

**CLACKMANNANSHIRE COUNCIL**

---

**Report to: Clackmannanshire Council**

---

**Date of Meeting: 23 June, 2016**

---

**Subject: Clackmannanshire Local Scrutiny Plan 2016-17**

---

**Report by: Chief Executive**

---

**1.0 Purpose**

1.1 The purpose of this report is to advise Council of the publication by Audit Scotland of the Clackmannanshire Council Local Scrutiny Plan for 2016-17 and to summarise the key areas of scrutiny activity.

**2.0 Recommendations**

2.1 It is recommended that the Council notes:

- a) the recent publication by Audit Scotland of the 2016-17 Local Scrutiny Plan for Clackmannanshire; and
- b) the intended planned scrutiny activity in 2016-17.

**3.0 Background**

3.1 The Local Scrutiny Plan (attached as the Appendix to this report) sets out the planned scrutiny activity in Clackmannanshire Council in this financial year. The Plan is based on a shared risk assessment undertaken by the local area network (LAN) which comprises representatives of all the scrutiny bodies who engage with the council.

3.2 The Local Scrutiny Plan does not identify or address all risks in the council. It covers only those risk areas which the LAN has identified as requiring scrutiny, or where scrutiny is planned as part of a national programme.

**4.0 Planned Activity**

Locally Driven Scrutiny

4.1 Based on its assessment, the LAN has identified risks where it believes there would be value in additional scrutiny in 2016-17 as follows:

- a) audit work around best value in relation to leadership, governance and financial sustainability given the LAN's concerns about political decision-making in terms of target setting and prioritisation within *Making*

*Clackmannanshire Better* and the significant financial challenges the Council faces;

- b) the Care Inspectorate and Education Scotland will closely monitor developments as a result of the cessation of shared services. The LAN considers that the cessation presents risks around the continuity of education and social work services, the potential impact on the quality of services and outcomes for service users, loss of senior management expertise and the uncertainty relating to the introduction and effectiveness of new management structures. The LAN also identifies risks regarding the council's capacity to deliver a full range of social work services. The external auditor and the Care Inspectorate will also monitor the impact on the Integrated Joint Board of the cessation of shared services
- c) in light of recent poor inspection results in the primary sector, Education Scotland Area Lead Officer will work closely with the authority to monitor educational attainment and the implementation of the Scottish Attainment Challenge
- d) as part of the annual external audit, the Council's progress and planning for the implications of the Community Empowerment Act which comes into force from summer 2016 will be monitored.

#### National Scrutiny Driven Activity

4.2 As well as scrutiny activity derived from local risks, the following scrutiny activities will take place on a national basis in 2016-17:

a) Audit Scotland plans to undertake performance audit work as follows;

- Performance and audit work on early learning and childcare
- a follow-up audit on self-directed support.
- An audit work on equal pay

a) the Care Inspectorate will undertake work as per:

- validated self-evaluation activity with Alcohol and Drug Partnerships
- joint strategic scrutiny programmes (e.g. for adult services)
- review of strategic commissioning

b) the Scottish Housing Regulator (SHR) will publish the findings of its thematic inquiry work completed during 2015-16 and will carry out further thematic inquiries during 2016-17. SHR will review the Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2016/17.

4.3 From October, 2016 there will also be a new national approach to auditing best value. This will include assessment as part of an integrated annual audit and a public report for each council at least once in a five year period; that assessment will bring together an overall picture of the council drawn from a range of audit activity. It is anticipated that Clackmannanshire will be in the first tranche of 6 or 7 authorities which will undergo the new approach.

**5.0 Sustainability Implications - N/A**

**6.0 Resource Implications - N/A**

**7.0 Exempt Reports**

7.1 Is this report exempt? No

**8.0 Declarations**

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

**(1) Our Priorities**

The Council is effective, efficient and recognised for excellence

**9.0 Equalities Impact**

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? N/A

**10.0 Legality**

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

**11.0 Appendices**

11.1 Clackmannanshire Council Local Scrutiny Plan 2016-17

**12.0 Background Papers**

Clackmannanshire Local Scrutiny Plan 2016-17

<http://www.audit-scotland.gov.uk/our-work/scrutiny-improvement/scrutiny-plans>

**Author(s):**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>
Elaine McPherson	Chief Executive	Signed: E McPherson



# Clackmannanshire Council

## Local Scrutiny Plan 2016/17



March 2016



# Clackmannanshire Council

## Local Scrutiny Plan 2016/17

### Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in Clackmannanshire 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 Local Scrutiny Plan (LSP) did not identify any specific areas where scrutiny was required. However some non-risk based scrutiny activity was identified in the LSP which had an impact on Clackmannanshire Council. This included:
  - In May 2015 the Care Inspectorate conducted a progress review of Services for Children with the report published in September 2015. Improvement noted in all areas.
  - In May 2015, Audit Scotland published its Housing Benefit risk assessment which included a follow-up of its previous assessment, carried out in October 2012. Audit Scotland reported that the council had not fully addressed all the risks identified in its previous report, resulting in further follow-up checks on progress being required in November 2015 and January 2016. By January 2016, the council had taken a number of actions and some improvements in performance were evident. Given the backlog of issues, Audit Scotland still has concerns about the council's ability to maintain this performance improvement and also deliver continuous improvement. Audit Scotland has therefore asked the council for a further performance update in July 2016, and will then decide if further scrutiny is required.
  - Deloitte's review of Making Clackmannanshire Better (MCB) was completed over summer 2015. While some progress has been made around the MCB programme to address the funding gap, the review concluded that unless significant progress

was made in the rest of 2015 calendar year, the objectives of MCB would not be achieved. Deloitte will follow-up progress in early 2016.

- Care Inspectorate and HM Inspectorate of Constabulary in Scotland: Joint Thematic Review of Multi Agency Public Protection Arrangements (MAPPA) in Scotland. The key message within the national review report, published in November 2015, was that MAPPA was making an effective contribution to public safety and sex offender management.
  - Progress has continued on health and social care integration, and the full Stirling and Clackmannanshire Integration Joint Board (IJB) was established from 3 October 2015. The necessary integration scheme was finalised by June 2015 and the councils are on track to implement full integration by 1 April 2016. The external auditor will continue to monitor progress in implementing the governance and accounting arrangements for the new IJB. The external auditor and the Care Inspectorate will also monitor the impact on the IJB of the move away from shared social work services, which is due to happen by April 2017.
  - During 2014, Audit Scotland carried out a national performance audit on health and social care integration to review the progress made to establish the new integration authorities across Scotland. Clackmannanshire and Stirling was one of the six authorities selected for interview. The audit identified a risk around the size of the Stirling/Clackmannanshire Integrated Joint Board. Audit Scotland is planning to do further work on health and social care integration in 2017/18.
  - During 2015, the Scottish Housing Regulator carried out a thematic inquiry looking at Gypsy/Travellers. This was a national inquiry, and not a result of the LAN shared risk assessment.
4. The LAN agreed to continue to monitor the pace of progressing shared education and social services with Stirling Council during 2015/16, and the outcome of the options appraisal by Ernst and Young. The options appraisal was published June 2015. In mid-September 2015 Stirling Council indicated they did not wish to continue the shared services arrangements. Subsequently Clackmannanshire Council agreed at its meeting in December 2015 to progress a cluster based model for education.
5. The LAN identified risks where there would be value in additional scrutiny in 2016 - 17. The LAN also notes a number of areas which require ongoing oversight and monitoring work on the part of scrutiny partners. These were:
- Progress in the council's transformation programme in the last 12 months has been slower than anticipated – calling into question both the scope and pace of change in the council. The recent Deloitte Best Value (BV) review of Making Clackmannanshire Better raises concerns about political decision-making in terms of target setting and prioritisation.

Deloitte's review also highlighted that the pace and scale of delivery was not yet sufficient to meet the council's stated objectives and to address the council's very



significant short to medium term financial challenges. In 2014/15, in order to agree a balanced budget, the council approved the use of its reserves to meet the budget gap. Following the Scottish Government spending review published in December 2015, the council projected a cumulative funding gap of £27.944 million over the four year period 2016/17 to 2019/10. The 2016/17 budget was approved on the 23 February 2016, which included £7.645 million of savings from the MCB programme plus £1.379 million utilisation of reserves in order to agree a balanced budget for the year. The approved budget also sets out a number of Business cases and areas for further consideration and development during 2016/17 to assist the council in setting future years' budgets.

The council faces additional financial challenges due to the potential for increased costs in re-establishing stand-alone education and social work services with the move away from shared services.

In the coming year the LAN proposes audit work around Best Value in relation to leadership, governance and financial sustainability. The specific scope and timing of the audit work will be finalised in due course in discussion with the council.

- The shared social care and social work services led by Clackmannanshire Council and shared education service led by Stirling Council is due to come to an end in March 2017, but may end earlier. The LAN concluded this presents a number of risks to the council both during and after the transition period. Particular concerns relate to the continuity of education and social work services, the potential impact on the quality of services and outcomes for service users, loss of senior management expertise and the uncertainty relating to the introduction and effectiveness of new management structures which are yet to be developed. The LAN also identified risks regarding the councils' capacity to deliver a full range of social work services. Care Inspectorate will closely monitor developments and will support any planned supported evaluation exercises. Education Scotland will closely monitor developments and consider further action as appropriate.
- There is a need to improve educational attainment in the authority. Clackmannanshire Council is one of the seven authorities receiving support under Scottish Government Scottish Attainment Challenge. Recent inspection results in the primary sector have been poor. The Education Scotland Area Lead Officer will work closely with the authority to monitor both these areas in the coming period.
- Clackmannanshire Council has taken steps to prepare for the implications of the Community Empowerment Act, which comes into force from summer 2016. The external audit will monitor progress and planning as part of the annual external audit.
- To assess the risk to social landlord services SHR has reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. SHR has assessed the performance of this council and concluded that no additional scrutiny is required beyond statutory work.

## Planned scrutiny activity

6. 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 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.
7. 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. Audit Scotland will carry out a programme of performance audits during 2016/17 and 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 future assessment of scrutiny risk.
8. 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](#).
9. 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. 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.
10. 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. 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. But, appropriate elements of the new approach, such as reporting mechanisms, will also be tested in some councils.
11. The Care Inspectorate will undertake Validated Self-Evaluation (VSE) activity with Alcohol and Drug Partnerships (ADPs). This 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 Scottish Government will use the findings from this validation work 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 start 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.

12. 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 to strategic commissioning, reviewing the validated self-assessment of Alcohol and Drug Partnerships and undertaking a variety of thematic programmes of work.
13. 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. 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.
14. 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. HMICS will identify and notify LANs and the local Policing Divisions to be inspected approximately three months prior to inspection.

## **March 2016**

## Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	Scotland's Public Sector Workforce – Follow-up audit	June 2016
	Possible performance audit work	TBC
	Possible scrutiny work relating to Housing Benefit	July 2016
External auditor and Audit Scotland	Audit work on Best Value around leadership, governance and financial sustainability.	Timing TBC
Care Inspectorate	Care Inspectorate working in partnership with Clackmannanshire Council will carry out a supported self-evaluation on areas to be agreed.	Late 2016
	Care Inspectorate will undertake Validated Self-Evaluation (VSE) activity with Alcohol and Drug Partnerships.	March 2016
Education Scotland	Education Scotland will monitor developments in relation to the councils' arrangements for the delivery of education. It will consider other action as appropriate.	TBC
	Careers Information, Advice and Guidance (CIAG) follow-up	June 2016
Her Majesty's Inspectorate of Constabulary (HMICS)	No specific work planned at present.	
Her Majesty's Fire Service Inspectorate (HMFSI)	No specific work planned at present.	
Scottish Housing Regulator (SHR)	SHR will carry out further thematic inquiries during 2016-17. SHR will also review the Charter data submitted by landlords with a view to carrying out data accuracy visits during the second quarter of 2016/17. If the council is to be involved in either a thematic inquiry or a data accuracy visit SHR will confirm this directly with the council and the LAN lead.	TBC


# Clackmannanshire Council

## Local Scrutiny Plan 2016/17

### 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) 

If you require this publication in an alternative  
format and/or language, please contact us to  
discuss your needs: 0131 625 1500  
or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk) 

For the latest news, reports  
and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk) 

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) 

