

**FALKIRK COUNCIL**

**Subject: LOCAL SCRUTINY PLAN 2015-16**  
**Meeting: AUDIT COMMITTEE**  
**Date: 20 APRIL 2015**  
**Author: CHIEF EXECUTIVE**

**1. INTRODUCTION**

- 1.1** This report presents to Members the Local Scrutiny Plan 2015-16 for Falkirk Council prepared annually by the Local Area Network (LAN). The plan is attached as appendix one for information.

**2. LOCAL SCRUTINY PLAN**

- 2.1** The local scrutiny plan provides details of the planned scrutiny activity to be undertaken in Falkirk Council during the current financial year. The plan is based on a shared risk assessment undertaken by the Local Area Network (LAN). The LAN, led by Audit Scotland, consists of representatives from Audit Scotland, Scottish Housing Regulator, Education Scotland, Care Inspectorate and Healthcare Improvement Scotland.
- 2.2** The Local Scrutiny Plan (LSP) notes national risks as well as local risks and identifies how and when these risks will be audited during the financial year.
- 2.3** The LSP begins with an update on the work undertaken by the LAN during 2014/15. A summary of the conclusions are noted below:

**Governance and Accountability**

- 2.4** The LAN proposed a targeted best value audit to review the new decision making and scrutiny arrangements introduced in May 2013. This was proposed due to the LAN's concerns regarding the new governance and scrutiny arrangements potentially being undermined by a reduced number of Members participating in the arrangements. The best value audit was conducted by Audit Scotland in 2014 and findings will be delivered in Spring 2015.

**Performance Management**

- 2.5** In conjunction with the above, Audit Scotland also carried out a targeted best value audit to scrutinise the effectiveness of new developments in the Council's performance management arrangements. Findings will also be delivered during Spring 2015.

**Housing & Homeless Services**

- 2.6** In 2014, a request was received from the Scottish Housing Regulator (SHR) to carry out a self-assessment of specific areas of the service. The assessment was concluded with an improvement plan in November 2014 which was discussed with the Regulator.

As a result of the actions identified in the improvement plan, the Regulator was satisfied that no specific scrutiny risks were evident as the Council has a good understanding of the performance improvements required and has appropriate plans in place to improve.

### **Health and Social Work Services for Older People**

- 2.7 As part of the ongoing national programme of work, a joint inspection of health and social work services for older people was undertaken in September/October 2014. The results of the inspection are awaited.

### **Targeted Follow up Work on National Performance Audits**

- 2.8 Two areas of follow up work were undertaken in 2014. The first, reviewed the Council's response to the audit of Arm's Length External Organisations (ALEO). The report concluded that governance could be improved further if opposition members took up places allocated on ALEO boards. The second review concerned the actions in response to the audit of major capital investment, which concluded that improvements had been made but scope for improvement remained.

## **3. SCRUTINY RISKS**

- 3.1 A number of scrutiny risks were considered relating to financial sustainability, Education and Children's Services and Social Work/Social Care; comment was received from the LAN for each of these particular areas however, no specific scrutiny action has been identified beyond normal overview and monitoring arrangements. The LAN recognised the considerable challenges the Council faces in achieving the required savings of £46million, and acknowledged the measures being undertaken by the Council in relation to the budget approach and management of reserves.

## **4. PLANNED SCRUTINY ACTIVITY**

- 4.1 The Council will be subject to a range of risk-based and nationally driven scrutiny activity during 2015/16, although in relation to the national scrutiny activity, not all of the activity relating to which Council has been determined or timetabled as yet. While some of the Audit and inspection work is proportionate and risk driven, some inspections are timetabled.
- 4.2 The following areas have been noted by the Local Area Network and Audit Scotland for activity during 2015/16:
- Review and assess developments in decision making structures and performance management, particularly relating to the response to findings from the targeted best value work;
  - Follow up work on progress made to improvement areas following the audit of the Community Planning Partnership – September 2015;
  - A performance audit of housing benefit – December 2015;
  - As part of the national scrutiny work, a joint thematic review of multi-agency public protection arrangements (MAPPA) - May 2015;
  - Working in partnership with Councils across Scotland, Education Scotland will carry out a validated self evaluation (VSE) of educational psychology services - TBD.

- 4.3 A joint inspection of services for children and young people is planned to take place in Autumn 2015. This is a multi-agency inspection of children's services. At its last meeting the Community Planning Leadership asked the Director of Social Work to write to the Care Inspectorate asking that this critical but time consuming inspection be postponed. This request was to recognise the current changes being made to children's services in Falkirk Council but also to acknowledge the follow up audit in Stirling and Clackmannanshire and the MAPPA audit that would involve key partners. The Care Inspectorate has confirmed that they feel unable to change the timescale of this inspection and therefore during a time of significant change there will be a significant inspection of children's services.
- 4.4 In addition to local inspections and audits, there will be some national work we will be asked to participate in or provide evidence for. The level of involvement in these pieces of work will vary. These include:
- Audit Scotland has three performance audits being conducted. These are in relation to:
    - Social care;
    - Health and Social Care Integration; and
    - A follow up on roads maintenance.
  - The Scottish Housing Regulator has a series of thematic inquiries relating to:
    - Gipsy/Travellers;
    - Factoring services;
    - Gas safety;
    - Complaints handling;
    - Customer service standards;
    - Repairs;
    - Rent consultation;
    - Equalities; and
    - Openness and Accessibility.
  - In addition the SHR will review the charter data due to be submitted by social landlords in May 2015 and identify topics for other theme studies.

## **5. RECOMMENDATION**

- 5.1 **It is recommended that Members note the Local Scrutiny Plan 2015 -16 prepared by the LAN as set out in appendix one of this report.**

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**CHIEF EXECUTIVE**

Date: 07 April 2015

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Contact Name: Allan Stewart Ext: 6187

## **LIST OF BACKGROUND PAPERS**

1. Falkirk Council, Local Scrutiny Plan 2015/16 – Audit Scotland

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506187 and ask for Allan Stewart.

# **Falkirk Council**

## **Local Scrutiny Plan**

### **2015/16**



# Falkirk Council

## Local Scrutiny Plan 2015/16

### Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Falkirk Council during 2015/16. 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 2015/16, which is available on the Audit Scotland website.

### Update on Scrutiny Plan 2014/15

3. In the 2014-17 Assurance and Improvement Plan (AIP), the LAN concluded that scrutiny was required in the area of governance and accountability. New decision-making structures were agreed by the council in March 2013, and the first meetings under the new structure commenced in May 2013, however, some members declined to participate fully in the new arrangements. The LAN, judging that local governance and scrutiny arrangements could be undermined by this unwillingness to engage in the governance and scrutiny process, proposed that targeted best value audit work should be carried out to establish the effectiveness of the new decision making and scrutiny arrangements. This work was carried out by Audit Scotland at the end of 2014, and focused on whether the council's governance arrangements are working effectively and supporting strategic decision making and scrutiny of service delivery. Findings are due to be reported in the spring of 2015.
4. In the 2014-17 AIP, the LAN also identified the need for scrutiny of the effectiveness of new developments in the council's performance management arrangements. Targeted best value work on how performance management arrangements supported scrutiny of the council's performance was planned, and was carried out in conjunction with the best value audit work noted above. The findings are also expected to be reported in the spring of 2015.
5. In addition to the scrutiny risks identified, the LAN also reported the need for more information to be obtained in connection with weaknesses in the council's housing and

homelessness services. Poorer performing areas included average times to re-let low demand housing, tenancy sustainment and rent arrears among tenants. The Scottish Housing Regulator (SHR) asked the council to carry out a self assessment covering the identified areas of weaker performance. The resulting submission and improvement plans were considered by the Regulator and discussed with the council in November 2014. No specific scrutiny risks are now evident as the council has an awareness of where improvements are needed and has put plans in place to improve its performance.

6. The LAN noted in the 2014-17 AIP that the Care Inspectorate (CI) and Healthcare Improvement Scotland would be carrying out a joint inspection of health and social work services for older people in the Falkirk area during September/October 2014 as part of their wider programme of national work. The results of this inspection are still to be reported and the CI will provide monitoring and support to achieve any required improvement during 2015/16.
7. Targeted follow up work on two national performance audits was carried out in 2014:
  - The follow up review of the council's response to the audit on *Arms length external organisations* concluded that governance could be improved further if opposition members took up places allocated on ALEO boards.
  - The review of actions taken in response to the audit of *Major capital investment in councils* concluded that the council had made improvements based on the original report, but that there was scope for further improvement.

Progress in achieving improvement will be assessed as part of the 2014/15 annual audit process.

## Scrutiny risks

8. **Financial sustainability:** Audit Scotland reported in October 2013 that the council faces a significant challenge in delivering services with resources which continue to reduce. Officers recognise this and that members will face difficult decisions over the medium term on how services are to be delivered.
9. The council's financial position worsened during 2013/14 to the point where it has identified the need to make savings of £46 million over the three years to 2017/18, with a funding gap of £10.5 million to be met in 2014/15. A budget framework document was approved by the council in November 2014 which confirmed that, to achieve the necessary savings, significant contraction in services and reduction in staffing would be required. Consultations are ongoing to consider proposals for savings and these have informed the final budget setting process in February 2015. Of particular concern is the significant overspend being forecast for Social Work Services in the current year (2014/15), however, despite the demographic pressures on social work budgets, management do not anticipate further overspends going forward.

10. £30.8 million in savings and other measures for the upcoming two years have been identified, and agreed by the council at its budget meeting held 11 February, leaving a residual budget gap of £15.2 million for 2017/18.
11. To support its future financial plans the council has recognised the need for a multi-year approach to budgeting. A review by the council of its reserves strategy has been completed, and the strategy in place confirmed as fit for purpose in a report to Executive Committee on 13 January, 2015. The LAN has concluded that whilst no specific scrutiny is required in this area, Audit Scotland will continue to review the financial position of the council, and its progress in these areas, as part of the annual audit process.
12. **Education and children's services:** The LAN has not identified the need for any specific scrutiny in this area beyond normal ongoing oversight and monitoring. Inspections carried out over the last year have been positive, and good performance has been noted against the council's local improvement priorities for education services. As a result of the previous Director of Education Services leaving and a retirement at Head of Service level, there have been some temporary changes made in the management structure of education services. Also, the council has recently agreed to bring education and social work together in a new children's services division. The appointment of the new Director of Children's Services will take place before the end of 2014/15. The impact of these structural changes on delivery of services and related outcomes will require monitoring in the short to medium term, as will the potential dilution of the council's detailed knowledge of its schools.
13. **Social Work/Social Care:** No requirement for specific additional scrutiny has been identified by the LAN. No significant concerns have been raised in relation to adult or children's services, public protection issues or criminal justice
14. Progress is being made on health and social care integration, and a shadow Health and Social Care Integration Joint Board has been established. The council are on track to submit their integration scheme by 1 April, 2015 and implement full integration by 1 April, 2016. Audit Scotland will continue to monitor progress in implementing the governance arrangements for the new Integration Joint Board and will maintain a national oversight on developments.

## Planned scrutiny activity

15. As shown in Appendix 1, the council will be subject to a range of risk-based and nationally driven scrutiny activity during 2015/16. For some of their scrutiny activity in 2015/16, scrutiny bodies are still to determine within 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 with the appropriate LAN lead.
16. In the area of governance and accountability, Audit Scotland will review and assess developments in decision-making structures and in performance management arrangements through the 2015/16 annual audit process, and in particular the action



taken by the council in response to findings from the targeted best value work noted above.

17. Falkirk is one of eight areas where an audit of the Community Planning Partnership (CPP) has been carried out. Audit Scotland will carry out follow-up work across all eight areas during 2015/16 to assess what progress the CPP has made in addressing outstanding improvement areas. This work will be carried out as part of the annual external audit process.
18. Audit Scotland will continue to carry out a programme of housing benefit risk assessments across councils in 2015/16. For Falkirk Council this is planned for completion during December 2015.
19. The Care Inspectorate will lead a joint inspection of services for children and young people in the Falkirk area during 2015/16, involving participation by Healthcare Improvement Scotland, Education Scotland and HMICS. These inspections are part of the Care Inspectorate's wider planned programme of national scrutiny work.
20. The Care Inspectorate and HMICS will carry out a joint thematic review of multi-agency public protection arrangements (MAPPA) in Scotland during 2015. This forms part of a wider programme of national inspection, and is not a result of the LAN shared risk assessment. The purpose of the review will be to assess the state, efficiency and effectiveness of the 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 will cover all 32 local authorities and involve local authorities, Police Scotland, NHS Boards and the Scottish Prison Service. The joint review will cover the Falkirk Council area in May 2015.
21. Education Scotland will be working in partnership with councils to carry out 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. 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.
22. Audit Scotland has planned three performance audits covering local government during 2015/16. It will be working jointly with the Care Inspectorate looking at social care and jointly with both the Care Inspectorate and Health Improvement Scotland (HIS) on a Health and Social care integration position statement. It will also carry out a follow-up audit on roads maintenance. Any engagement with councils is still to be determined. Publication of these reports is scheduled for between October 2015 and February 2016.
23. The Scottish Housing Regulator (SHR) has a planned programme of thematic inquiries into housing services which will be carried out largely in the first quarter of 2015/16, with publication of inquiry reports in the first and second quarters of the year. The thematic inquiries will cover a range of housing services including: Gypsy/Travellers; factoring

services; gas safety; complaints handling; customer service standards; repairs; rent consultation; equalities; and openness and accessibility. Some of the thematic inquiries will not involve any on-site work at all and no local authority will be selected for on-site work in more than one thematic. The SHR will contact individual landlords with details about their potential inclusion.

24. During the first and second quarters of the year, the SHR will review the Charter data submitted by social landlords in May 2015 and identify topics for a further programme of thematic inquiries to be taken forward in the second and third quarters of the year.
25. 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 the future assessment of scrutiny risk.

**March 2015**

## Appendix 1: Scrutiny plan

| Scrutiny body   | Scrutiny activity  | Date   |
|---|--|--|
| Audit Scotland  | Performance audit work   | To be confirmed  |
|   | Any follow-up Best Value work will be determined when the report is issued in Spring 2015.   | To be confirmed  |
|   | Follow-up work to assess what progress the CPP has made in addressing outstanding improvement areas.   | September 2015 as part of the annual external audit process. |
|   | Housing Benefit Performance Audit  | December 2015  |
| Care Inspectorate and Healthcare Improvement Scotland/HMICS | Joint inspection of children's services as part of the Care Inspectorate's wider programme of national work and not as a result of the LAN's assessment.   | November/December 2015                                       |
|   | The Care Inspectorate and HMICS will undertake a review of the multi agency public protection arrangements (MAPPA) in Scotland.  | Forth Valley fieldwork<br>11-15 May, 2015                    |
| 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.  | Dates to be determined                                       |
| Her Majesty's Inspectorate of Constabulary (HMICS)          | HMICS will be inspecting local policing across Scotland over the next three years. These inspections will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. Two local Policing Divisions are programmed to be inspected in addition to Edinburgh Division in 2015/16. The Divisions will be identified approximately three months prior to inspection, the first being no earlier than October. | Dates to be determined                                       |
| Her Majesty's Fire Service Inspectorate (HMFSI)             | HMFSI will be inspecting local fire and rescue services across Scotland over the next five years. These inspections will examine, amongst other things, local scrutiny and engagement between the Scottish Fire and Rescue Service and councils. As part of its programme, HMFSI will inspect four local fire and rescue services during 2015/16. Falkirk is not included in the programme   | Dates over the next five years to be determined.             |

|                                  |  |                                     |
|----------------------------------|--|-------------------------------------|
|                                  | this year.   |                                     |
| Scottish Housing Regulator (SHR) | The SHR will carry out a number of thematic inquiries during 2015/16. If Falkirk Council is to be involved in a thematic inquiry, SHR will confirm this with the council and the LAN lead. | Councils involved to be determined. |