

The Highland Council

Audit and Scrutiny Committee – 26th March 2015

Agenda Item	6
Report No	AS/4/15

Audit Scotland National Reports

Report by Head of 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 2 recent reports which have been issued and considered by the appropriate strategic Committee:
- School Education (presented to the Education, Children and Adult Services Committee on 12/11/14).
 - Procurement in councils (presented to the Resources Committee on 25/02/15).

The Committee minutes are provided in Section 3 below. The original reports which include a link to the National Report can be accessed on the Council's website.

3. Minutes of Meetings

3.1 School Education

There had been circulated Report No ECAS/43/14 dated 4 November 2014 by the Director of Care and Learning which provided a brief summary to introduce the Audit Scotland Report on School Education, published in June 2014. The Audit Scotland Report assessed attainment over the last decade and identified how effectively Councils had made improvements over this time. The key messages were highlighted, together with an outline of the detailed recommendations and a strategy for how the recommendations of the report might be taken forward by the Council.

Ms K Whyte, Audit Scotland, undertook a presentation and explained that the aim of the Audit Report had been to assess how efficiently and effectively Councils were using resources to maximise pupil achievement in schools.

The three main objectives had been to examine the level of Councils' spending on school education; how effectively Councils were driving forward improvements in pupil achievement and how efficiently Councils were using resources to maximise pupil achievement.

Key facts about attainment were outlined and specific attention was drawn to evidence that in Scotland in 2013 there was an 81% attainment gap between the lowest and highest performing schools in S4 achieving 5 awards at level 5. In Highland the attainment gap sat at 56%. Attainment trends in Highland had improved over the last ten years and in 2013 the range and spread of performance between schools in Highland was on a level with the national average. Improvement rates had been slightly lower than the national average but this partly reflected Highland's slightly higher overall starting point. It was now recognised that while deprivation was a key factor influencing pupil attainment it was not the only factor and differences in attainment, therefore, needed closer scrutiny.

An outline of Highland's overall spending on education was provided, together with an indication of equivalent national averages. In this connection, Councils had been encouraged to make use of the new Local Government Benchmarking Framework. It was acknowledged that the Council had issued its budget consultation which included references to making efficiencies in education and attention was drawn to how other Local Authorities had made savings. Councils needed to allocate and target resources effectively, to know what worked well for their area and to monitor performance. In this regard and with particular reference to deliberations on future efficiencies, Members were encouraged to consider closely the long-term likely impact on pupil performance of any proposals to reduce spending on education.

During discussion, Members thanked Audit Scotland for the report and raised a range of issues, including:-

- in response to the recommendations of the Audit Report, there was a clear strategy set out to address and monitor the variances in performance across Highland schools. It was clear that the Education Standards and Quality Report also built on some of the themes mentioned in the Audit Scotland report. The Council's response to the Audit recommendations emphasised the need for priorities and timeframes to address attainment gaps, benchmarking within and outwith Highland and to take account of good practice. It was interesting that additional funding for schools did not in itself guarantee increased performance and that schools in areas of deprivation did not always record poor educational attainments;
- the report highlighted key social equality and justice issues and it was clear that Members must prioritise addressing its recommendations throughout the rest of the Council term. It was suggested that a workshop be arranged with the Committee to explore the issues addressed in the Audit Report, to consider current practices and, in particular, to consider the impacts of deprivation in Highland and the themes included in the Education Standards and Quality Report;

- it would be essential to ensure that the Council's budget deliberations in December were influenced by considerations for the long-term impact on children's education. Specific reference was made to the decision taken to direct resources to early years and in this respect it would be important to devise indicators that could provide early feedback;
- it was requested that all Members receive a copy of the presentation delivered by Audit Scotland and it was essential that everything possible be done to close the gap in performance levels and achievement for children from areas of deprivation;
- Council spending on education had fallen and resulted in employing fewer members of staff. This could raise issues particularly for areas of population growth where increased numbers of teaching staff would be likely in the future; and
- it was queried whether any other Council had reduced school hours on financial grounds and, if so, whether feedback on this could be provided.

It was acknowledged that it was difficult to evaluate and monitor the benefits of investment in early years; similarly it would be difficult to forecast the long-term impacts on attainment and performance in the event of education budget reductions. While closing the attainment gap was a key consideration for the Council, in addition to this the need to raise the performance bar should continue to be a priority.

The Committee:-

- NOTED** the content of the report;
- AGREED** to endorse the measures recommended as part of a Highland Strategy; and
- AGREED** to hold a workshop in January 2015 to consider Audit Scotland's comments and to consider issues raised about the impacts of deprivation on children's education.

3.2 Procurement in Councils

There was circulated Report No RES/15/15 dated 10 February 2015 by the Director of Finance which presented the Council's proposed responses to the above report and recommended that Members agree to the actions listed at Annex A to the report in dealing with the report's findings.

During discussion, Members praised and encouraged the inclusion of collecting and reporting information on non-financial benefits including economic, community and environmental benefits and requested that it be extended to a wider Community Planning Partnership discussion to identify positive benefits to health and well-being.

The Committee **APPROVED** the proposed response to the Audit Scotland Review of Procurement in Local Authorities subject to Point 8 of Annex A (Page 149) being amended to include that discussions/reports on this would be led through the Community Planning Partnership.

4. **Implications**

- 4.1 There are no Resource, Resource, Legal, Equalities, Climate Change/

Carbon Clever, Risk, Gaelic or Rural implications arising from this report.

Recommendation

Members are invited to consider 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 Audit & Risk Management

Date: 16th March 2015

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Background Papers: