

# North Ayrshire Council

## Local Scrutiny Plan

2018/19



April 2018

# North Ayrshire 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 North Ayrshire 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 and the IJB.
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 conclusion of this year's shared risk assessment is that no scrutiny risks have been identified which require specific scrutiny by the LAN in the coming year; however, there are a number of areas where the LAN will carry out ongoing oversight and monitoring. This is in line with the 2017/18 Local Scrutiny Plan issued in May 2017.

#### *Financial sustainability*

5. Financial management is strong with a robust budget setting process in place to deliver services in line with the council's priorities. In common with many other councils, North Ayrshire is now projecting funding gaps over the next few years as a result of public sector funding continuing to reduce against a backdrop of increasing costs, demand for services and public expectations. The council refreshed its Long Term Financial Outlook for the period 2018/19 to 2027/28 in September 2017 and identified an estimated funding shortfall of £156 million over the next ten years which the council requires to address. The Medium Term Financial Plan for 2018/19 to 2020/21 builds on the analysis within the Long Term Financial Outlook. The council agreed a balanced budget for 2018/19 at its meeting in February 2018, with indicative funding gaps remaining for 2019/20 and 2020/21 of £16.180 million and £9.371 million respectively.
6. The council has achieved significant savings over the last six years, however, due to the pressures outlined above, it will have to consider how it can transform service delivery through its Transformation Programme (T2) in order to continue to meet highest priority needs with reduced resourcing. Fundamental service redesign and transformation will be required to minimise the impact on key front line services.

7. The council's long term financial sustainability and progress with the T2 programme will be reviewed as part of the annual audit and reported in the annual audit report in September 2018.

*Health and social care integration*

8. North Ayrshire Health and Social Care Partnership (HSCP) continues to progress significant transformational service redesign demonstrating commitment to improving and remodelling service delivery to maximise the potential of integrated working within the HSCP. Whilst there is no need for additional scrutiny, the LAN will continue to monitor progress of the transformational change programme.
9. Long term financial sustainability within the HSCP remains an area of risk. Latest projections, incorporating mitigation plan delivery forecasts, show that it is expecting to overspend by £3.433 million in 2017/18 against a budget of £225.153 million (1.5 per cent). Added to the £3.245 million deficit brought forward from 2016/17, this could result in a projected closing deficit of £6.678 million. North Ayrshire Council has confirmed that it will not fund the 2017/18 overspend related to council commissioned services. NHS Ayrshire and Arran is currently considering its position with regard to the overspends related to NHS commissioned services. As detailed in the Medium Term Financial Plan, the HSCP is projecting a budget shortfall of £24.9 million and £39.2 million for 2018/19 and 2019/20 respectively. The Medium-Term Financial Plan sets out five key strands to start to bridge the gap, with £15.3 million of potential savings options identified to date. In addition, in support of the clear recognition for the need for change, North Ayrshire Council, working with the Partnership, established a Challenge Fund which will be accessed by the Partnership to undertake Transformation Projects.
10. The Integrated Joint Board needs to work closely with both the Council and NHS Ayrshire and Arran to agree and implement mitigating actions to ensure that budgets are delivered in line with the resources delegated. In recognition of the importance that the role of Chief Finance Officer (CFO) is to give advice and support to the IJB on the totality of the functions it delivers, the IJB has recently agreed to put in place a dedicated full time Chief Finance and Transformation Officer for the IJB. The previous IJB CFO held joint posts as CFO for the IJB and Head of Finance for North Ayrshire Council. Pending the appointment of a permanent Chief Finance Officer, the current interim Head of Finance for the HSCP Council services has been appointed as interim Chief Finance and Transformation Officer. This will also be reviewed as part of the annual audit process and the outcome reported to both the Council and the IJB in September 2018.

*Social care services*

11. The Care Inspectorate and its partners (Her Majesty's Inspectorate of Constabulary in Scotland and Healthcare Improvement Scotland) carried out a joint inspection of adult support and protection services in six partnerships across Scotland. The partnerships were chosen to reflect the geography and demography of Scotland. The on-site scrutiny phase of this joint inspection took place from late October to early December 2017. North Ayrshire was one of the partnerships subject to this joint inspection. Partnerships have been given early feedback

on the findings of the joint inspection for their partnership. The report of the joint inspection will be published in the spring of 2018. In addition to the findings for each of the partnerships, there will be an overarching themes section in the report.

#### *Education services*

12. The council has appropriate governance in place to ensure that educational provision is both well organised and well led. Scrutiny outcomes, including inspections have been positive overall in recent years, with four establishments requiring follow-up activity across 2015, 2016 and 2017. Where establishments received weak evaluations initially they had made positive progress by the time of the follow-up inspection visit a year later. Almost all evaluations from school establishment inspections have been satisfactory or better, with most evaluations being good or very good. Outcomes for young people by the point at which they leave secondary school are generally improving and are better than outcomes for young people with similar needs and backgrounds from across the country in several key measures. Approaches to ensure quality improvement within education services are now well embedded and demonstrating impact. There is clear and effective leadership of education services in North Ayrshire.
13. Overall, there are no particular concerns with North Ayrshire Council's educational provision. In 2018/19, there will be no further scrutiny other than the planned cycle of inspections and reviews.
14. An inspection of the impact of the authority's work in closing the poverty related attainment gap was undertaken in February as part of the national programme of scrutiny of all nine Attainment Challenge Authorities across the course of 2018.
15. Schools in North Ayrshire Council have Pupil Equity Funding plans in place where they receive funding and these are being progressed. Education Scotland will continue to liaise with establishments as appropriate.

#### *Housing*

16. To assess the risk to social landlord services, the Scottish Housing Regulator (SHR) has reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. SHR has assessed that no additional scrutiny is required in this council beyond statutory/ongoing work during 2018/19.

## **Scrutiny activity**

17. 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.
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. The outcomes of this work will help to inform future assessment of scrutiny risk.

19. 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 BVAR report for North Ayrshire Council is not planned in the period covered by this scrutiny plan. The Best Value audit work planned this year will focus on the council's arrangements for demonstrating Best Value in Improvement and Financial Governance and Resource Management, and will be reported in the Annual Audit Report.
20. Audit Scotland plans to undertake performance audit work in a range of areas covering local government during 2018/19. These include City Deals, Health and Social Care Integration: progress update and Children and young people's mental health. Any engagement with individual councils is still to be determined. Details of future audit work are available on Audit Scotland website [here](#).

March 2018

**Appendix 1: Scrutiny activity**

Scrutiny body	Scrutiny activity	Date
Audit Scotland / external auditor	Best Value audit work this year will focus on the council's arrangements for demonstrating Best Value in financial governance and resource management; and improvement. The outcome of this will be reported in the annual audit report.	April-September 2018
Audit Scotland	Audit Scotland plans to undertake performance audit work on City Deals Health and Social Care Integration: progress update and Children and young people's mental health. Engagement with individual councils is still to be determined and the council will be notified if it is to be included in any of these audits.	Timing to be confirmed
Care Inspectorate	From April 2017, the Care Inspectorate and Healthcare Improvement Scotland have a joint duty under the Public Bodies (Joint Working) (Scotland) Act 2014 to assess and report on the effectiveness of integration authorities' strategic plans. During 2018/19 we intend to visit North Ayrshire Partnership to report on their progress.	Timing to be confirmed
	From April 2018, Scottish ministers have asked the Care Inspectorate to lead another programme of joint inspections of service for children and young people, with scrutiny partners Education Scotland, Healthcare Improvement Scotland and Her Majesty's Inspectorate of Constabulary in Scotland. They have asked us to provide assurance about how community planning partners are protecting and meet the needs of children and young people who have experienced, or are at risk of, abuse and neglect, and how they are working together to improve outcomes for children and young people who are subject to corporate parenting requirements. We intend to carry out five joint inspections in 2018/19.	Dates and locations to be determined
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 councils are 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.	

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### 2018/19

#### 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) 

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