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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:

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