

EAST RENFREWSHIRE COUNCILCABINET16 August 2018Report by Chief ExecutiveCHIEF EXECUTIVE'S OFFICE END YEAR PERFORMANCE REPORT 2017/18**PURPOSE OF REPORT**

1. The purpose of this report is to present a summary of performance of the Chief Executive's Office for 2017/18. More detail on each service is attached in Annex 1.

RECOMMENDATIONS

2. It is recommended that the Cabinet:
- (a) Scrutinises the performance of the Chief Executive's Office; and
 - (b) notes this report as a summary of the Chief Executive's Office's End Year Performance for 2017/18 (Annex 1).

BACKGROUND

3. The Chief Executive's Office is led by Lorraine McMillan and comprises the following governance functions:-

- Accountancy Services - Margaret McCrossan (Head of Accountancy and Chief Financial Officer)
- Legal and Procurement Services - Gerry Mahon (Chief Officer - Legal and Procurement)
- Internal Audit - Michelle Blair (Chief Auditor)

4. A one-page summary is included in Appendix 1 for each service.

REPORT

5. Staff from all areas of the Chief Executive's Office support a wide range of operational projects, including the development of new schools and nurseries and work closely with departments to provide advice and support on policy and legislative changes, in managing departmental finances and ensuring that the financial control environment is robust. In addition staff continue to support the differing service delivery structures such as the East Renfrewshire Culture and Leisure Trust (ERCLT) and the Integrated Joint Board (IJB).

6. The Accountancy Service continues to monitor the financial position of the Council and take appropriate action to address the challenges to service delivery in the future from increased demand.

7. The annual accounts are still subject to external audit but at year end (2017/18) the draft accounts show spend within budget and with an overall surplus of £5.1m. The underspend is smaller than in previous years, reflecting how budgets are being tightened, however the final underspend was still some £2.6m more than forecast. In the preparation of the 18/19 to 20/21 budget, a detailed analysis was taken to reduce future underspends balancing financial prudence with an acknowledgement of the challenging financial circumstances.

8. The non-earmarked general fund reserve balance was £10.118m as at 31 March 2018 with reserve levels at 4.3% of the annual budgeted net revenue expenditure. The Council continues to demonstrate its track record of strong financial management by maintaining a sound financial position.

9. External Audit (Audit Scotland) placed reliance on the work of the Internal Audit service. A report submitted to the Audit and Scrutiny Committee in April 2018 indicated that sound documentation standards and reporting procedures are in place and that main requirements of the Public Sector Internal Audit Standards (PSIAS) are complied with. There were two recommendations within the report which will be actioned by providing summary conclusions from audits in the progress reports to the Audit and Scrutiny Committee.

10. Legal Services supported 12 court applications in relation to Permanency and Care (PACE) project to further permanency for young people who are unable to remain with their birth family compared to only 2 court applications in 2016/17.

11. The Strategic Risk Register has been further refined and is now reviewed at every meeting of the Corporate Management Team and is directly linked to the Council's strategic outcomes. Strategic risks were presented on a 6-monthly basis to Audit and Scrutiny Committee (28 September 2017 and 1 March 2018) and Cabinet (5 April 2018). A revised Risk Management Strategy was approved by the Audit and Scrutiny Committee on 17 August 2017 and the Cabinet on 9 November 2017 respectively.

12. There continues to be high levels of customer and elected member satisfaction with services across the Chief Executive's Office.

13. The Chief Executive's Office made considerable progress with the change programme (Modern Ambitious Programme) throughout 2017/18 including:

- major involvement in Core Corporate Systems Programme through identification of future financial systems requirements.
- modernisation of key processes including realigned budgets, Devolved School Management (DSM) carry forward arrangements, improved East Renfrewshire Culture and Leisure Trust information, bank reconciliations, year-end procedures and faster submission of revenue reports
- Implementation of an online purchasing card system replacing the manual recording of transactions by users.
- Implementation of virtual purchasing and fuel cards - A virtual card is issued to a user to facilitate an online order transaction. The introduction of fuel cards removed the manual VAT allocation process which had previously been conducted.

14. During 2017, the Council dealt with 1,296 requests under the Freedom of Information (Scotland) Act 2002 and the Environmental Information Regulations (Scotland) 2004 compared to 1,182 in 2016. Despite this increase in the number of requests 85% of these were responded to within the statutory target timescale of 20 working days. The Chief Executive's Office dealt directly with 73 requests and a further 53 cross departmental requests of which 98% were responded to within the statutory 20 working days.

15. During 2017/18, 2.99 days per employee were lost through absence in the Chief Executive's Office which was significantly below the council target of 9.3 days per employee and a further improvement from 6.67 days per employee in 2016/17.

16. A number of employees successfully participated in the Leaders and Vision for the Future management development programmes to develop competencies and to improve succession planning across teams.

PUBLICATION OF END YEAR PERFORMANCE INFORMATION

17. A version of this report will be posted on the Council's website.

FINANCE AND EFFICIENCY

18. There are no specific financial implications arising from this report. The Annual Efficiency Statement will provide more detail on achievements.

PARTNERSHIP WORKING

19. This report highlights the Chief Executive's Office's contribution to the delivery of the Council's Outcome Delivery Plan. Whilst it focuses on the Office's contribution, many of the results could not have been achieved without excellent partnership working across departments and partner organisations such as the East Renfrewshire Culture and Leisure Trust (ERCLT), Integrated Joint Board (IJB) and Scotland Excel.

IMPLICATIONS OF REPORT

20. As this report is primarily a progress and performance update, there are no particular implications in terms of staffing, property, legal, IT, equalities or sustainability. Each of these issues has been mainstreamed throughout the departmental reports and specific equality impact assessments have been carried out on the Outcome Delivery Plan if appropriate.

CONCLUSION

21. This report provides an overview of the Chief Executive's Office's performance at year end 2017/18.

RECOMMENDATIONS

22. It is recommended that the Cabinet:
- (a) Scrutinises the performance of the Chief Executive's Office; and
 - (b) notes this report as a summary of the Chief Executive's Office's End Year Performance for 2017/18 (Annex 1).

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Chief Executive's Office – Accountancy 2017/18

Summary	Budget £1,590,100 29.1FTE All statutory accounting requirements met, 3 year budget set and further progress made on updating structures, reporting, systems and processes as part of the Accountancy elements of the Council's Modern Ambitious Programme (MAP).
Outcomes	<ul style="list-style-type: none"> Financial planning of new initiatives including Barrhead High School, the new Faith Schools Joint Campus, major refurbishment on Crookfur Primary, the Harry Burns Centre, early learning & childcare expansion, City Deal and housing.
Efficiency	<ul style="list-style-type: none"> Unqualified annual accounts for 2016/17 with no unadjusted errors and streamlined charitable trusts format. Overall General Fund surplus for 2017/18 of £5.1m despite difficult financial situation. Council outturn spend was 96.6% of budget and 98.8% of the last forecast position. Financing costs of debt represented 8.7% of the General Fund revenue stream. 3 year budget approved despite significant financial challenges and settlement issues. Balanced budget for 2018/19 and 2019/20 achieved with under £2m gap for 2020/21. Improved long term financial planning now in place with an Outline Financial Plan 2018-2024 approved. Planned Accountancy savings of £38,000 have been achieved. Key involvement in Core Systems change programme by identifying future financial systems requirements. Modernising key processes including realigned budgets, Devolved School Management (DSM) carry forward arrangements, bank reconciliations, year-end procedures and faster submission of revenue reports. Improved financial information provided to East Renfrewshire Culture & Leisure Trust with further improvements required in future. New banking and treasury management tenders awarded. Revised online Financial Regulations now available in a digital format and more user friendly.
Customer	<ul style="list-style-type: none"> Overall 95% of customers were "satisfied/highly satisfied" with the support and advice provided by Accountancy. 90% of customers were "satisfied/highly satisfied" with the accuracy of information provided by the Accountancy Team 95% of customers rated the "ability to find solutions to meet your needs" as satisfactory/highly satisfactory Bespoke Financial Induction and Treasury Management training was provided for elected members. Additional support provided to Creditors team to increase assurance on accuracy of payments. Increased support for Audit and Scrutiny Committee with Head of Accountancy attending to provide support and specialist knowledge.
People	<ul style="list-style-type: none"> Performance Review and Development (PRD) meetings have been undertaken with employees All qualified employees completed Continuing Professional Development (CPD) required by the appropriate professional bodies. Various employees have been supported to undertake leadership and project management training. Employees have been consulted and actively involved in a range of projects including Collaborative Planning, Core Corporate System requirements and How Good Is Our Service (HGIOS)?

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Chief Executive's Office – Legal Services 2017/18

Summary	<p>Budget £587,300 10.8 FTE</p> <p>There have been increased time commitments in support of a variety of projects such as GDPR preparation/ongoing City Deal initiatives/ property developments. Maintaining reasonable response times within resources remains a pressure and work prioritisation has increased in significance over the period. Balance continues to be struck between cost implications of outsourcing and timing.</p>
Outcomes	<ul style="list-style-type: none"> • Ongoing support of PACE (Permanency and Care) project to further permanent care for children who are unable to remain with birth family. Successful progression of 12 court applications in relation to PACE project (4 previous year) • Completed purchase of Maidenhill School site for Education Department. Supported successful defence of Maidenhill School site judicial review • Successful support and representation in 64 Adults with Incapacity (AWI) and Adult Support and Protection (ASP) cases ensuring appropriate support and protection measures in place. (compared to 30 in 2016/17)
Efficiency	<ul style="list-style-type: none"> • Introduction of electronic case management system (IKEN) bringing improved security of information and improved remote working opportunities which maximise productive time out of the office for the legal team. IKEN also allows case load to be monitored more accurately. • Total of 1,273 new legal matters (new files) have been recorded as opened on IKEN system between July 2017 and March 18. • Increase of 12% from 2016/17 figures in matters dealt with for Education (252 files) • Increase of 7% from 2016/17 figures in matters dealt with for HSCP across all aspects of SW practice (221 matters) • £36,640 savings achieved, exceeding the target of £32,500 as a result of income generation • Successfully obtained 94 decrees in relation to outstanding rental payments for council housing, both from current and former tenants.
Customer	<ul style="list-style-type: none"> • 91% of customers were “satisfied” or “highly satisfied” with the overall level of service provided by the Legal and Licensing teams • Comprehensive training provided to employees across Council in respect of GDPR. A total of 13 sessions face to face sessions were delivered to approximately 250 employees plus online course available to all employees • Ongoing training to HSCP in permanence matters which included 5 sessions of training to 40 – 50 employees • Increase in FOI requests processed from 1266 in 2016/17 to 1341 in 2017/18 • Response times dropped slightly owing to workload demands although urgent matters were progressed as a priority and relevant timescales were adhered to in all such cases.
People	<ul style="list-style-type: none"> • 100% of professional employees completed LAW Society Continuing Professional Development (CPD) requirements and remain a member of professional body • absence rates below Council target • Performance Review and Development (PRD) meetings undertaken with employees • Improvement in employee flexibility through introduction of IKEN which allows remote working and better use of time

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Chief Executive's Office – Corporate Procurement 2017/18

Summary	<p>Budget £416,500 7.8 FTE</p> <p>During this financial year the team has been involved in a number of high profile projects. The team have completed significant “business as usual” work and also completed tasks which helped to achieve the strategic outcomes of the Procurement Improvement Plan.</p>															
Outcomes	<ul style="list-style-type: none"> Glasgow City Region City Deal – working with officers in Environment to deliver the contracts 															
Efficiency	<ul style="list-style-type: none"> Implementation of a new technology solution which has increased the number and type of online catalogues which Departments can use to order directly, from 9 to 13. Initial analysis has shown that orders created through the Gateway require fewer amendments prior to invoice processing. Delivery of change, for example amendments to Contract Standing Orders, the adoption of supported business process for low value ordering and financial evaluation procedure for high value/risk contracts Implementation of an online purchasing card system replacing the manual recording of transactions by users. Implementation of virtual purchasing and fuel cards. (A virtual card is issued to a user to facilitate an online order transaction. The introduction of fuel cards removed the manual VAT allocation process which had previously been required). To ensure robust contract conditions are in place a review of all contract terms has been completed and a new set of terms developed for consultancy contracts. A summary of the contracts arranged in the financial year 2017/18 is provided in the table below: <table border="1" data-bbox="371 866 2141 1145"> <thead> <tr> <th></th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>Number of contracts award via competitive tendering exercise (contract exceeding £50,000 for goods and services, £150,000 for works)</td> <td>43</td> <td>57</td> </tr> <tr> <td>Number of contracts awarded via the Quick Quote process (the thresholds applicable are goods and services £10,000 - £50,000 and £20,000 - £150,000 for works)</td> <td>106</td> <td>105</td> </tr> <tr> <td>Number of contracts awarded via a Mini Competition process from a framework contract</td> <td>22</td> <td>16</td> </tr> <tr> <td>Number of contract awarded directly (exemptions or framework contracts)</td> <td>20</td> <td>22</td> </tr> </tbody> </table>		2016/17	2017/18	Number of contracts award via competitive tendering exercise (contract exceeding £50,000 for goods and services, £150,000 for works)	43	57	Number of contracts awarded via the Quick Quote process (the thresholds applicable are goods and services £10,000 - £50,000 and £20,000 - £150,000 for works)	106	105	Number of contracts awarded via a Mini Competition process from a framework contract	22	16	Number of contract awarded directly (exemptions or framework contracts)	20	22
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Customers	<p>A survey of departments found :</p> <ul style="list-style-type: none"> Over 90% of responses were satisfied/extremely satisfied with the helpfulness of the team and the quality of advice received Procurement training day carried out for over 60 departmental officers on contract standing orders and procedures (increase awareness of department officers) Revamp of the procurement intranet pages to provide meaningful information to aid departments to self-serve Procurement Team and City Deal colleagues attended the national Meet the Buyer event at Hampden Park 															
People	<ul style="list-style-type: none"> 2 team members completed training in Business Improvement techniques i.e. Yellow belt lean review and PDA project management 															

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Summary	<p>Budget (excluding central recharge) £247,020</p> <p>Spend £243,533 4.7FTE</p> <p>96% of planned audits carried out across the Council and East Renfrewshire Culture and Leisure Trust. Several pieces of unplanned work carried out resulting in 100% of contingency time being used in 2017/18.</p>
Outcomes	
Efficiencies	<ul style="list-style-type: none"> • Assurance statement for 2016/17 provided to Audit and Scrutiny Committee in August 2017. • A range of internal performance measures were submitted to the Audit and Scrutiny Committee quarterly showing performance against target (where applicable). • Two indicators are submitted to CIPFA. For 2017/18, the cost of audit per £million of net expenditure is £1,204 (2016/17 £1,246) and the productive days achieved as % productive days as per the audit plan is 99.79% (2016/17 107.47%). • Provided internal audit services to the Integrated Joint Board (IJB), attended IJB Audit Committee during year and provided audit assurance statement. • Provided 20 working days of internal audit service to East Renfrewshire Culture & Leisure Trust and attended the ERCLT Finance, Audit and Risk Committee.
Customers	<ul style="list-style-type: none"> • User survey indicates that 100% of internal customers overall are happy with the service provided by internal audit. • External audit report on internal audit was submitted to Audit and Scrutiny Committee in April 2018 and indicates that sound documentation standards and reporting procedures are in place and that main requirements of the Public Sector Internal Audit Standards (PSIAS) are complied with. There were two recommendations which will be actioned by providing summary conclusions from audits in the progress reports. • When preparing the Internal Audit Strategic Plan and annual Audit Plan, a wide range of customers including Elected Members, the Corporate Management Team (CMT) and the Council's External Auditors are consulted to ensure that current and developing risks are appropriate, considered and included.
People	<ul style="list-style-type: none"> • 100% of Performance reviews and development (PRD) meetings have been undertaken

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