

The Highland Council

Local Scrutiny Plan

2018/19



April 2018

Highland Council

Local Scrutiny Plan – April 2018 to March 2019

Introduction

1. This local scrutiny plan sets out any scrutiny risks identified by the local area network (LAN), proposed scrutiny responses and expected scrutiny activity for Highland Council during the financial year 2018/19.
2. The scrutiny risks and responses are 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 risks in the council.
3. Expected scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2018/19, which is available on the Audit Scotland [website](#).

Scrutiny risks

4. The council continues to face financial pressures. The council has a longer term financial strategy based on certain funding assumptions and scenarios, but was only able to set a one year financial budget for 2018/19 rather than the anticipated three year budget framework. Financial management and financial sustainability will be areas of focus for the external audit wider scope work in 2017/18.
5. The Council Programme, "Local Voices - Highland Choices" continues to focus on transformation, and the delivery of the council priorities within an increasingly constrained financial envelope. This new council programme was set by the administration in September 2017 with the associated Corporate Plan on delivery approved in December 2017.
6. The council continue to operate a leaner Senior Management structure across four directorates and continue to focus on wider workforce planning. Having reduced the workforce through a voluntary early release scheme in prior years, the financial reserves available to the council for further schemes are limited. In addition, there continues to be a focus on key controls and ensuring that all controls operate as intended, despite the reducing workforce.
7. The approval of the capital plan and revenue budget is now aligned. However, the council's capital plans need to stay within the parameters of the prudential code and the council needs to be mindful of the longer term financial affordability of the borrowing to fund the capital programme.

8. The LAN is aware that there are continuing discussions between the council and NHS Highland in relation to governance arrangements for Health and Social Care Integration, and challenges relating to the agreement for funding related to the cost of care, and scrutiny bodies will follow this up as part of their engagement with the council.
9. The council has appropriate governance in place to ensure that educational provision is well organised and well led. Overall, there has been a renewed drive for quality improvement in Highland which is positive. However, for some particular aspects, such as mixed outcomes from school inspections and performance information, there are a few concerns. Education Scotland will continue to have ongoing oversight and monitoring of these areas over 2018/19 as part of their ongoing liaison with the council, through Area Lead Officers. Officers will not engage in a formal scrutiny response other than planned inspections and reviews.
10. The council has nine schools participating in the Schools Programme of the Scottish Attainment Challenge. Schools have Pupil Equity Funding plans in place and these are being progressed. Education Scotland will continue to liaise with establishments as appropriate.

Scrutiny activity

11. Any expected scrutiny activity between April 2018 and March 2019 is shown in Appendix 1. For some of their scrutiny activity in 2018/19, 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.
12. 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. The outcomes of this work will help to inform future assessment of scrutiny risk.
13. Audit Scotland plans to undertake performance audit work in a range of areas covering local government during 2018/19. These include audits on: children and young people's mental health; health and social care integration: update on progress; primary and social care workforce planning; VFM of non-profit distributing models. Any engagement with individual councils is still to be determined and will be confirmed with the council as soon as possible. Details of future audit work are available on the Audit Scotland website: www.auditscotland.gov.uk
14. The Scottish Housing Regulator (SHR) may carry out thematic inquiries during 2018/19 or it may carry out survey or on-site work to follow up on published thematic reports. The SHR will also review the Scottish Social Housing Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2018/19. Where a council is to be involved in

a thematic inquiry, any follow-up work to a published thematic inquiry, or a data accuracy visit, the SHR will confirm this directly with the council and the LAN lead.

15. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed over the five year audit appointment, as part of the annual audit work. In addition a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five year period. The current proposed BVAR programme includes publication of a report for Highland Council in 2019. The scope and timing of the work to be carried out as part of the 2018/19 audit will be discussed with the council. The BVAR programme could change if the risk profile of councils change; if this is the case we will update the council. In the meantime, Best Value audit work planned in this year will focus on the council's arrangements for demonstrating Best Value in relation to performance and outcomes, governance and scrutiny, and financial governance and resource management. This will be reported in the Annual Audit Report.

March 2018

Appendix: Scrutiny activity

Scrutiny body	Scrutiny activity	Date
Grant Thornton	No additional scrutiny planned. Our Annual Report will be finalised in September 2018.	September 2018
Audit Scotland	Audit Scotland plans to undertake performance audit work in a range of areas covering local government during 2018/19. Any engagement with individual councils is still to be determined.	Ongoing - per individual review timescales
Education Scotland	Inspection of Community Learning and Development.	September - December 2018
Her Majesty's Fire and Safety Inspectorate	No scrutiny planned. A local inspection was undertaken in Late 2017 and is due to report Spring 2018.	Spring 2018

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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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