

EAST RENFREWSHIRE COUNCILCABINET2 June 2016Local Scrutiny Plan 2016/17Report by Deputy Chief Executive**PURPOSE OF REPORT**

1. This report presents the Local Scrutiny Plan for 2016/17, which sets out the planned external scrutiny activity in East Renfrewshire Council over the next year. The report is based on a Shared Risk Assessment (SRA) undertaken by all scrutiny bodies who engage with the Council. The plan for 2016/17 is attached as an annex and is also published on Audit Scotland's website¹.

RECOMMENDATIONS

2. The Cabinet is asked to note:
- (a) the Council's positive assessment by the Local Area Network (LAN) of external scrutiny bodies; and
 - (b) that the planned external scrutiny activities by bodies within the LAN this year are listed in Appendix 1 of the Local Scrutiny Plan.

BACKGROUND

3. In response to the 2007 Crerar report on the 'Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services in Scotland' the Scottish Government committed to developing a simplified and streamlined approach to local government scrutiny by external bodies. This included the need to improve the co-ordination of strategic scrutiny activity amongst the main scrutiny bodies such as Audit Scotland, Care Inspectorate, Education Scotland and the Scottish Housing Regulator.

4. A Local Area Network (LAN) was established to bring inspectors and auditors together to share the relevant information held about East Renfrewshire Council and to agree a scrutiny plan for the Council. The first Assurance and Improvement Plan (AIP), published in 2010, set out a programme of scrutiny activity for the Council for the period 2010-2013 based on a shared risk assessment, undertaken by the LAN. Thereafter the AIP was updated annually. Last year's SRA resulted in a shortened and less detailed annual plan entitled the Local Scrutiny Plan 2015/16; this was considered at Cabinet in May 2015. The same approach was taken this year.

¹<http://www.audit-scotland.gov.uk/report/national-scrutiny-plan-for-local-government-201617>

SHARED RISK ASSESSMENT (SRA) 2016/17 SUMMARY

5. The overall assessment is positive and the LAN has not identified any areas where additional specific scrutiny is required this year. The report acknowledges the extent of the financial challenges faced by the Council in addressing the funding gap over the next few years as a result of national grant settlement levels. As part of health and social care integration East Renfrewshire's Health and Social Care Partnership's (HSCP) Integrated Joint Board (IJB) was established in October 2015. Since the report was published the Council has received clarification that additional resources, at the national level from NHS to HSCPs can be used to reduce the Council's contribution to the IJB and this was reflected in the Council's budget set in March 2016. Therefore, the total overall shortfall the Council has to achieve through savings and efficiencies is £23.9m over the three year period (2015-2017). Audit Scotland will report on how the Council is managing this shortfall as part of routine ongoing audit work.

6. Each Council in Scotland has undergone a similar process to determine the planned level of scrutiny. All Local Scrutiny Plans 2016/17 are published on Audit Scotland's website and a copy of East Renfrewshire's report will also be posted on the Council's website.

PLANNED SCRUTINY ACTIVITY

7. Whilst no specific scrutiny risks have been identified, the Council will be subject to some planned areas of scrutiny and will participate in number of nationally driven risk based audits and reviews during 2016/17. These are listed in Appendix 1 of the Plan.

8. The LAN reported that there are some areas where relevant LAN scrutiny bodies will continue to monitor developments as part of the annual audit process. These are the management of the Council's school estate and aspects of the Council's housing service. The Scottish Housing Regulator (SHR) will continue to monitor the Council's progress in: addressing levels of rents arrears; provision of temporary accommodation and levels of use of bed and breakfast accommodation to tackle homelessness. A Significant Performance Failure was reported to SHR regarding the Council meeting the Scottish Housing Charter statutory consultation requirements. Cabinet approved the Housing Service's response to the SHR in February 2016 and an action plan is being developed. SHR will monitor progress against the plan during the course of the year.

9. A national review of the approach to auditing Best Value has been completed and principles agreed by the Accounts Commission. The audit principles include: continuing a risk based approach; outcome focussed; driving improvements and customer service quality. The report highlights that is a transitional year for Best Value Audits with elements of the new approach to be tested out with some councils from October 2016 onwards. Timings for the Council's involvement in the new approach have not been confirmed.

10. Other planned audits at the start of 2016/17 are: Care Inspectorate validation of Alcohol and Drug Partnerships (ADP's) and services' self-assessment of performance and a review of the Council's Housing Benefits performance. Education Scotland will also validate the Council's Education Psychology Service during January-March 2017.

11. The Council will also continue to be subject to routine scheduled audits, inspections and monitoring from each of the scrutiny bodies. This includes, for example routine inspections of schools and care establishments by Education Scotland and the Care Inspectorate.

CONCLUSION

12. The Local Scrutiny Plan 2016/17 report presents a positive external assessment. This serves to demonstrate the Council's and employees' ongoing commitment to ensure we are striving to make people's lives better and deliver better outcomes for our customers and residents.

RECOMMENDATIONS

13. The Cabinet is asked to note:
- (a) the Council's positive assessment by the Local Area Network (LAN) of external scrutiny bodies; and
 - (b) that the planned external scrutiny activities by bodies within the LAN this year are listed in Appendix 1 of the Local Scrutiny Plan.

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BACKGROUND PAPERS

Local Scrutiny Plan 2015/16, Cabinet, 14 May 2015
Tenant Participation and Engagement, Cabinet, 18 February 2016

KEYWORDS

Local Scrutiny Plan, Best Value, Risk, Assessment, Assurance

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East Renfrewshire Council

Local Scrutiny Plan 2016/17

Introduction

1. This local scrutiny plan sets out the planned scrutiny activity in East Renfrewshire 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.

Local Scrutiny Plan 2015/16

3. The 2015/16 plan did not identify areas requiring direct scrutiny by the LAN, other than those areas subject to national scrutiny or part of a programme of planned work.

Update on 2015/16 activity

4. **Care Provider Payments** - In 2015/16 overpayments of £1.3 million made to care providers by the council were identified. Internal and external audit completed additional work in this area. The Care Inspectorate assisted in this review by establishing the accuracy of the care commitment logs against the individual care packages documented in the care record.

Local Scrutiny Plan 2016/17

5. The risk assessment for 2016/17 completed by the LAN, has not identified any areas where specific scrutiny is required. [Appendix 1](#) documents the areas where scrutiny, as a planned programme of work, is to be carried out.

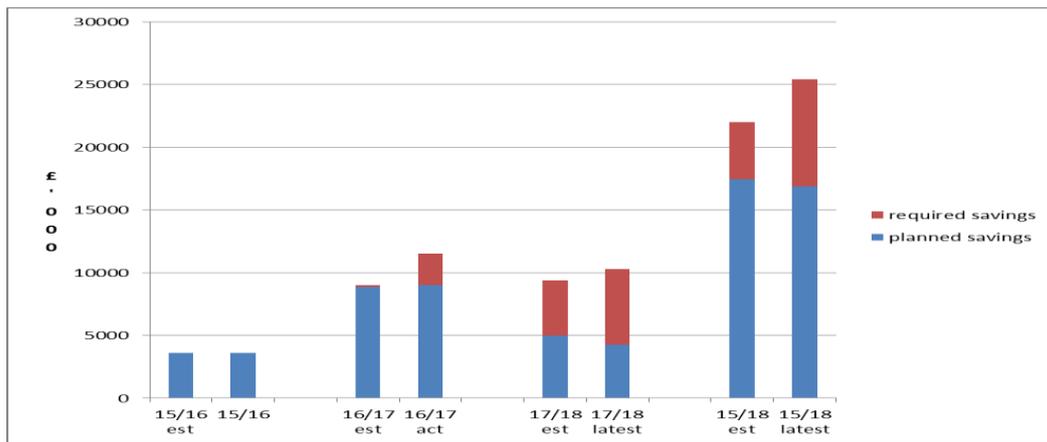
Commentary on specific areas

Financial outlook

6. The council set its 2015/16 budget at £220 million assuming efficiency savings of £3.6million. The council also set indicative budgets for 2016/17 and 2017/18 in

February 2015 and identified a £22 million shortfall over the period 2015/16 to 2017/18. Planned savings were identified which resulted in a savings shortfall of £4.5 million over the three year period.

7. However, as a result of the recent Scottish Government Settlement for East Renfrewshire Council this identified shortfall has increased from £22 million to £25.4 million and the council now has to achieve additional savings of £8.5 million over the three year period. The council has achieved £6.2 million savings in 2015/16 and has measures in place for 2016/17 with the biggest challenge being the attainment of £6million recurrent savings in 2017/18. The required recurring savings are detailed in the graph below:



8. The LAN will monitor the impact of the changes implemented to deliver savings through their ongoing work and Audit Scotland will report on the council's progress in managing the funding gap as part of the annual audit.

Integrated joint board preparation

9. East Renfrewshire Council and NHS Greater Glasgow and Clyde (NHS GG&C) have been working together since 2006 when the East Renfrewshire Community Health and Care Partnership (CHCP) was established to manage local NHS and social care services. The East Renfrewshire CHCP has now changed to the East Renfrewshire Health and Social Care Partnership (HSCP).
10. The East Renfrewshire Council Integrated Joint Board went live on 7 October 2015. The 2016/17 Scottish Government budget settlement included an additional £250 million transfer from the NHS to health and social care partnerships to ensure improved outcomes in social care and the council's share of this amounts to £3.62million. Clarification is being sought as to whether this money can be used to reduce the council's contribution to the IJB in 2016/17 which may impact on the level of savings required going forward.

Community ownership

11. The Community Empowerment Act (June 2015) places community planning on a new statutory footing and introduces new powers for communities and community groups to

get involved in planning to improve or running local public services. The council is in the process of developing a framework for handling participation requests and, to date, has had no interest from any community group wishing to purchase assets.

Planned scrutiny activity

12. Some areas were assessed as requiring ongoing oversight and monitoring and Audit Scotland and LAN members will continue to monitor developments through the 2016/17 annual audit process. These include:
 - The management of school estate – the council recognises that a rising population and increase in school rolls will continue to put pressure on areas of education. The council's capital plan includes provision for new build and extensions to existing buildings to alleviate the pressure on existing schools.
 - To assess the risk to social landlord services the Scottish Housing Regulator (SHR) reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. We found that East Renfrewshire Council is in the bottom quartile for all social landlords in relation to gross rent arrears as a percentage of rent due. Some immediate actions are currently being implemented and plans are being developed for longer term improvements. The council does not always provide temporary accommodation when required and the Council's use of bed and breakfast accommodation to address homelessness is significantly above the national average. A plan to reduce bed and breakfast usage for homeless applicants was approved by ERC's Cabinet in January 2015. The plan is to be revisited with immediate effect. SHR will engage with the council about these areas during 2016/17.
 - During 2015 a Significant Performance Failure (SPF) was reported to SHR. It investigated and found failures in relation to statutory consultation and meeting Standard 3 of the Scottish Social Housing Charter "Participation".
13. 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 their work programmes outlining 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.
14. 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.

National studies

15. 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 [here](#).

16. **Auditing Best Value** - 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.
17. 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. 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.
18. 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. However, appropriate elements of the new approach, such as reporting mechanisms, will also be tested in some councils.
19. **Housing Benefits Performance Audits** - Audit Scotland's Housing Benefit audit plan for 16/17 includes a review of East Renfrewshire Council in Quarter 1.
20. **The Care Inspectorate** - The Scottish Government has confirmed in its funding letters to Alcohol and Drugs Partnerships (ADPs) that the Care Inspectorate will undertake Validated Self-Evaluation (VSE) activity with Alcohol and Drug Partnerships. The purpose of this activity is to support self-assessment and check service compliance with the Quality Principles (Standard Expectations of Care and Support in Drug & Alcohol Services). The findings from this validation work will be reviewed by the Scottish Government. This will 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 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.
21. **Education Scotland's** planned review of Careers Information, Advice and Guidance (CIAG) has not identified East Renfrewshire Council in the seven planned review sites.

The council's Education Psychology Service (EPS) will be assisted to undertake a VSE during 2016/17.

22. **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.
23. **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.
24. **HMFSI** has not identified East Renfrewshire Council in their local planned inspections.

10 February 2016

Appendix 1: Scrutiny plan

Scrutiny body	Scrutiny activity	Date
Audit Scotland	A targeted follow-up on the recommendations made in the 2013 report Scotland's Public Sector Workforce will be carried out.	May – June 2016
Care Inspectorate and Healthcare Improvement Scotland	Validated Self-Evaluation (VSE) activity with Alcohol and Drug Partnerships (ADP).	Onsite review to commence in March 2016. Dates for ERC to be determined
Education Scotland	Education Psychology Service (EPS) validated self-evaluation (VSE) work in 2016/17.	January – March 2017
Her Majesty's Inspectorate of Constabulary (HMICS)	HMICS do not envisage an agreed programme of work until February 2016, but have intimated that no review of the East Renfrewshire Council area will be carried out.	To be updated on receipt of finalised programme of work.
Her Majesty's Fire Service Inspectorate (HMFSI)	A local inspection was carried out in ERC in 2014/15, and no further inspection is planned in East Renfrewshire Council.	N/A
Scottish Housing Regulator (SHR)	<p>In relation to housing and homelessness SHR will engage with the council to monitor its progress in addressing the weaknesses identified in gross rent arrears as a percentage of rent due, provision of temporary accommodation, and use of bed and breakfast accommodation.</p> <p>SHR will engage with the council about how it will address the weaknesses raised by the Significant Performance Failure. This will include monitoring the council's progress with its improvement actions and seeking assurance that the actions have been effective. SHR will publish the findings of its thematic inquiry work completed during 2015-16. It will carry out further thematic inquiries during 2016-17.</p> <p>SHR will review the Charter data submitted by landlords and carry out data accuracy visits during quarter 2.</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>Ongoing oversight and monitoring.</p> <p>To be confirmed</p> <p>Quarter 2</p>

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