

## The Highland Council

### Audit and Scrutiny Committee – 20<sup>th</sup> June 2013

Agenda Item	11
Report No	AS/17/13

#### Audit Scotland National Reports

#### Report by Head of Internal Audit & Risk Management

##### Summary

This report provides details of the most recent National Reports issued by Audit Scotland and the action taken within the Council to address the report findings.

#### 1. Background

- 1.1 All National Reports issued by Audit Scotland are reported to the relevant strategic committee who should consider what action should be taken to address the report findings. Thereafter this is reported to the Audit and Scrutiny Committee who should satisfy themselves that the appropriate action is being taken by the strategic committee. In addition it should be noted that progress in addressing the National Reports by individual councils is monitored by Audit Scotland.

#### 2. National Reports Issued

- 2.1 There are 4 recent reports which have been issued and which have been considered by the appropriate strategic committee:
- Health Inequalities in Scotland (*presented to the Adult and Children's Services Committee on 20/03/13*).
  - Responding to Challenges and Change (*presented to the Highland Council on 09/05/13*).
  - Improving Community Planning in Scotland (*presented to the Highland Council on 09/05/13*).
  - Protecting Consumers (*presented to the Transport, Environmental and Community Services Committee on 16/05/13*).

The Committee minutes are provided in Section 3 below, and these contain links to the agenda report and the respective National Report. It should be noted that sections 3.2 – 3.4 contain the draft minutes yet to be approved by Council on 27/06/13, but no changes are expected.

#### 3. Minutes of Meetings

##### 3.1 Health Inequalities in Scotland

There had been circulated Report No [Item10ACS3013.pdf](#) dated 11 March 2013 by the Director of Health and Social Care which explained that Audit Scotland published its national report, Health Inequalities in Scotland, on 13 December 2012 and provided Members with an outline of the content of the report and how it related to current work being undertaken by the Council and its partners.

During discussion, Members expressed serious concern regarding some of

the statistics in the report and emphasised the significant amount of work required to tackle deprivation in Highland. However, it was also important to acknowledge the progress which had been made - for example, the implementation of Getting It Right For Every Child, the Family Nurse Partnership providing support for young mothers, breast feeding peer support groups and the ongoing work to improve school meal uptake and health and wellbeing in schools and the wider community. Highland was leading the way in terms of addressing health inequalities but the methodologies would take time to bed in.

In response to questions, it was explained that:-

- in relation to alleviating poverty, addressing deprivation and supporting people to maximise their benefits formed part of the preventative spend agenda. Work was ongoing in terms of examining the likely impact of welfare reform on Highland communities, particularly the most vulnerable people, and preparing to support them through the provision of a range of money advice services. In addition, links with employability and money advice would be built into early years services and services for young families; and
- work was ongoing in terms of utilising the preventative spend approved by the Council to develop a long term sustainable community planning approach to tackling deprivation and it was anticipated that a report would be presented later in the year on how that was being taken forward.

Thereafter, the Committee NOTED:-

- i. the content of the Audit Scotland 'Health Inequalities in Scotland' report and 'Reducing Health Inequalities and Improving Health: What Councillors can do to make a difference', and;
- ii. the Closing the Gap – Health Inequalities in Highland conference on 30 April 2013.

### 3.2 Responding to Challenges and Change

There had been circulated [Report No. HC/2/13](#) dated 30 April 2013 by the Chief Executive which confirmed that each year Audit Scotland produced a report providing an overview of Local Government in Scotland. In this regard, the report highlighted the main themes of the report for 2013 and suggested action points for Members.

In this regard, it was advised that Mr S O'Hagan, Assistant Director, Audit Scotland, was present at the meeting.

During a summary of the report, it was explained that resource and demand pressures had been identified as the main challenges for Local Government in 2013, including a growing ageing population, the on-going need for financial savings, public sector reform, welfare reform and community planning.

Audit Scotland had also considered how Local Government was responding, and needed to respond, to the challenges of leadership and governance, working in partnership (including community planning), considering different options for service delivery and having the right performance information and an effective performance management culture, including the use of robust

self-evaluation and action points were currently being taken forward. One of the most significant issues was performance appraisal and identifying Members' needs and a report on this regard would be submitted to the Audit and Scrutiny Committee in due course.

During discussion, Members welcomed the report and commented that the rigorous and challenging appraisal of options for delivering services was an area in which the Council needed to grow in confidence. The fact that the Council had moved to a radical integration of services with NHS made it stand out in Scotland and the Community Challenge Fund also pursued alternative ways of delivering services. These were ground breaking policies and there was a need to extend this approach to as many services as possible.

Responding to a query regarding clear information on the use of reserves and balances, it was confirmed that the Director of Finance would bring forward a report to the Council in June on the End of Year Accounts and this would include reference to Council balances.

### **Decision**

The Council NOTED the report, the actions/challenges and the Council's response.

The Council AGREED that the action points for Elected Members should be used for self-assessment as part of personal development planning and to highlight priorities for Officers.

It was also NOTED that a report on the End of Year Accounts (including Council balances) would be submitted to the next meeting of the Council on 27 June.

### 3.3 Improving Community Planning in Scotland

There had been circulated [Report No. HC/3/13](#) dated 28 April 2013 by the Chief Executive which highlighted the key findings for Community Planning Partnerships arising from the Audit Scotland reports and identified opportunities for reviewing partnership arrangements which would help to deliver the new style Single Outcome Agreement.

During a summary of the report, it was confirmed that new style audits in the future would focus on achieving outcomes, joint prevention approaches and how resources were being used collaboratively. There would also be a focus on new areas of Public Service Reform, such as Health and Social Care integration and the impact of Fire and Police reform. While the National Audit report had identified the risks to effective community planning, it was considered that the development of the Single Outcome Agreement and the review of partnership arrangements should minimise risk for Highland and build on the positive audit reports received to date.

During discussion, Members welcomed the review of the approach to community planning as the whole concept had represented a new way of thinking and operating for all organisations involved. In terms of integration, it was accepted that the concerns expressed on a national level might not apply in Highland as the Council had developed good relations with NHS Highland and it was recognised that whilst Highland was performing comparatively well in terms of community planning, there could always be room for improvement

and the revised single outcomes would provide a useful refocusing tool.

### **Decision**

The Council NOTED the mixed findings from the national audit report and that community planning in Highland would be subject to a new style audit at any time from this year.

The Council also NOTED that while community planning audits had been positive, a review of joint working arrangements to deliver the new Single Outcome Agreement would be helpful and timely and partners had agreed to do this and also that this National Audit Report would be considered at a future Audit and Scrutiny Committee meeting.

It was further AGREED that reference should be made in the report on Area Committees/Ward Forums (which was due to be submitted to the next Council meeting) to the development of Council Ward Forums as Public Service Forums and in particular to the current arrangement in Skye for a Community Planning Ward Forum.

### 3.4 **Protecting Consumers**

There had been circulated [Report No TEC/45/13](#) dated 3 May 2013 by the Director of Transport, Environmental and Community Services inviting Members to note the publication of the report prepared by Audit Scotland for the Accounts Committee titled "Protecting Consumers" and to consider the report's recommendations, the questions for Councils contained in the report and, in the light of developments since the report's preparation, what steps Highland Council now needed to take to address the report's findings.

During a summary of the report, it was confirmed that in relation to the Food Safety function, the main finding of significance to the Highland Council was concern expressed on workforce succession planning. As part of the Council's workforce planning review, a revised student Environmental Health Officer policy had been prepared. One significant change related to the removal of the post qualifying 6 month employment limit with the Council to ensure students could be retained by the Council and available for any appropriate vacancies.

Relating to Trading Standards, the audit report made clear the importance of having an effective Trading Standards service in place and concluded that the long term viability of Council's Trading Standards Services were under threat; Trading Standards services lacked national standards and priorities and had no national system of performance reporting. Councils were nonetheless rightly targeting their resources at the highest risk areas and reducing work on the lowest risks. The key recommendations for Councils and for COSLA were reproduced in Appendix 1 to the report.

The current situation in Highland was not considered to reflect the worst of Audit Scotland's findings on a national scale. However, to ensure that the provision of Trading Standards services in Highland remained protected, the report's findings needed to be taken into account. Once a clear improvement plan had emerged through the work being done by CoSLA, Local Authorities could then address the problems identified.

During discussion, Members welcomed the report and drew attention to the

good proactive work undertaken by Trading Standards over the last year of which the Council was very proud.

The proposals for succession planning were particularly welcomed. In this regard, as the University of the West of Scotland and Strathclyde University were the only organisations offering degree courses in Environmental Health, it was suggested that the potential to provide academic Environmental Health courses could be explored with the University of the Highlands and Islands.

The Committee:-

- i. NOTED the conclusions and recommendations made in the Audit Scotland – “Protecting Consumers” Report;
- ii. NOTED how these conclusions and recommendations were considered to apply to the Highland Council’s Environmental Health and Trading Standards service and what the COSLA Task Group and Trading Standards Scotland were currently doing to address the situation;
- iii. AGREED to delay making any decision on taking any action to address the issues raised until it became clear from the work of COSLA and the Scottish Government, what individual councils were being asked to do;
- iv. APPROVED the Student Environmental Health Officer policy; and
- v. AGREED to explore, with the University of the Highlands and Islands, the possibility of providing academic Environmental Health courses.

#### **4. Implications**

- 4.1 There are no Resource, Legal, Equalities, Climate Change and Risk implications arising from this report.

#### **Recommendation**

Members are invited to consider and note the action being taken by the respective Committees to address Audit Scotland’s National Reports and whether this provides sufficient assurance that appropriate action has been taken to address the report findings.

Designation: Head of Internal Audit & Risk Management

Date: 5<sup>th</sup> June 2013

Author: Donna Sutherland, Principal Auditor

Background Papers: