

EAST RENFREWSHIRE COUNCIL

CABINET

17 August 2017

Report by Deputy Chief Executive

ANNUAL EFFICIENCY STATEMENT 2016/17

PURPOSE OF REPORT

1. To bring forward the Council's Annual Efficiency Statement for 2016/17.

RECOMMENDATIONS

2. It is recommended that Cabinet agree to:
 - (a) approve the annual efficiency statement 2016/17 for submission to CoSLA; and
 - (b) note that elected members will receive further updates on change and improvement in East Renfrewshire, including the 'Modern Ambitious Programme (MAP)' at a pre-Council session on 13 September 2017.

BACKGROUND

3. Councils are required to provide annual efficiency statements to CoSLA each year. A summary statement, for Local Government as a whole, is then developed for the Scottish Government. East Renfrewshire's statement is also placed on the Council website for public access.

4. Efficiencies can arise in several ways, including planned changes as part of the change programme (Modern Ambitious Programme, MAP); work on the Council's 5 capabilities (prevention, digital, data, modernisation and community engagement); other departmental or service efficiency work, often linked to budgetary pressures; restructures; and from sound financial management and good business practices (e.g. contract reviews and better procurement).

5. The reporting requirements place an emphasis on how local authorities have "used efficiencies to protect quality and level of services and maintained outputs and outcomes in the face of budget cuts". The Government's definition of efficiency is as follows:

"Where a body managed to deliver services or functions that can be shown to result in a broadly similar (or improved) level of outcome or output for a lower input value than previously, an efficiency saving has been made. The amount saved is the difference between the previous unit cost and what is now spent to deliver the outcome."

6. The Council's high level template for return to CoSLA is attached at Annex 1.

IMPROVEMENT & CHANGE IN EAST RENFREWSHIRE COUNCIL

7. We have high expectations for our services; this flows two ways – from elected members and the Corporate Management Team always aspiring to: develop services; modernise; be more efficient; deliver better service; improve customer focus; and from our frontline staff – striving to do their best, deliver our values and uphold East Renfrewshire’s strong reputation on a daily basis.

8. We have a number of levels to our improvement journey:

- Transformational change – through our Modern, Ambitious Programme (MAP) of service redesigns and Council wide enabling projects and through our Organisational Development (OD) Plan vision for the future, strengthening the employee and OD side of change.
- Continuous improvement through our own self-evaluation processes, which are firmly embedded into the annual service planning cycle and reported through the 6-monthly performance review cycle.

9. MAP is governed by the Corporate Management Team (CMT) in their role as MAP Board. Each department has strong ownership of its own vision for the future and a programme of modernisation and digitisation, linked to MAP. There is also a council-wide enabling programme, which also works for the HSCP and Culture and Leisure Trust to deliver key cross-cutting change. The CMT will provide further updates on each of these programmes for elected members at a session pre-Council on 13th September 2017.

FINANCE & EFFICIENCY

10. In addition to savings generated through MAP, the Council continues to actively review opportunities for applying efficiency savings over the whole range of its services. There is evidence in the attached efficiency statement that, through these efforts and MAP, the Council has made cash-releasing savings of £4,567,515 in 2016/17.

11. These savings are primarily a result of efforts to do more with less. Instead of being considered as new funding sources, these efficiencies represent the Council’s effectiveness at living within its means, meeting the challenges of decreasing resources across the board.

12. East Renfrewshire Council has a policy of always taking a prudent approach to the calculation of savings. The Council is rigorous in its approach to verifying efficiencies (i.e. ensuring no adverse knock-on effect on productivity or quality), but we must balance this with the need to avoid creating a new bureaucracy of monitoring and reporting efficiencies. This can result in an under-reporting of efficiencies and it is likely that the figures reported here are not a comprehensive picture of the significant work being done on a daily basis by services to minimise costs, redesign services, rationalise structures and generally achieve best value for money.

13. 70% of the savings proposed for 2017/18 were derived through efficiencies, through the Council’s MAP programme or as a result of our focus on the 5 capabilities. Savings for the period 2018/2021 are already being planned. Whilst it is recognised that it will become progressively more difficult to identify efficiencies in future, it is the Council’s aim to identify at least £3m of savings per year through efficiencies or change projects. This target will be reassessed on an annual basis.

14. The Council's long term financial plan sets out key principles that will lead to budget savings:
- More digital transactional services which are easy for the customer to use and which will reduce administration costs considerably
 - More community engagement and self-directed support in the design of services to provide services which meet the needs of individuals and communities better and potentially at lower costs
 - A long term direction to invest in prevention activity to reduce the cost of services in the longer term.

CONSULTATION

15. Individual improvement and change projects will be involved in specific consultation and engagement as relevant to their scope. There is no requirement to consult on the Annual Efficiency Statement, although this will be made available on the Council website as part of public performance reporting.

PARTNERSHIP WORKING

16. Partnership working is integral to everything the Council does from our fully integrated Health and Social Care Partnership to our day to day interactions with the Culture and Leisure Trust to partnerships such as City Deal.

CONCLUSION

17. The Annual Efficiency Statement demonstrates the Council's continued success in driving out real tangible efficiencies and making savings.

18. There are significant programmes of change and improvement work underway moving at a considerable pace right across the Council and HSCP. These are helping us deliver efficiencies for future years and this is a core part of our long term financial plan.

19. We are clear that the pace and scale of our programme of change and modernisation reaches every corner of the Council and together they are the key levers to achieving our vision for the future to be *a modern, ambitious council creating a fairer future with all.*

RECOMMENDATIONS

20. It is recommended that Cabinet agree to:
- (a) approve the annual efficiency statement 2016/17 for submission to CoSLA; and
 - (b) note that elected members will receive further updates on change and improvement in East Renfrewshire, including the 'Modern Ambitious Programme (MAP)' at a pre-Council session on 13 September 2017.

REPORT AUTHOR

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26 July 2017

BACKGROUND PAPERS

- Vision for the Future: Update Report, Cabinet 23 March 2017
- Local Government Benchmarking Framework: 2015/16 Performance, Cabinet 23 March 2017
- Procurement Strategy & Improvement Plan 2016-18, Cabinet 2 March 2017
- Trading Under Best Value, Cabinet 2 March 2017
- Financial Planning 2017-2022, Council 14 December 2016 & 9 February 2017
- Update on Improvement & Change in East Renfrewshire Council, Council 14 September 2016
- Audit of Best Value – A New Approach, 1 September 2016
- Annual Efficiency Statement 2015/16 and Update on Improvement & Change in East Renfrewshire Council, Cabinet 18 August 2016
- Update on Corporate Asset Management Arrangements, Cabinet 2 June 2016

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2016-17

1	Local Authority Name	East Renfrewshire Council
2	Total cash efficiency achieved for 2016-17 £'000	£4,567,515
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>General</p> <p>Our latest Citizens' Panel results show that 93% of respondents are satisfied with East Renfrewshire as a place to live - up 11% since the first survey in 1998. 79% of residents are satisfied with the services that we provide - this compares very well when benchmarked against other councils.</p> <p>We operate in the context of very real service pressures from year on year increases in our population – in particular the very young and the very old, with both groups accounting for the vast majority of our service provision.</p> <p>Over 70% of savings required for 2017/18, totalling £3.9m, have been derived from efficiencies through change and improvement. We have also set ourselves challenging targets for efficiencies in future years to help us cope with shrinking budgets. This is part of our long-term financial plan.</p> <p>Our vision is “a modern, ambitious Council, creating a fairer future with all”. To deliver on our outcomes, and our promise to make people’s lives better, we are developing excellence in five key areas: Prevention; Community Engagement; Data; Modernisation and Digital Services. These five capabilities are at the very heart of our programme of change – our Modern Ambitious Programme (MAP).</p> <p>This is the second year of MAP, which builds on our successful Public Service Excellence (PSE) programme which ran from 2009 and delivered £4.9million of recurring annual savings. MAP is working towards creating and implementing the modern, digitally enabled organisation that we want to be, based on an evolving picture of what our future council might look like. It is building on the 5 capabilities, particularly focusing on the areas of digital, data and modernising the way we work, whilst enabling future savings contributions. MAP comprises departmental programmes of change and cross-cutting programmes of enabling work that are managed council-wide, affecting all or many departments.</p> <p>Further detail can be found in our Vision for the Future update report at http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=19745&p=0</p> <p>In addition to MAP the Council has a range of significant programmes such as City Deal, Early Years and our Capital Programme.</p> <p>The pace, scale and reach of change across East Renfrewshire Council is significant. This Annual Efficiency Statement only scratches the surface of the range of projects and initiatives being undertaken.</p> <p>Through our ‘5 capabilities’, we recognised Digital is a fundamental shift in thinking about everything we do; about how we use information; about how we deliver services and how local residents live their lives.</p> <p>Our ambitious digital strategy was published in February 2017 and sets out the outcomes we are working towards: digital by design services; simple and accessible enough to encourage our customers to use them and with a digitally capable workforce able to drive modernised services.</p> <p>Already over 50% of Council services are available for customers online to pay, book or apply. We have seen a significant improvement in uptake from last year, mainly due to the introduction of ‘ParentPay’ across our schools, giving parents the ability to pay for educational excursions, trips, school meals; charity</p>

donations etc. This is contributing towards administrative savings in our Education Department.

We have been developing a new way of measuring the 'digitalness' of our processes. We believe we have taken an innovative approach to this and are sharing our learning with the Local Government Digital Office.

Our website has again been awarded the top 4 star rating by the Society for IT practitioners in the public sector (SOCITM) for the fourth year running- one of only 36 councils in the UK to achieve this and one of only 4 in Scotland.

We have recruited new digital customer experience officers to work on improving the digital experience of the whole online customer journey by ensuring good accessibility and functionality on our website.

Data cleansing and merging has also been undertaken to support the journey towards *myaccount* adoption.

In terms of a few other service examples of efficiency across 2016/17:

Our Waste Team redesigned their service including procurement and delivery of 65,000 bins, introduction of 3 weekly waste and recycling collections, new policies, a complete re-routing project and a communications campaign. There has since been a substantial increase in the amount of recycling collected; boosting our recycling rates from 56% last year to 61% after only 3 months of the new service being rolled out. It is expected that once final figures are confirmed by SEPA, we will report the highest percentage of waste recycled in Scotland to date. Satisfaction with wheeled bin collections and recycling have also both increased.

In our HSCP, for those that have been supported through the re-ablement programme 64% of individuals have had their care needs reduced and are living more independently. Across East Renfrewshire 97% of older people remain living at home.

A good Adaptations Service supports more independent living by allowing residents to stay in their homes and communities for longer. In 2014-15 there were over 120 local people waiting for an adaptation and there are now less than 5 on the waiting list. The time taken to complete a medical adaptation has reduced from an average of 236 to 45 days, and there has been a 22% increase in the number of adaptations being carried out in a reporting year, which means we are assisting more residents to live longer at home.

Through a redesigned, data-led process, 1100 claimants have been automatically rolled forward for free school meals and clothing grant in East Renfrewshire without the need for customer claims; manual checking processes and correspondence back and forth, therefore savings administrative time and costs and offering a more proactive service for more vulnerable residents.

Procurement

To assist in the delivery of continuous improvement in our procurement practices the Council agreed to participate in the Scottish Government Procurement and Commercial Improvement Programme (PCIP) which was delivered by Scotland Excel. The Council's first assessment under this regime, carried out in September 2016, returned a score of 61.5%.

Following on from the PCIP assessment a procurement improvement plan was developed and approved by our Procurement Board and Cabinet.

A new Corporate Procurement Strategy for the period 2017-2018 was implemented. The strategy details how the council will comply with procurement legislative obligations and also sets the direction for procurement to work more

strategically.

Work has been ongoing to improve the efficiency of the purchase to pay (P2P) process through our systems and processes. Procurement have been heavily involved in projects for the upgrade and subsequent options appraisal for the financial systems, new marketplace, expansion of purchasing cards and e-invoicing.

The annual Meet the Buyer event was attended in June 2016 and a joint City Deal Meet the Buyer event was held with Renfrewshire Council to promote the up and coming contracts. The event was aimed at small to medium sized companies as well as our local contractors. Breakout sessions were held where suppliers could learn about community benefits and tendering and also have the opportunity to speak to project leads, procurement, main suppliers and WorkER.

The council participates in 92% of the Scotland Excel contracts that are available for use.

Asset Management

Our Corporate Asset Management Group (CAMG) provides the capacity for the council to monitor its asset usage in the most effective and efficient manner possible.

All Asset Management Plans (AMPs) with the exception of Roads (Property, ICT, Fleet, Open Spaces, Housing) have been externally reviewed and validated and redirected into a consistent corporately agreed format. These are tied together through a Corporate Asset Management Plan. Each asset management plan also has a risk register and an operational action plan. This process was overseen by the CAMG.

All requests for capital funding require to be linked to the relevant AMP in order to demonstrate a coherent 'golden thread' with Council strategy/vision and to ensure capital requests service the wider corporate need.

The Council is in the process of reviewing its office accommodation strategy via the CAMG in order to explore ways of reducing its property portfolio and ensuring that the suite of buildings has the capacity to meet the needs of a modern, agile, technically enabled workforce. This process includes identifying opportunities to share premises (and thus reduce costs) with third sector and other public bodies.

The new Eastwood Health and Care Centre (EHCC) opened in August 2016 and has recently been announced as one of 12 winners of the 2017 award for best current Scottish Architecture by the Royal Incorporation of Architects in Scotland. It is home to multiple services and also features a community enterprise in the form of a cafe run as an employability project and acts as a community hub with a variety of spaces for voluntary groups to come together. EHCC is also a great example of a new modern way of working – seamless working between health and social care professionals; no longer a desk per person; staff working in more agile and flexible ways.

Some major capital projects are nearing successful completion including the new Barrhead High School, Faith Schools Joint Campus and the Auchenback Family Centre. In addition the Cartmill Family Centre and the upgrade of Crookfur Primary School were successfully completed. These works ensure that East Renfrewshire Council continues to have a modern property environment in which to educate local residents.

Shared Services

Our major developments team continues to contribute actively within the Glasgow City Region City Deal arrangement and have been actively involved in

		<p>the wider City Region Regional Economic Strategy and Action Plan.</p> <p><u>Clyde Valley Waste Management Initiative</u> East Renfrewshire Council has entered into a 25 year contract for the disposal of its residual waste. Along with 4 other partner councils, this £0.5 Billion contract will see custom built plants built at Bargeddie in North Lanarkshire and Dunbar in East Lothian. A sorting facility for the 5 councils' residual waste will be provided by the contractor before onward transportation to a new 'Energy from Waste' facility at Dunbar. A joint procurement exercise was undertaken and costs were divided on the basis of each council's participating waste tonnage. The efficient procurement exercise, the economies of scale, and greater buying power of the combined authorities led to a financial outcome, better than the Final Business Case suggested.</p> <p><u>Decriminalised Parking Enforcement</u> East Renfrewshire Council and Glasgow City Council have agreed a public service agreement to share Glasgow's back office services which provide support for all aspects of decriminalised parking enforcement. East Renfrewshire Council benefits from the existing expertise and resources applied to a large city centre parking regime, while Glasgow undertakes the role for an at-cost payment. This in turn provides consistency of enforcement across two neighbouring authorities and it is hoped more councils may participate in this arrangement.</p> <p><u>Other Examples</u></p> <p>The telecare service in our CCTV Control room is now able to prevent many unnecessary callouts to fire and rescue service as a result of false activations of smoke alarms that previously would have resulted in a 999 callout. This is estimated to save over £380K to date to the fire service – this is a good example of preventative work reducing costs in another part of the public sector.</p> <p>We have a Police Local Authority Liaison Officer based at the Council two days a week, working closely with Council colleagues on a range of projects including engaging with local communities on their views on community safety and improving intelligence sharing to direct police/Council resources to tackle incidents of anti-social behaviour effectively.</p> <p>Since its establishment in summer 2015, we have seen the Culture and Leisure Trust go from strength to strength. Leisure Centre attendances are once again at five-year high, exceeding last year's excellent figures by a further 5% or 30,000 attendances. Community Sports Development attendances also continue to grow – over 15.7% up on the previous year. A key development for the Trust over the last year has been gymnastics, which continues to grow strongly with increasing by 25.0% over the last year and making good use of digital communications with parents to manage waiting lists and get quicker turnaround on vacant class slots.</p> <p>Within our libraries although physical visits were down 9.8% from the previous year, library visits were still 7% above the previous 5 year average. Increased programming at Eastwood Theatre has also resulted in a rise of 17% more theatre attendances.</p>
4	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £1,054,000</p> <hr/> <p>Shared Services = £160,000</p> <hr/> <p>Asset Management = £61,000</p>

5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	Key sources of evidence include: budget and efficiency templates that measure financial, productivity and quality aspects of each initiative; annual Citizens' Panel survey results; service-level surveys; performance indicators and benchmarks; usage rates for services; external audits and inspections; internal audits; How Good Is Our Service self-assessments.

Signed (Chief Executive or equivalent)

Signed (if applicable)..... (Council Leader or equivalent)

Date

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