

EAST RENFREWSHIRE COUNCILCABINET17 August 2017Report by Chief ExecutiveCHIEF EXECUTIVE'S OFFICE END YEAR PERFORMANCE REPORT 2016/17**PURPOSE OF REPORT**

1. The purpose of this report is to present a summary of performance of the Chief Executive's Office for 2016/17. More detail on each service is attached in Annex 1.

**RECOMMENDATIONS**

2. It is recommended that 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 2016/17 (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. The format of the performance report has been changed this year to further improve the clarity of reporting. Rather than the detailed report normally provided, a one-page summary is included in Appendix 1 for each service with the detailed report attached via a link. This should provide a balance between ensuring that elected members can scrutinise the key performance indicators whilst having access to more detail if required.

**REPORT**

5. Staff from all areas of the Chief Executive's Office continue to support a wide range of projects including the successful completion of the Council's first City Deal project and the development of new schools and nurseries. Staff continue to work closely with departments to provide advice and support on policy and legislative changes both in Education (schools admission policy) and across HSCP, in managing departmental finances and ensuring that the financial control environment is robust. Meanwhile staff continue to support the differing service delivery structures such as the Culture and Leisure Trust and the IJB.

6. The Accountancy Service continues to monitor the financial position of the Council and the challenges to service delivery in the future from increased demand and reducing resources and take appropriate action. A new long term [Financial Plan](#) for 2017-2022 was approved by Council on 9 February 2017.

7. The annual accounts are still subject to an external audit but at year end (2016/17) the draft accounts show an overall surplus of £8.6 m.

8. The non-earmarked general fund reserve balance was £9.751m as at 31 March 2017 with reserve levels at 4% of the annual budgeted net revenue expenditure. Therefore the Council continues to demonstrate its track record of strong financial management by maintaining its sound financial position.

9. The Accountancy team has improved the format for financial reporting of the Cabinet revenue monitoring reports, CMT revenue budget analysis and variance analysis. This new format has been well received amongst stakeholders. A complete review of the Financial Regulations was undertaken throughout 2016/17 to simplify them down, have less paper-based approvals and provide more staff empowerment. The Financial Regulations were approved by Council on 28 June 2017.

10. External Audit (Audit Scotland) placed reliance on the work of the Internal Audit service.

11. The Legal team received a positive report from both the Surveillance Commissioners and the Keeper of the Registers regarding respectively the Regulation of Investigatory Powers (RIPSA) and Records Management processes which they manage on behalf of the Council.

12. The Council participated in the Scottish Government Procurement and Commercial Improvement Programme which was delivered by Scotland Excel. The Council's first assessment under this new regime, carried out in September 2016, returned a score of 61.5% which is regarded as good. The PCIP assessment will be undertaken every 2 years. A comprehensive improvement plan is already in place to improve the score further by taking a more strategic approach to procurement.

13. 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 (29 September 2016 and 2 March 2017) and Cabinet (23 March 2017). A review of the Council's approach to operational risk management and partnership risk was undertaken during 2016/17. In 2017/18, staff will be encouraged to include risks within their service plans rather than on a separate risk register to embed risk management further into the day to day management of the Council. A revised risk management strategy will be presented to Audit and Scrutiny Committee on 17 August 2017 and Cabinet on 28 September 2017.

14. There are high levels of customer and elected member satisfaction with services across the Chief Executive's Office.

15. The Chief Executive's Office made considerable progress with the change programme (Modern Ambitious Programme) throughout 2016/17.

- All teams can work on an agile basis and this has enabled staff to work more effectively at different office locations, to become less paper based and to maximise time at meetings.
- A review of Accountancy Services delivered a new structure to support modern financial management, processes, regulations and systems. An options appraisal is currently underway to determine the future direction of systems and processes to enable the digitisation of Finance/ Procurement/ HR and Payroll Services.
- The Corporate Procurement Team carried out a strategic review of procurement to identify the future requirements of the Council and a number of projects are now underway. The Legal services team evaluated how technological improvements could modernise ways of working in areas such as speech recognition and case management, workflow and automated time recording.

16. The Procurement Team was a finalist in [3 National GO \(Government Opportunities\)](#) awards under the categories of innovation, customer engagement and team of the year.

17. During 2016, the Council dealt with 1,182 requests under the Freedom of Information (Scotland) Act 2002 and the Environmental Information Regulations (Scotland) 2004 with 85% of these requests responded to within the target of 20 days. The Chief Executive's Office dealt directly with 69 requests with 94% responded to within 20 days

18. During 2016/17, 6.4 days per employee were lost through absence in the Chief Executive's Office which was significantly below the council target of 9.7 days and much improved from the previous year of 11.04 days per employee.

19. A number of staff 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**

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

## **FINANCE & EFFICIENCY**

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

## **PARTNERSHIP WORKING**

22. 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 Culture and Leisure Trust, IJB and Scotland Excel.

## IMPLICATIONS OF REPORT

23. 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

24. This report provides an overview of the Chief Executive's Office's performance at year end 2016/17.

## RECOMMENDATIONS

25. It is recommended that 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 2016/17 (Annex 1).

## REPORT AUTHOR

Lorraine McMillan, Chief Executive, 0141 577 3009  
[Lorraine.mcmillan@eastrenfrewshire.gov.uk](mailto:Lorraine.mcmillan@eastrenfrewshire.gov.uk)

Cabinet contact: Councillor Tony Buchanan, Leader of the Council

## Chief Executive's Office – Accountancy 2016/17

### Summary

**Budget £1,607,100 30.1FTE**

All statutory accounting requirements met and progress made on updating structures, reporting, systems and processes as part of the Accountancy elements of the Council's Modern Ambitious Programme.

### Performance

Outcomes:	<p>Accountancy project support for-</p> <ul style="list-style-type: none"> <li>• Outcome 1 and 2 – financial planning of new schools, nurseries and family centres</li> <li>• Outcome 2 – governance of ER Culture and Leisure Trust</li> <li>• Outcome 3 – City deal financial planning, Clyde Valley Waste financial planning</li> </ul>
Efficiencies:	<ul style="list-style-type: none"> <li>• Unqualified annual accounts for 15/16 with no unadjusted errors &amp; improved Management Commentary.</li> <li>• Overall Council spend for 16/17 within budget with surplus anticipated for year despite difficult financial situation.</li> <li>• Balanced budget for 17/18 despite significant financial challenges</li> <li>• New Reserves Policy approved by Council.</li> <li>• Improved long term financial planning – Outline Financial Plan 2017-2022 produced.</li> <li>• Planned Accountancy savings of £40,000 achieved.</li> <li>• Review of Accountancy structure completed – changes implemented 1 April 2017 with more staff working agilely and a headcount reduction of 3 enabling further savings of £38,000 in 2017/18.</li> <li>• Modernised processes incl. journal preparation, bank reconciliations, year-end procedures with faster, more transparent financial information produced.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Internal Customer satisfaction of 95.2%.</li> </ul>
People:	<ul style="list-style-type: none"> <li>• Absence reduced and within Council target.</li> <li>• Performance Development Reviews carried out for all staff.</li> <li>• Staff consulted and actively involved in change and self-evaluation projects.</li> </ul>

**Chief Executive's Office – Internal Audit 2016/17**

**Summary**

**Budget £246,800 4.7FTE**

All planned audits carried out and most targets achieved.

**Performance**

Outcomes:	N/A
Efficiencies:	<ul style="list-style-type: none"> <li>• All planned 2016/17 audits completed in addition to three additional audits being pulled forward from 2017/18 due to planned contingency time not being fully needed. In total 48 audit reports issued.</li> <li>• Assurance statement for 2015/16 provided to Audit and Scrutiny Committee in August 2016.</li> <li>• Provided internal audit services to IJB, attended IJB Audit Committee during year and provided audit assurance statement.</li> <li>• Provided internal audit service to East Renfrewshire Culture &amp; Leisure Trust and attended Finance, Audit and Risk Committee.</li> <li>• One member of team is piloting agile working.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• User survey indicates that 89% of internal customers overall are happy with the service provided by internal audit.</li> <li>• External audit draft report 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.</li> <li>• Audit and Scrutiny Committee recognises, values and has commended the high quality work of the Council's Internal Audit team (Committee's report on activity 2012-17).</li> </ul>
People:	<ul style="list-style-type: none"> <li>• Sickness absence is below council target.</li> <li>• Performance reviews carried out for all staff.</li> </ul>

## Chief Executive's Office – Legal 2016/17

### Summary

**Budget £587,300 11.5FTE**

An increased workload in a variety of areas particularly in the Social Work field. Significant developments were made towards a more agile and paper-lite office to maximise efficiency, improve security of information and increase portability of resources.

### Performance

Outcomes:	<p>Legal project support for-</p> <ul style="list-style-type: none"> <li>• Outcome1 - increased numbers of permanency arrangements 300% increase.</li> <li>• Outcome 2 - the successful introduction of new schools admissions policy and also training provided to school pastoral teams on a range of legal issues.</li> <li>• Outcome 3 – City deal procurement and legal agreements External scrutiny of RIPSAs and Records Management Plan processes resulted in high evaluation.</li> </ul>
Efficiencies:	<ul style="list-style-type: none"> <li>• Savings of 20K achieved on previous year's budget.</li> <li>• Reduction in external legal framework spend.</li> <li>• Introduction of agile equipment and speech recognition software to improve responsiveness and minimise non-productive time.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• Internal Customer satisfaction of 90%.</li> <li>• High level of customer satisfaction evident from surveys of client services and elected members.</li> <li>• Highly evaluated training provided to social work staff re permanency issues.</li> <li>• Support to Education in consultation process including participation in public meetings.</li> </ul>
People:	<ul style="list-style-type: none"> <li>• 100% PRD completion.</li> <li>• All solicitors fulfilled Law Society CPD annual training requirements.</li> <li>• Absence figures reduced from previous year.</li> </ul>

## Chief Executive's Office – Corporate Procurement 2016/17

### Summary

**Budget £421,000 7.8 FTE**

The team were nominated for awards at regional and national level.

### Performance

Outcomes:	<p>Procurement provided project support for</p> <ul style="list-style-type: none"> <li>• Outcome 3 - Collaborative approach (ERC/GCC) to the preparation of a City Deal sustainable procurement guide for buyers and suppliers.</li> </ul>
Efficiencies:	<ul style="list-style-type: none"> <li>• Procurement Strategy and Improvement Plan agreed by Cabinet.</li> <li>• First PCIP assessment carried out by Scotland Excel with score of 62.</li> <li>• Procurement Board set up to driving the strategic direction of procurement.</li> <li>• The increase to the lower Quick Quote threshold as part of the update to Contract standing orders has reduced the number of Quick Quote's being issued by the council from 264 to 106. The number of tender exercises (which are very time consuming) reduced from 59 to 43 and there has been an increased use of framework opportunities resulting in an increase in the number of mini competitions and direct bids conducted from 19 to 42.</li> <li>• Category Managers based in Eastwood HQ are all now agile and can work in departments as required.</li> </ul>
Customers:	<ul style="list-style-type: none"> <li>• 88% of staff surveyed were satisfied/extremely satisfied with the quality of advice received from Corporate Procurement.</li> <li>• Meet the Buyer events attended by the procurement team and a joint event was hosted with Renfrewshire Council.</li> <li>• Improved service being offered to departments through the Category Managers being agile and working more closely with departments.</li> <li>• Community benefits are sought from all applicable contracts and range from schools talks, work experience to targeted recruitment.</li> <li>• 92% of the staff surveyed who were involved in a tender exercise or Quick quote exercise were satisfied/extremely satisfied that best value was achieved.</li> </ul>
People:	<ul style="list-style-type: none"> <li>• Competency levels agreed for Category Managers.</li> <li>• Leaders for the Future course completed by 2 team members.</li> <li>• PDA in project management being completed by 2 team members.</li> </ul>