

PERTH AND KINROSS COUNCIL**18 May 2016****LOCAL SCRUTINY PLAN – 2016/2017****Report by the Depute Chief Executive, Environment
(Sustainability, Strategic and Entrepreneurial Development)**

This report outlines the Local Scrutiny Plan (LSP) for Perth and Kinross Council, prepared by the Local Area Network of audit, inspection and regulation bodies, as part of the annual shared risk assessment process. The LSP outlines the strategic scrutiny activity planned for 2016/17, which is based on the national scrutiny programme for 2016/17. Perth and Kinross Council is considered a low scrutiny risk by the Local Area Network.

1. BACKGROUND/MAIN ISSUES

- 1.1 The assessment of the level of external scrutiny required for each Council is gauged through a shared risk assessment (SRA) undertaken annually by a Local Area Network (LAN) of audit, inspection and regulation bodies. The LAN for Perth and Kinross Council involves the following scrutiny bodies:
- Audit Scotland
 - Education Scotland
 - Care Inspectorate
 - Scottish Housing Regulator
 - HM Inspectorate of Constabulary, and
 - HM Fire Service Inspectorate
- 1.2 From 2015, the outcome of the SRA is a Local Scrutiny Plan (LSP) for each Council. Previously this document was known as an Assurance and Improvement Plan (AIP).
- 1.3 The LAN makes an assessment of the challenges likely to be faced by the Council in achieving good outcomes for local people and identifies key areas for improvement. Using this information, a scrutiny plan is developed showing what scrutiny activity the LAN will undertake to make sure the Council keeps on track with what it is trying to do and any improvements it needs to make.
- 1.4 Since the first SRA was conducted in 2010, the LAN has consistently recognised Perth and Kinross Council as a low scrutiny risk. This reflects the scope and maturity of the Council's self-evaluation and performance management arrangements, and its preparedness for the increasingly challenging financial context that it faces. It is also recognised that the Council has a track record in securing improved performance and better outcomes for local people.

2. LOCAL SCRUTINY PLAN 2016/17

- 2.1 The LSP sets out the planned scrutiny activity in Perth and Kinross Council during 2016/17.
- 2.2 The Scottish Housing Regulator (SHR) has reviewed and compared the performance of all Scottish social landlords. The Council is in the bottom quartile for all social landlords in relation to: percentage of rent collected; gross rent arrears; non-emergency repairs; and tenant satisfaction with being kept informed about services and outcomes, opportunities to participate and with the standard of their home when moving in. It has made some progress towards meeting the Scottish Housing Quality Standard (SHQS).
- 2.3 The Council is aware of these areas of weaker performance and a number of plans are in place to improve future performance. Work has been undertaken with tenants to scrutinise and evaluate housing services to improve them and to raise satisfaction levels across all tenant groups. The Council will carry out a comprehensive tenants' survey in 2016.
- 2.4 The SHR will continue to monitor the council's progress in these areas.
- 2.5 In the Local Scrutiny Plan 2015/16, the LAN assessed that in relation to housing 'further clarification was required on a number of issues'. The Scottish Housing Regulator (SHR) met with officers during the year to discuss housing service performance. From these discussions the LAN's view is that further improvement could be made and specific scrutiny covering housing rent arrears would benefit the Council. Housing rent arrears have continued to increase significantly up to 9.3% of gross rent due as at 31 March 2015 (national average 5.3%)'. The council anticipates a further increase in arrears to 10.5% of the gross rents due.
- 2.6 The SHR will undertake a review of the council's housing rents income maximisation processes during 2016/17.
- 2.7 The LAN has not identified any other specific additional scrutiny for 2016/17.
- 2.8 The specific scrutiny identified above is shown in Appendix 1, together with the 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 LAN lead.

3. CONCLUSION AND RECOMMENDATION

- 3.1 Progress towards reducing the burden of scrutiny for Councils has been demonstrated by the introduction of the shared risk assessment process in 2010. Since then the Council has been assessed on an annual basis and has consistently received recognition for the continuous improvements of its services. This has resulted in the overall assessment by the LAN that the Council has a low scrutiny risk.

3.2 It is recommended that the Council notes the Local Scrutiny Plan 2016/17.

Authors

Name	Designation	Contact Details
Keith McNamara	Head of Strategic Commissioning and Organisational Development	KDMcNamara@pkc.gov.uk 01738 476404
Gordon Dawson	Team Leader Strategic Planning and Improvement	gdawson@pkc.gov.uk 01738 475070

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Sustainability, Strategic & Entrepreneurial Development)	2 May 2016

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1 Strategic Implications

Community Plan/Single Outcome Agreement

1.1 The proposals relate to the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, health and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

1.2 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (i) Creating a safe and sustainable place for future generations.

1.3 The report relates to all of these objectives.

2. Resource Implications

Financial

2.1 There are no direct financial implications arising from this report.

Workforce

2.2 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

2.3 There are no direct asset management implications arising from this report.

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of EqIA.

Strategic Environmental Assessment

3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.4 The proposals within this report have been considered under the terms of the act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The Executive Officer Team, and the Head of Finance have been consulted in the preparation of this report.

External

- 4.2 Not applicable.

5. Communication

- 5.1 Not applicable

2. BACKGROUND PAPERS

The background papers referred to within the report are:

- Perth and Kinross Council Local Scrutiny Plan – 2016/17

3. APPENDICES

Appendix 1 – Perth and Kinross Council Local Scrutiny Plan 2016/17

Perth & Kinross Council

Local Scrutiny Plan - 2016/17



Her Majesty's Fire Service
Inspectorate

Perth & Kinross Council

Introduction

1. This Local Scrutiny Plan (LSP) sets out the planned scrutiny activity in Perth & Kinross Council (the 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 2015/16 LSP 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. Audit Scotland, working jointly with the Care Inspectorate and Health Improvement Scotland, issued a social care integration position statement in December 2015. This national statement recognised significant risks which must be addressed if integration is to provide the substantial changes needed to health and social care. These risks included difficulties with agreeing budgets, complex governance arrangements, and workforce planning. The LAN will continue to monitor progress with integration.
5. The 2015/16 LSP identified two further performance audits to be undertaken by Audit Scotland covering local government:
 - working jointly with the Care Inspectorate looking at social work. The council is one of six to be included in this review. This is due to be reported in summer 2016
 - a follow-up audit on roads maintenance. This is due to be reported in June 2016.
6. Audit Scotland undertook a housing benefit risk assessment at Perth & Kinross Council. Its December 2015 report, highlighted delays in the processing of housing benefit claims and issues with the accuracy of processing. On the basis of the improvement action plan submitted by the council, Audit Scotland has agreed that no further scrutiny is required at this stage and that developments in this area will continue to be monitored through the annual audit process.

7. Education Scotland and the council jointly led a collaborative piece of work in a specific locality within one area (Blairgowrie) to devise a potential methodology for the evaluation and scrutiny of how community planning is operating at a local level. This *place based scrutiny* was undertaken on behalf of the national Strategic Scrutiny Group and culminated in a report in October 2015. The report evaluated the process and provided qualitative information to the council on the locality with several key themes emerging for improvement action. The council intends to utilise a truncated version of this place based scrutiny approach in other locality areas to inform its planning.
8. In 2015/16 the council reviewed its senior management structure, agreed to develop local community planning partnerships, establish locality teams and locality plans. These developments are designed to address the implications of public sector reforms and specifically the Community Empowerment (Scotland) Act 2015. The reform agenda will also have a significant impact on service delivery arrangements including joint working with NHS Tayside through the establishment of Perth & Kinross Integration Joint Board. The Auditor General in October 2015 highlighted the significant financial pressures currently facing NHS Tayside. The LAN will continue to monitor the impact on the council of public sector reforms.
9. The Scottish Government notified councils of the provisional financial settlement in December 2015 with an update given on the figures in January 2016. The council agreed the 2016/17 budget and provisional budgets for the following two years. The settlement represented a significant decrease in the funding expected and the council has identified savings of approximately £39 million and council tax income assumptions of £6 million over the next three years to support its financial position (£22 million and £1 million respectively in 2016/17). The council's *transformation programme* and workforce planning measures are key to the council's future financial sustainability. Audit Scotland through the annual audit process will continue to monitor how the council manage these financial pressures.
10. The Care Inspectorate and HMICS reported on a joint thematic review of Multi-Agency Public Protection Arrangements (MAPPAs) in Scotland in January 2016. The review highlighted that MAPPAs are 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 how progress will be monitored and evaluated.
11. Her Majesty's Fire Services Inspectorate report *Preparedness of the Scottish Fire and Rescue Service for a serious flooding event* was laid before Parliament in October 2015. The report, whilst highlighting some areas for improvement, found that a significant number of flood and water rescue resources are available and if a serious flooding incident occurred the service would be able to deploy substantial resources, and would be in a position to discharge its statutory responsibilities.

12. Education Scotland's report on the quality of Careers Information Advice and Guidance services delivered by Skills Development Scotland is due to be published shortly.
13. The Community Learning and Development (Scotland) Regulations 2013 highlighted that a Community Learning and Development plan for 2015-18 was required by September 2015. As at February 2016 the draft plan had yet to be agreed although this is expected to be finalised by March 2016.
14. The Scottish Housing Regulator (SHR) has reviewed and compared the performance of all Scottish social landlords. The council is in the bottom quartile for all social landlords in relation to: percentage of rent collected; gross rent arrears; non-emergency repairs; and tenant satisfaction with being kept informed about services and outcomes, opportunities to participate and with the standard of their home when moving in. It has made some progress towards meeting the Scottish Housing Quality Standard (SHQS). The council is aware of these areas of weaker performance and has indicated that a number of plans are in place to improve future performance. It has carried out work with tenants to scrutinise and evaluate housing services to improve them and to raise satisfaction levels across all tenant groups. The council will carry out a comprehensive tenants survey in 2016. The SHR will continue to monitor the council's progress in these areas.
15. In the Local Scrutiny Plan 2015/16, the LAN assessed that in relation to housing 'further clarification was required on a number of issues. The SHR met with officers during the year to discuss housing service performance. From these discussions the LAN's view is that further improvement could be made and specific scrutiny covering housing rent arrears would benefit the council. Housing rent arrears have continued to increase significantly up to 9.3% of gross rent due as at 31 March 2015 (national average 5.3%). The council anticipates a further increase in arrears to 10.5% of the gross rents due.
16. The LAN has not identified any other specific additional scrutiny for 2016/17.

Planned scrutiny activity

17. The specific scrutiny identified above is shown in Appendix 1, together with the 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 LAN lead.
18. 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.

19. 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. Details of future audit work are available on the Audit Scotland website [here](#).
20. In December 2014, the Accounts Commission concluded its review of Best Value and set out principles for a new approach. These principles include the need for more frequent assurance on Best Value across all 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.
21. The new approach will be rolled out from October 2016 but will continue to evolve. It will include an assessment each year of aspects of Best Value as part of an integrated annual audit and a 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 will be presented to the Accounts Commission in April 2016. The programme will be reviewed and refreshed annually in response to factors including the shared risk assessment. The results of this current shared risk assessment will make a significant contribution to the audit intelligence that will underpin the new approach, and inform the development of the initial programme.
22. While preparation for the new approach progresses, Best Value audit work will continue and appropriate elements of the new approach, such as reporting mechanisms, will also be tested in some councils. 2016 is a transition year and will include development of the intelligence about each council for the new approach and the handover to new audit appointments.
23. Annually, LANs consider the results of scrutiny activity to decide whether to recommend a Best Value audit in a council. The council's last Best Value audit was in 2008 and the LAN concluded that the council should be recommended for some early Best Value activity as part of Audit Scotland's new approach.
24. The Scottish Government has confirmed in its funding letters to Alcohol and Drugs Partnerships (ADPs) that the Care Inspectorate will undertake validated self-evaluation activity with ADPs. The purpose of this activity is to determine the extent to which Alcohol and Drug Partnerships (ADP) are embedding the *Quality Principles: Standard Expectations of Care and Support in Drug and Alcohol Services*. It is anticipated that all 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.

25. As part of a national programme Education Scotland will report in March 2016 on working in partnership with the council to carry out a validated self-evaluation of educational psychology services.
26. The SHR will publish the findings of its thematic inquiry work completed during 2015/16 and will carry out further thematic inquiries during 2016/17. The 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.
27. Her Majesty's Inspectorate of Constabulary will be inspecting local policing across Scotland over the next two years. This will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. The divisions will be identified approximately three months prior to inspection.
28. Her Majesty's Fire Service Inspectorate will be inspecting local fire and rescue services across Scotland over the next four years. These inspections will examine, amongst other things, local scrutiny and engagement between the Scottish Fire and Rescue Service and councils.

Looking forward

29. In 2017/18 the Care Inspectorate will undertake a joint strategic inspection of children's services as part of its wider programme of national work.

March 2016

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	Audit Scotland has three planned performance audits covering local government during 2016/17. It will undertake an audit on early learning & childcare and a follow-up audit on self-directed support. Audit Scotland will also carry out an audit 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.	To be determined.
Care Inspectorate and Healthcare Improvement Scotland	The Care Inspectorate is undertaking a programme of validated self-evaluations to determine the extent to which Alcohol and Drug Partnerships (ADP) are embedding the <i>Quality Principles: Standard Expectations of Care and Support in Drug and Alcohol Services</i> . The evaluation will also assess the impact on improving experiences and outcomes for people who use drug and alcohol services and their families. The Care Inspectorate is committed to: <ul style="list-style-type: none"> • producing a national overview report which should inform Scottish Government in targeting further resources for improvement • providing brief, customised feedback to each APD with the aim of building capacity for self-evaluation. 	December 2016
Education Scotland	Education Scotland will be working in partnership with councils to carry out a validated self-evaluation of educational psychology services across all councils over a two-year period which began in 2015/16.	March 2016
Her Majesty's Inspectorate of Constabulary (HMICS)	HMICS will be inspecting local policing across Scotland over the three years from 2015/16. This will examine, amongst other things, local scrutiny and engagement between Police Scotland and councils. The divisions will be identified approximately three months prior to inspection.	Date over next two years to be determined
Her Majesty's Fire Service Inspectorate (HMFSI)	HMFSI will be inspecting local fire and rescue services across Scotland over the next four years. These inspections will examine, amongst other things, local scrutiny and engagement between the Scottish Fire and Rescue Service (SFRS) and councils.	To be determined.

Scottish Housing Regulator (SHR)	The SHR will undertake a review of the council's housing rents income maximisation processes.	To be determined
	<p>The SHR will publish the findings of its thematic inquiry work completed during 2015-16 and undertake further thematic inquiries during 2016-17.</p> <p>SHR will review the Charter data submitted by landlords and carry out data accuracy visits.</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>To be determined</p> <p>Quarter 2</p>