

Department of Corporate and Community Services

Deputy Chief Executive: Caroline Innes BSc (Hons)

Council Headquarters, Eastwood Park, Giffnock, East Renfrewshire, G46 6UG

Phone: 0141 577 3000 Fax: 0141 577 3834

website: www.eastrenfrewshire.gov.uk

Date: 22 November 2019

When calling please ask for: Paul O'Neil (Tel. No 0141-577-3011)

e-mail: paul.o'neil@eastrenfrewshire.gov.uk

TO: Councillors T Buchanan (Chair); C Bamforth; D Devlin; A Lafferty; C Merrick; and P O'Kane.

CABINET

A meeting of the Cabinet will be held in the Council Offices, Main Street Barrhead on **Thursday, 5 December 2019 at 10.00am.**

The agenda of business is as shown below.

PLEASE NOTE THE CHANGE OF VENUE FOR THE MEETING

Caroline Innes

C INNES
DEPUTY CHIEF EXECUTIVE

AGENDA

1. Report apologies for absence.
2. Declarations of Interest.
3. Investigation on Income Generation and Commercialisation – Report by Audit and Scrutiny Committee – Report by Audit and Scrutiny Committee (copy attached, pages 3 - 26).
4. Strategic Mid-Year Council Performance Report 2019-20 – Report by Deputy Chief Executive (copy attached, pages 27 - 46).
5. Annual Procurement Report 2018/19 and Corporate Procurement Strategy 2019-22 – Report by Chief Officer – Legal & Procurement (copy attached, pages 47 - 82).
6. Exemption from Standing Orders Relating to Contracts – Report by Deputy Chief Executive (copy attached, pages 83 - 86).

EAST RENFREWSHIRE COUNCILCABINET5 December 2019Report by Chief ExecutiveAUDIT AND SCRUTINY COMMITTEE INVESTIGATION ON
INCOME GENERATION AND COMMERCIALISATION**PURPOSE OF REPORT**

1. To submit the report prepared by the Audit and Scrutiny Committee on its investigation on income generation and commercialisation to the Cabinet.

RECOMMENDATION

2. It is recommended that the Cabinet consider the Audit and Scrutiny Committee's report on its investigation on income generation and commercialisation, including the associated executive summary, and agree that a response be prepared.

AUDIT AND SCRUTINY INVESTIGATION

3. On 20 June 2019 the Audit and Scrutiny Committee agreed to investigate income generation and commercialisation opportunities within the Council. It was also agreed that the review had potential to generate new income streams; could contribute to the Council achieving future savings targets; and help it meet the strategic priority areas of the Community Plan, and to deliver the Council's corporate plan 'Vision for the Future'. The review was also considered to have potential to:

- demonstrate financial responsibility to the East Renfrewshire community;
- help to deliver Best Value;
- sustain or improve service levels for local citizens and customers;
- develop stronger links with businesses and organisations;
- form collaborative links with other councils; and
- install a sense of self-awareness of where the Council is positioned, in terms of benchmarking information.

4. The investigation was conducted between July and October, with interim progress reports provided to the committee on 15 August and 26 September. Members of the committee were actively involved in gathering information and taking evidence, and all were given the opportunity to submit comments throughout the course of the investigation.

5. As reflected in the attached report prepared by the committee, work on the investigation included convening a series of informal meetings between representatives of the committee and departments during August and September 2019 at which current and planned approaches to income generation and commercialisation were discussed. To assist the committee, both in advance of those meetings and subsequently when members of the committee were considering which issues they wished to refer to in their final report, briefing notes were prepared and issued by the Scrutiny and Evaluation Officer on 19 August and 4 October. These contained guidance on commercialisation available from national

organisations; examples of income generation activities of other councils, both in Scotland and England; and comments on the proposals discussed with council departments.

6. Common themes discussed at the meetings in August and September 2019 referred to above included:-

- how annual savings targets are being met each year;
- ways in which external income is currently being generated;
- how a culture of commercialisation is being introduced within departments;
- how the interests of East Renfrewshire citizens and the Council's reputation could be protected;
- examples of savings or other benefits gained by, for example, working with other councils, partners, or the business community; and
- which new commercialisation opportunities departments or services intended to introduce.

7. A final informal meeting of the committee took place on 8 October 2019, to further consider issues that had been discussed and determine what the committee wished to comment and make recommendations on in its final report. The final report, summarising the work of the investigation, is attached (Appendix A refers).

8. The recommendations made by the committee are itemised in Appendix 1 to the committee's report. One of the key recommendations is that an East Renfrewshire Council policy on income generation and commercialisation should be developed, supported by a cross-departmental team (with commercialisation skills and experience), to implement the key recommendations of the policy and an associated action plan. Such an approach, which is already in operation within the Council's Environment Department and commonly used by other councils, was considered to place increased focus on income generation and a culture of commercialisation.

9. Several areas of good financial practice, although not necessarily income generators in their own right, were also discussed during the meetings with departments. Comments on these have been included in the final report where considered appropriate.

CONCLUSION

10. The Audit and Scrutiny Committee pursued its investigation on income generation and commercialisation between July and October 2019. The investigation has now been completed and the final report and executive summary (see Appendix A), as approved by the committee, is now remitted to the Cabinet for consideration.

RECOMMENDATION

11. It is recommended that the Cabinet consider the report by the Audit and Scrutiny Committee on its investigation on income generation and commercialisation, including the associated executive summary, and agree that a response be prepared.

Chief Executive
4 November 2019

Local Government (Access to Information) Act 1985

Report author: Charles Leleux, Scrutiny and Evaluation Officer, in liaison with the Clerk to the Committee (0141 577 8788)

E-mail address: charles.leleux@eastrenfrewshire.gov.uk

Background Papers

Report by Chief Executive to Audit and Scrutiny Committee, 20 June 2019: Proposed Guide to Scrutiny and Review

Report by Chief Executive to Audit and Scrutiny Committee, 15 August 2019: Investigation on Income Generation and Commercialisation – Update on Progress

Report by Chief Executive to Audit and Scrutiny Committee, 26 September 2019: Investigation on Income Generation and Commercialisation – Update on Progress

BLANK PAGE



EAST RENFREWSHIRE COUNCIL

INCOME GENERATION AND COMMERCIALISATION

INVESTIGATION BY THE AUDIT AND SCRUTINY COMMITTEE

Date: 31 October 2019

BLANK PAGE

CONTENTS

	Page
Foreword	5
Executive Summary	7
1. Introduction	9
2. Scope of Investigation	10
3. Methodology	10
4. Findings	11
5. Conclusion	14
Appendix 1 Recommendations	17
Appendix 2 References	19

BLANK PAGE

FOREWORD

The principal purpose which underpinned the drive from the members of the Audit and Scrutiny Committee to undertake a review of income generation and commercialisation, was how the committee could help East Renfrewshire Council meet the serious financial challenges it faces now and in the future, and how these could be mitigated.

Successful outcomes from this investigation will help the Council to deliver on the strategic priority areas of the Community Plan and the Council's corporate plan 'Vision for the Future'. Clearly, there are other benefits which can be derived from the investigation under the Council's general approach to delivering Best Value, and these are described in more detail in the following sections.

During the discussions which we undertook with the Council's departments and services, some common themes were evident. It was clear that a culture of commercial awareness was emerging, and that departments were starting to collaborate more with each other on generating income. Closer working was also taking place with other organisations which, for example, could provide advice or training on commercialisation, such as the Association of Public Sector Excellence (APSE). All of the departments were planning ahead to extend their reach on income generation activities, and recovery of costs.

A word of caution however. This is only the start of the process for East Renfrewshire Council and the good work already put in place should be continued and developed. We feel that the culture of commercialisation should be expanded more widely across all departments, and the skills and knowledge of existing employees with experience in commercialisation should be used for the benefit of the Council. This base of commercial expertise should be enhanced through the Council's recruitment process by including commercialisation requirements for certain key posts. The committee were pleased to note that this process had already commenced in some areas for example in relation to property asset management.

One of the key recommendations from the investigation is that the Council considers developing a policy on income generation and commercialisation to better coordinate activities, and to maximise opportunities for success.

In the course of the investigation, the committee were very impressed with the level of commitment which the departments showed, and we thank the teams which we met, and their management too, for contributing to the committee's work. My gratitude is also extended to the members of the committee for their support throughout this process.

Finally, on behalf of the committee members, I commend this report and its recommendations to you.

Councillor Stewart Miller
Chair of Audit and Scrutiny Committee
31 October 2019

BLANK PAGE

EXECUTIVE SUMMARY

1. The Audit and Scrutiny Committee has undertaken its first full investigation since 2016, in compliance with a recommendation from the Best Value Assurance Report of East Renfrewshire Council by Audit Scotland in November 2017.
2. Positive measures are underway across the Council's departments to develop a culture of commercialisation, building upon current income generation activities, and planning of new areas for implementation. These approaches are commended and should be continued as part of planned actions.
3. Cross-departmental working on income generation initiatives is evident, for example in the staging of major events, and liaison with external bodies for advice and training purposes regarding commercialisation. These initiatives should be supported and encouraged.
4. Further work is required to develop commercialisation skills and experience 'in-house'. This should include various measures, including targeted recruitment practices, evidence of which is already underway for example in property asset management.
5. Strong leadership from senior management in encouraging income generation and commercialisation initiatives is welcomed, and should be continued.
6. The recommendations for actions on discrete areas of income generation and financial management are listed in the Appendix 1 to this report, and are wide-ranging. The over-arching recommendation is to establish a new policy for East Renfrewshire Council on income generation and commercialisation, which would involve:
 - creating action plans, and setting of income/savings targets;
 - developing the existing culture of commercialisation within the Council, including training for employees and Elected Members;
 - formation of a cross-departmental team with commercial expertise;
 - including commercialisation skills and experience in the person specification for specific posts which are advertised;
 - continuing participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
 - structured information sharing between departments, and greater collaboration with other councils; and
 - including a requirement for all departments of the Council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.

BLANK PAGE

1. INTRODUCTION

1. On 20 June 2019, the Audit and Scrutiny Committee decided that a detailed review should be progressed on income generation and commercialisation opportunities within East Renfrewshire Council. The investigation was carried out from July to October 2019. The decision to select this topic area originated from a suggestion made by the Chair, and was discussed initially at an informal meeting of the committee held on 31 May 2019, along with a draft *Guide to Scrutiny and Review*, and a range of potential areas for scrutiny and review investigations.

2. This review area has the potential to generate new income streams and develop innovative solutions to address the Council's financial challenges. This may assist the Council in contributing towards its savings targets. Additional potential benefits include: financial planning now and for the future; demonstrating financial responsibility to the East Renfrewshire community; delivering Best Value; sustaining or improving service levels for local citizens and customers; developing stronger links with businesses and organisations; developing collaborative links with other Councils; and self-awareness of where the Council is positioned, in terms of benchmarking information.

3. Further informal meetings between the committee and the Council's departments took place during August and September to discuss plans for income generation and commercialisation. This allowed the committee to ask questions, and take a considerable amount of evidence. A final informal meeting was held on 8 October to allow provisional views to be formed on the options, and to allow the committee to decide the recommendations it wished to make. Fuller details of these meetings are provided in the following sections.

4. Progress reports on the investigation were submitted to the scheduled meetings of the committee held on 15 August and 26 September, with the final draft of the report on the investigation considered on 21 November 2019. The final report includes terms of reference, methods used, findings, and recommendations for further consideration by the Cabinet. An open dialogue was maintained with members of the committee which allowed them to contribute their views, ask questions, and participate actively throughout the investigation.

5. It is worthwhile noting some contextual background to the investigation. The Best Value Assurance Report for East Renfrewshire Council (Audit Scotland: November 2017), included a recommendation that Elected Members should take a more transparent and active role in scrutiny. Following the appointment of a Scrutiny and Evaluation Officer in April 2019, to assist the Audit and Scrutiny Committee, a *Guide to Scrutiny and Review* in East Renfrewshire Council was considered by the committee on 20 June 2019, and subsequently approved by the Council on 26 June 2019.

6. The new *Guide* includes advice on scrutiny, review and evaluation which is now available to all committees and Elected Members for their use. Future reviews will be assessed using selection and rejection criteria, and prioritised using the ratings for reviews which were agreed by the committee on 15 August:

Priority 1: High (A review is required: work to be scheduled to commence following completion of latest review on list);

Priority 2: Medium (A review is required: timing of commencement of work to be considered to achieve optimum outcomes); and

Priority 3: Low (Area suitable for a review, although not in the immediate future: however, area to remain under observation).

2. SCOPE OF INVESTIGATION

7. The Audit and Scrutiny Committee on 20 June 2019, agreed that a detailed review be progressed on income generation and commercialisation, in relation to which the following objectives would be pursued:-

- (i) gathering background information on current practices within other local authorities in Scotland and England, including lessons learned;
- (ii) reviewing benchmarking information available, to identify service charges in other local authority areas not currently in place in East Renfrewshire Council;
- (iii) considering ethical, risk, reputation management and legal issues associated with selling advertising space;
- (iv) exploring potential to pursue commercialisation opportunities in East Renfrewshire including identifying any potential restrictions and barriers; and
- (v) reviewing audit reports available on the area of review.

8. The questions posed by the committee, when they met the Council's departments, centred on common themes which had been discussed with departments on a preliminary basis in advance, and included:

- how annual savings targets were being met each year;
- the ways in which external income was currently being generated;
- how a culture of commercialisation was being introduced within departments;
- protecting the interests of East Renfrewshire citizens, and the Council's reputation;
- examples of savings, or other benefits gained, for example by working with other - councils, partners, or the business community; and
- which new commercialisation opportunities departments or services intended to introduce.

3. METHODOLOGY

9. The committee decided that a mixed-methods approach should be adopted to undertaking the investigation, to realise the potential for achieving maximum benefits. Arguably the more information sources which were used and reviewed the better equipped members of the committee would be to form a more rounded picture of the issue under scrutiny. This involved the following approaches:

1. Gathering information from other local authorities regarding their income generation activities, both in Scotland and England. This was carried out through meetings, telephone conversations, email correspondence and website searches;
2. Collecting evidence from national organisations of guidance which was available on income generation and commercialisation;
3. Accepting an invitation from Audit Scotland to hold an informal discussion between their representatives and the Chair and Vice Chair of the committee, and the Scrutiny and Evaluation Officer, on 2 July 2019. This involved the sharing of experiences on commercialisation opportunities undertaken by other audited bodies, primarily in England, which was of value to the investigation;

4. Asking the Scrutiny and Evaluation Officer to liaise with East Renfrewshire Council's departments to hold initial discussions on their current income generation activities; to hear about plans which they may have to create new commercial opportunities; and to pass on information gathered from other local authorities about their initiatives and experiences;
5. Arranging for the committee to meet each of the Council's departments to ask questions, and to take evidence; and
6. Inviting the committee membership to contribute suggestions at each stage of the review, and keeping them informed through the issuing of briefing notes and guidance from national organisations.

The following section provides details of the work undertaken, and findings.

4. FINDINGS

Liaison with External Bodies and Background Material

10. One of the first actions undertaken involved the Chair and Vice Chair of the committee and the Scrutiny and Evaluation Officer meeting representatives of Audit Scotland on 2 July 2019 to discuss commercialisation experiences of other audited bodies, primarily in England. Due to pressures arising from the different arrangements for central government funding of councils in England, there had been a greater tendency for some English councils to be less risk-averse than their Scottish counterparts. Examples of commercialisation activities by some English councils included: creating public energy companies; establishing a solar wind farm; and purchasing property such as hotels, shopping centres, supermarkets, and land for mixed-use housing. Reflecting the substantially increased use of the Public Works Loans Board (PWLB) by local authorities in recent months, as the cost of borrowing had fallen to record low levels, HM Treasury on 9 October 2019 increased the cost of borrowing by 1%. This increase will apply to new loans, and has various implications for local authorities, including commercialisation plans which involve borrowing from PWLB to invest in property, in order to provide new income streams. We did not consider all such approaches viable or appropriate for East Renfrewshire Council in any case due to the level of risk involved.

11. Discussions have been taking place for some time between senior officers of East Renfrewshire Council, and a range of bodies such as: the Society of local authority chief executives and senior managers (Solace), which provides advice on commercialisation opportunities; APSE which organises commercialisation workshops which the council participates in, and has published a generic business case framework for establishing fees and charges for the Environment Department; the Chartered Institute of Public Finance and Accountancy (CIPFA) which organises workshops on commercialisation with a particular focus on property and asset management; and Price Waterhouse Coopers (PwC) which produced a benchmarking report on charges for services in 2017 which included East Renfrewshire Council. Audit Scotland through its 'how councils works' series, has also produced helpful advice on charging for services. This was all useful information in the context of the review.

12. In May 2018, Audit Scotland produced a report on Arms-length External Organisations (ALEOs), which has particular relevance given that many councils have used this mechanism to run commercial enterprises such as facilities and property management, as the Council did when it established the Culture and Leisure Trust. It reflects that financial advantages which could have been realised previously from using an ALEO, in relation to

Non-Domestic Rates (NDR) have changed. For example, NDR relief on leisure trust properties is still available, but it has been capped at the current level. A web-link was provided for the committee giving access to an Improvement Service publication on 'Income Generation Research' which provided examples of where councils had taken action beyond raising fees and charges, and instead, had taken a commercial approach to delivering services, maximising their assets, or entering into partnerships with other providers.

13. All of the above provided useful background to the investigation.

Briefings

14. Members of the committee were provided with a briefing note from the Scrutiny and Evaluation Officer on 19 August in advance of meeting the Council departments. This included links to advice which was available from national organisations on commercialisation, and examples of potential areas for further investigation, which had been obtained from other councils through meetings; email exchanges, telephone conversations and Internet searches. This provided useful background material for the committee.

15. A second briefing note was issued to the committee on 4 October which summarised the discussions with departments, and provided options for consideration, which assisted the committee with the formulation of recommendations.

Meetings with Council Departments

16. The committee discussed income generation and commercialisation opportunities with the Council departments during August and September, to enable evidence to be taken and the gathering of information:

Informal Meetings of Audit and Scrutiny Committee	Date
Corporate and Community Services	23 August 2019
Chief Executive's Office	26 August 2019
Education Department	9 September 2019
Environment Department	13 September 2019

17. Discussions between representatives of the committee and the departments on existing initiatives, and potential future ones, informed our thoughts, and have been summarised below:

Corporate and Community Services

18. The committee noted the good work which the department was carrying out on the transformation of services; and in reclaiming monies due to the Council from people who were not entitled to single person's council tax discount. The following areas were also discussed and considered in more detail:

- staging of future major events, such as the Playground Festival at Rouken Glen Park in August, which involved collaborative working with other departments;
- the need to consider a new public car parking policy due to pressure points across East Renfrewshire;
- digital telecare system, and the potential to provide care services on behalf of other local authorities or organisations, and to market the associated business development skills around this area;

- the need to recruit employees who have the requisite commercial experience and skills;
- the importance of further participation in external commercialisation groups involving a mix of representatives from other local authorities and organisations; and
- workforce planning in the context of what the committee was looking at.

Chief Executive's Office

19. The committee noted that the Legal Services team provides valuable legal advice and assistance on new commercial opportunities. A council-wide procurement service is also provided under the management of the Chief Officer – Legal and Procurement which is focused on achieving Best Value, with decisions being reached after an options appraisal exercise is carried out. The following areas were discussed and considered in more detail:

- taking a more commercial approach to procurement, to achieve efficiencies/maximise income potential from collaborative framework arrangements, e.g. with Scotland Excel;
- to stimulate the East Renfrewshire local economy by using local suppliers in relation to Council procurement and purchasing activities;
- establishing a requirement for all departments of the Council to discuss their commercialisation plans with Legal Services, for advice, prior to entering into discussions with third parties. It was felt that this requirement could be included in a Council-wide policy on income generation and commercialisation (see Recommendation 1); and
- due to the obligation of Legal Services to look after the Council's interests as its primary client, there were restrictions on the type of income-generating work which can be carried out on behalf of third parties. Options would continue to be looked at for recharging work which is carried out, e.g. on licensing.

Education Department

20. The committee noted that one of the principal objectives of Education Services was to raise attainment levels for all pupils, and introducing charges for services or raising prices could have a detrimental effect on the successful work being carried out. Additional funding which Education receives is often ring-fenced, and is reinvested in schools, such as the Pupil Equity Fund, which gives Headteachers responsibility for choosing how the funding is spent. The following areas were discussed and considered in more detail:

- exploring opportunities from links between schools and the business community and other partners, in relation to training; assistance with technology, and other benefits for young persons;
- the expected financial impact of reduced levels of income from the Wraparound care service, during and following the transition to the provision of 1140 hours of free early years provision;
- the option to generate income from selling spare capacity on the school transport privilege place scheme which would not be explored further, due to the potential financial risks involved in supplying larger capacity buses; and
- the option to extend the supported study service, in addition to provisions which are already in place such as Easter Schools which would not be explored further, due to potential for widening the attainment gap between pupils from disadvantaged areas and those from more affluent ones on the basis of ability to pay.

Environment Department

21. In the same way that the committee welcomed the way in which other departments were willing to consider income generation and commercialisation initiatives, the approach which the Environment Department was undertaking at a strategic level on income generation was also supported. This included: the encouragement of cultural change; engagement with the APSE commercialisation working group in Scotland; the establishment of an income generation/commercialisation internal group; and the creation of a commercialisation action plan with income targets. The following areas were discussed and considered in more detail:

- commercial awareness training, to be open to Elected Members and officers;
- cross-departmental working, e.g. staging of major events;
- advertising opportunities;
- renewable energy options, including biogas;
- options for trade waste; waste transfer station; fleet services; grounds maintenance in new housing developments; burials; grazing lets; rental of storage units; purchase of new commercial units;
- potential introduction of a new public car parking policy to address pressure points across East Renfrewshire;
- asset management, including the appointment of a Corporate Landlord Manager which has a commercial focus; and
- garden waste collection options.

5. CONCLUSION

22. This review area has the potential to generate new income streams, which may assist the Council in its savings targets. New income streams will help the council to meet its community plan objectives, and deliver the Council strategy 'Vision for the Future'.

23. An informal meeting of the committee was held on 8 October 2019, at which the information gathered and evidence taken from the meetings with departments was discussed, allowing the committee to form provisional views on various options. All members of the committee were given the opportunity to submit their comments either in advance or at the meeting.

24. One of the committee's key proposals is to develop an East Renfrewshire Council policy on income generation and commercialisation. Such a policy could be supported by a cross-departmental team (with commercialisation skills and experience), to implement the key recommendations of the policy, and any associated action plan with income targets. This approach is already in operation successfully within the Environment Department, and is commonly used effectively by other councils often as part of a transformation policy, which gives increased focus to the whole activity of income generation and commercialisation (see Recommendations 1 & 2).

25. The committee supports plans for developing a programme of staging major events, following the commercial success of the Playground Festival at Rouken Glen Park in August 2019 (see Recommendation 3). The proposed new digital telecare system offers income generation opportunities through joint working with other councils and care providers (see Recommendation 4.). Regarding procurement, the committee would like to see further efficiencies (such as through better value for money and greater financial returns) being realised from framework contracts. Members of the committee were keen to stimulate the local East Renfrewshire economy. In keeping with this it was their view that procurement and

purchasing should involve local companies as much as possible, within the provisions of the Council's contract standing orders, to help the economy of East Renfrewshire (see Recommendations 5 & 6).

26. Partnership working is taking place between schools, the business community and further/higher education sector to provide training opportunities and work experience for young persons, and should be developed further (see Recommendation 7). The committee heard that the associated benefits tended to be in kind, rather than income being generated, but we considered that beneficial none the less.

27. The Council receives a significant amount of income from its Wraparound care service at present. The financial implications of reduced levels of income from that service should be monitored closely, during and following the introduction of 1140 hours free early learning and childcare by August 2020 (see Recommendation 8).

28. Income generation opportunities at roundabouts, Council vehicles etc. should be kept under review (see Recommendation 9) as it is not as financially attractive to pursue this as it might appear, principally because there are overheads (e.g. staff costs) associated with pursuing this. However, the Environment Department is working on a range of current and proposed commercialisation ventures, which offer real potential to generate new income. The committee supports this approach and looks forward to monitoring progress on these (see Recommendation 10). On one specific issue, the committee was aware of car parking pressure points at various locations in East Renfrewshire, and have called for a report from the departments involved, to propose a way forward to better regulate activities (see Recommendation 11).

29. As a matter of good practice and information sharing between partner organisations, it is proposed that the Chair of the committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership to discuss the results of the investigation (see Recommendation 12).

30. During the course of the investigation, a high degree of cooperation was experienced with external organisations, other councils, and internally too across East Renfrewshire Council. The committee welcomed this.

31. It was agreed that a final report would be prepared for the committee to consider at the meeting to be held on 21 November. This summarises the work of the investigation, and provides recommendations based upon the views of members, one of which will be that the recommendations are considered at a future meeting of the Cabinet. It is also proposed that an update report be considered at a future meeting of the Audit and Scrutiny Committee on the implementation of those recommendations approved by the Cabinet.

BLANK PAGE

RECOMMENDATIONS

It is recommended that the Cabinet considers the following recommendations:

1. That the Council establish a new policy on commercialisation, to include:
 - creating action plans, and setting of income/savings targets;
 - developing the existing culture of commercialisation within the council, including training for employees and Elected Members;
 - formation of a cross-departmental team with commercial expertise;
 - including commercialisation skills and experience in the person specification for specific posts which are advertised;
 - continued participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
 - structured information sharing between departments, and greater collaboration with other councils; and
 - requiring all departments of the council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.
2. To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers;
3. That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events);
4. To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills;
5. To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel;
6. To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders;
7. To further develop links between schools, the business community and other partners, to create further opportunities for young persons in relation to training; assistance with technology; and other benefits;
8. To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).

9. To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations;
10. To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements, through some or all of the following:
 - Trade waste and refuse collection;
 - Fleet Services;
 - Undertaking landscaping and grounds maintenance in new housing developments;
 - Leasing of storage units;
 - Potential purchase of new commercial units;
 - Grazing lets;
 - Asset Management and taking a more commercial approach to managing vacant buildings;
 - Renewable energy, including options for developing council-owned or shared partnership arrangements, e.g. creation of a biogas facility;
 - Burial and Related Services; and
 - Annual garden waste collection arrangements.
11. That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire; and
12. That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review;

REFERENCES

Association of Public Sector Excellence (APSE). Commercialisation Advisory Group (2019). <https://www.apse.org.uk/apse/index.cfm/members-area/regions/scotland/past-scottish-advisory-groups/commercialisation-advisory-group/>

Audit Scotland. Best Value Assurance Report: East Renfrewshire Council (2017) <https://www.audit-scotland.gov.uk/report/best-value-assurance-report-east-renfrewshire-council>

Audit Scotland. Council's use of arm's-length organisations (2018) https://www.audit-scotland.gov.uk/uploads/docs/report/2018/nr_180518_councils_aleos.pdf

Chartered Institute of Public Finance and Accountancy (CIPFA) (2019). A Practical Guide for Local Authorities on Income Generation. <https://www.cipfa.org/policy-and-guidance/publications/a/a-practical-guide-for-local-authorities-on-income-generation-2019-edition>

East Renfrewshire Community Plan (2018) <https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=25050&p=0>

East Renfrewshire Council. Vision for the Future (2019) <https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=24354&p=0>

East Renfrewshire Council. Guide to Scrutiny and Review (2019) <https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=24721&p=0>

Improvement Service. Income Generation Research (2017) http://www.improvementservice.org.uk/documents/change_management/income-generation-research.pdf

Price Waterhouse Coopers (2017). Income Generation Analysis for Local Authorities.

BLANK PAGE

EAST RENFREWSHIRE COUNCILCABINET5 December 2019Report by Deputy Chief ExecutiveSTRATEGIC MID YEAR COUNCIL PERFORMANCE REPORT 2019-20**PURPOSE OF REPORT**

1. The purpose of this report is to present a summary of Council performance at mid-year 2019-20 based on the strategic performance indicators in the [Outcome Delivery Plan \(ODP\) 2019-22](#) and a report on complaints handling performance.

RECOMMENDATIONS

2. It is recommended that the Cabinet:
- (a) Scrutinises and comments on the summary of the Council's performance at mid-year 2019-20 in Annex 1; and
 - (b) Scrutinises and notes the mid-year complaints report attached at Annex 2.

BACKGROUND AND CONTEXT

3. The Council sets out its contribution to the partnership outcomes in the [Community Plan](#) through the content of the [Outcome Delivery Plan](#) (ODP). The ODP is a three year plan, updated annually which sets out the Council's critical activities, performance measures and targets for the 3 year period 2019-22. It conveys what the Council is doing to contribute to the delivery of the agreed local outcomes. The Council is responsible for ensuring that the money we spend contributes towards achieving these outcomes and we work in partnership with the Health and Social Care Partnership and the East Renfrewshire Culture and Leisure Trust to deliver our outcomes.

4. Indicators included in Annex 1 have a latest data update that has not been previously reported, for most this will be for mid-year 2019-20, for some this may be an update that was not available for the previous reporting period, end year 2018-19, e.g. household waste recycled. Occasionally some health indicators have a time lag and the latest data will be more historic. Indicators with no new data to report at mid-year will be reported in June 2020.

OTHER STATUTORY REPORTING

5. We have a statutory duty to report on complaints, and also a suite of benchmarking indicators that make up the national Local Government Benchmarking Framework (LGBF), to enable comparative performance analysis with other local authorities. LGBF data for end year 2017-18 was reported to Cabinet in March 2019. 2018-19 LGBF data will be reported in 2020. A mid-year summary report on complaints is attached at Annex 2.

6. As part of the requirements within the 2010 Equality Act we report performance on equalities. The performance information contained within the annexes demonstrates progress on equalities, with some indicators highlighting the differences between the wider population and more deprived areas.

COUNCIL PERFORMANCE

7. East Renfrewshire Council continues to achieve excellent performance results across many areas including educational attainment and household recycling. The number of awards achieved by young people participating in school and community based targeted programmes reached an all-time high with 2038 awards achieved in the 2018-19 academic year with a steady year on year increase. Household waste recycling rates were confirmed at 66.2% for 2018-19, ranking top in Scotland on this measure for the last 3 consecutive years. In the Health and Social Care Talking Points survey, that asks if people's needs are being met, 88% of respondents felt they were living where and as they wanted to live, which is an important aspect of assessing wellbeing.

8. In the first half of 2019-20, of the updated ODP indicators, the Council's performance is already meeting target or on track to meet target for almost all of the indicators. In the areas where there is scope for improvement, for example absence rates, there is a clear understanding of reasons for performance levels and departments are closely monitoring progress and taking appropriate action.

COMPLAINTS

9. All Scottish councils are required to assess and monitor their complaints handling performance quarterly against a number of high level performance indicators identified by Scottish Public Services Ombudsman (SPSO). A report on our performance against these indicators at mid-year point is attached as Annex 2.

10. The volume of complaints received at mid-year has dropped from 698 to 640 from the corresponding period in 2018-19. The Council continues to meet the SPSO target for responding to frontline complaints with an average of 4.2 days take (target 5 days). In addition, the target for investigation complaints was met with an average of 18 days taken which marks an improvement on last year (target 20 days). The share of complaints upheld was 34% for frontline and 36% for investigation complaints. Both figures show an improvement on the position from last year. Evidence suggests that the Council is continuing to use complaints information to inform service improvements for our residents, e.g. amended housing repairs procedures; a new approach to footpath maintenance; a more streamlined process for dealing with free school meals and clothing grants; a new procedure for granting deceased exemptions in relation to Council Tax payments; an amendment to the Money Advice and Rights Team procedure in the Debt Arrangement Scheme enabling the early request of credit reference reports to verify client debt; and development of a clearer Housing Benefit application checklist.

PUBLICATION OF MID YEAR PERFORMANCE INFORMATION

11. Information in this report will be published on the [Council's website](#) where additional performance information can also be found, including departmental and benchmarking reports and the [Council's Annual Public Performance Report for 2018-19](#).

FINANCE & EFFICIENCY

12. There are no specific financial implications arising from this report.

CONSULTATION

13. There have been various consultations in the first half of the year and services across the Council continue to consult with customers and communities. In addition, in September 2019, the first cohort of employees participated in intensive user research training as part of the Council's drive to embed customer experience as part of service design and improvement. This will be an ongoing programme into 2020 as seek to build skills and awareness of this important area in line with our ambition to put the customer at the heart of everything we do.

PARTNERSHIP WORKING

14. This report summarises performance of the Council towards the outcomes within the Community Plan. Results could not have been achieved without continued excellent partnership working, including with the Health and Social Care Partnership and the East Renfrewshire Culture and Leisure Trust.

IMPLICATIONS OF REPORT

15. 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 through service plans and equality impact assessments carried out where appropriate.

CONCLUSION

16. This report details the performance of the Council at mid-year 2019-20. The information presented here shows performance is broadly on track at mid-year point, with excellent performance noted in educational attainment and household recycling rates. The Council continues to work towards the aim of making people's lives better by delivering highly valued services and achieving positive outcomes for our communities.

RECOMMENDATIONS

17. It is recommended that the Cabinet:

- (a) Scrutinises and comments on a summary of the Council's performance at mid-year 2019-20 (Annex 1); and
- (b) Scrutinises and notes the mid-year complaints report attached at Annex 2.

REPORT AUTHORS

Strategic Report and Annex 1: Kim Gear, Corporate Policy Officer, 0141 577 3075, kim.gear@eastrenfrewshire.gov.uk

Annex 2 Complaints: Stephen Fraser, Policy and Improvement Assistant, 0141 577 3855; stephen.fraser@eastrenfrewshire.gov.uk

Caroline Innes, Deputy Chief Executive

BACKGROUND PAPERS

- Strategic Mid-Year Performance Report 2018-19, Cabinet 6 December 2018
- Strategic End-Year Performance Report 2018-19, Council 26 June 2019
- Outcome Delivery Plan 2019-2022, Council 26 June 2019

Outcome Delivery Plan 2019 - 2022



Strategic Mid-Year Performance Report 2019-20




The following report provides an update of Council performance data at mid-year 2019-20. The information contained in this report includes indicators in the Outcome Delivery Plan 2019-22.

Data notes

Indicators included in Annex 1 have a latest data update that has not been previously reported. Occasionally some health indicators have a time lag and the latest data will not be the current year. Indicators where there is no new data available at end-year point will be reported in June 2020.

Key

The key below details what each of the symbols mean within the report.

<p><u>Performance note</u></p>	<p><u>Latest value</u></p>	<ul style="list-style-type: none">  Off target  Target still to be achieved  On target 	<p style="text-align: center;">Trend Chart</p>
--------------------------------	----------------------------	--	---

ODP 1 Council Performance

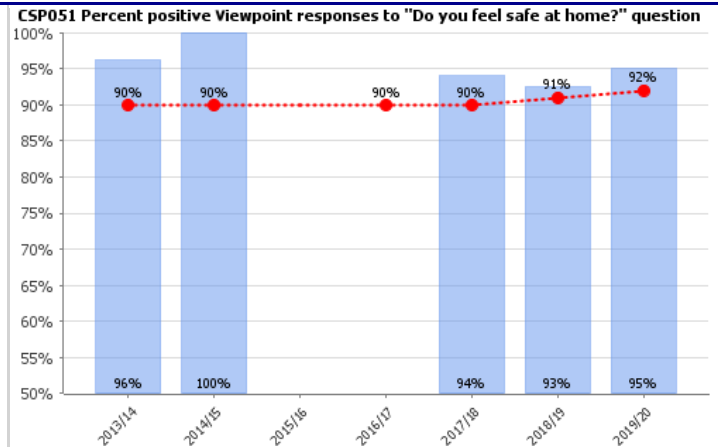
All children in East Renfrewshire experience a stable and secure childhood and succeed.



Percent positive Viewpoint responses to "Do you feel safe at home?" question

Mid-year data. This measure captures the % of positive responses of children subject to child protection measures and those looked after at home and away from home. Staff continue to use Signs of Safety approaches to capture children's' perceptions of their safety. Response in the first half of 2019/20 was low with just 8 respondents. We plan to review our method of capturing this data to ensure a stronger response in future.

95%



ODP 2 Council Performance

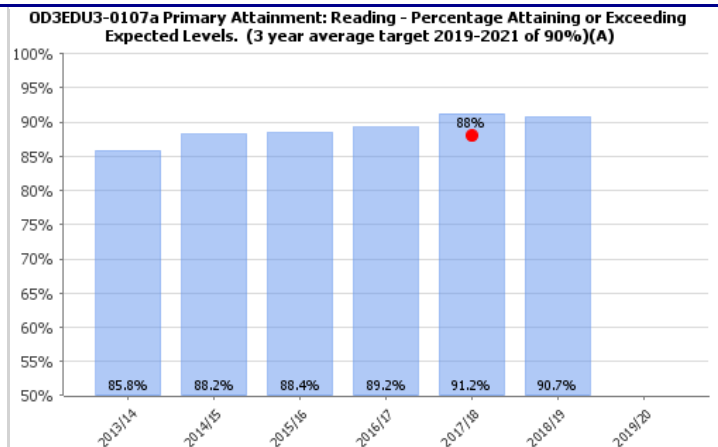
East Renfrewshire residents are healthy and active and have the skills for learning, life and work.



Primary Attainment: Reading - Percentage Attaining or Exceeding Expected Levels. (3 year average target 2019-2021 of 90%)


In 2018-19, the Council maintained over 90% of primary pupils achieving or exceeding expected Curriculum for Excellence levels in reading with an average of 90.7%; this was a slight decrease of 0.5% on 2017-18. The Council has set a 3-year average target for 2019-21 of 90% and are on target to achieve this. The cohort size for this indicator in 2018-19 was 4027 pupils.

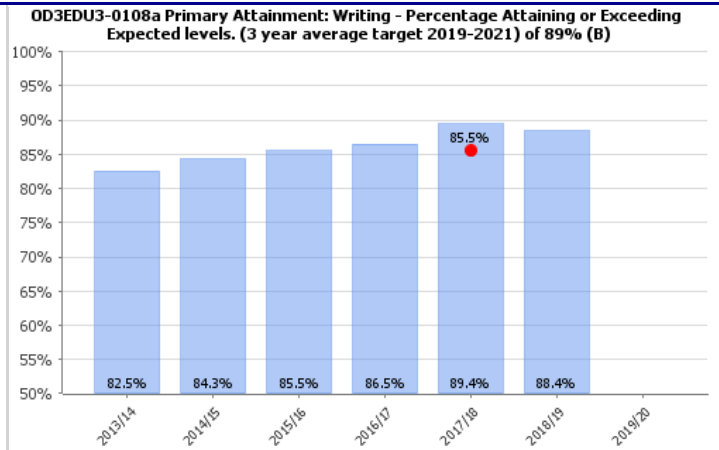
90.7%



Primary Attainment: Writing - Percentage Attaining or Exceeding Expected levels. (3 year average target 2019-2021) of 89%


In 2018-19, 88.4% of primary pupils achieved or exceeded expected Curriculum for Excellence levels in writing. The Council has set a challenging three year average target of 89% for 2019-21; the department are slightly below achieving this for 2018-19. The cohort size for this indicator in 2018-19 was 4027 pupils.

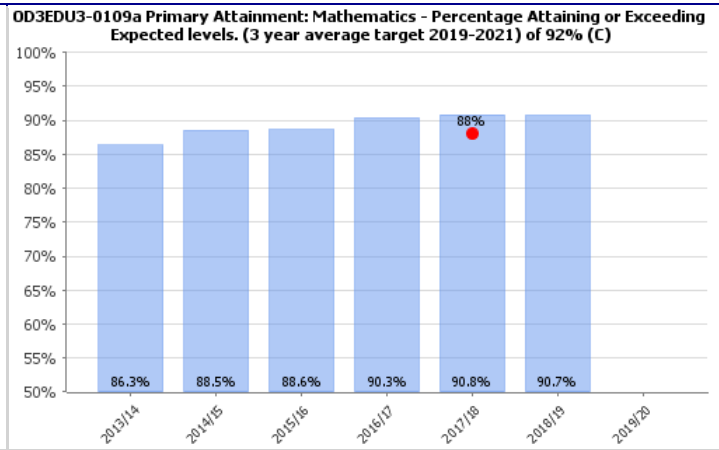
88.4% 



Primary Attainment: Mathematics - Percentage Attaining or Exceeding Expected levels. (3 year average target 2019-2021) of 92%


In 2018-19, the Council maintained over 90% of primary pupils achieving or exceeding expected Curriculum for Excellence levels in Mathematics with an average of 90.7%. The Council has set a challenging 3-year average target for 2019-21 of 92% and are slightly below this value for 2018-19. The cohort size for this indicator in 2018-19 was 4027 pupils.

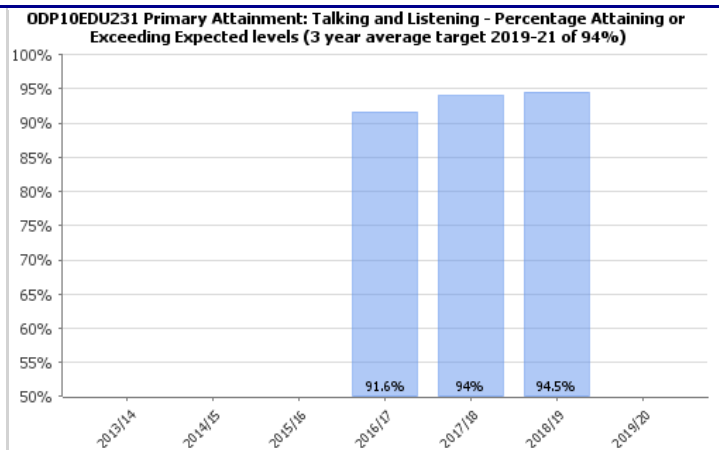
90.7% 



Primary Attainment: Talking and Listening - Percentage Attaining or Exceeding Expected levels (3 year average target 2019-21 of 94%)

The proportion of Primary children achieving or exceeding expected levels was 94.5% in 2018-19; an increase of 0.5% from the value in 2017-18. The Council has set a three year average target of 94.0% for 2019-21 and is currently on target to achieve this. The cohort size for this indicator in 2018-19 was 4027 pupils.

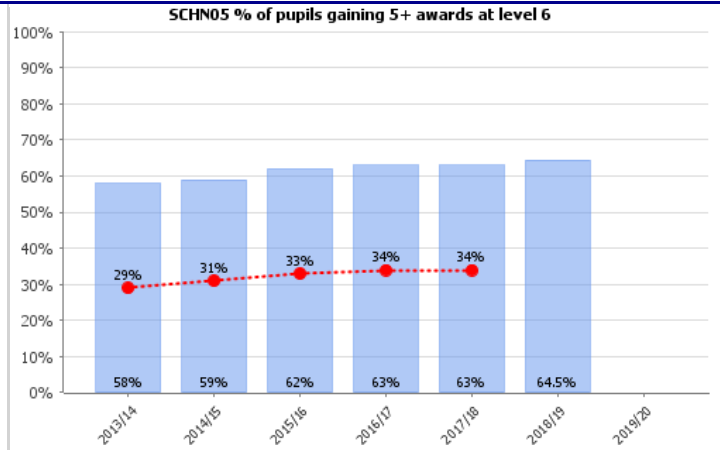
94.5% 



% of pupils gaining 5+ awards at level 6

The proportion achieving 5+ SCQF level 6 or better increased by 1.5% in 2018-19 to 64.5%. The Council has set a new three year (2019-2021) target of 65% for this measure.

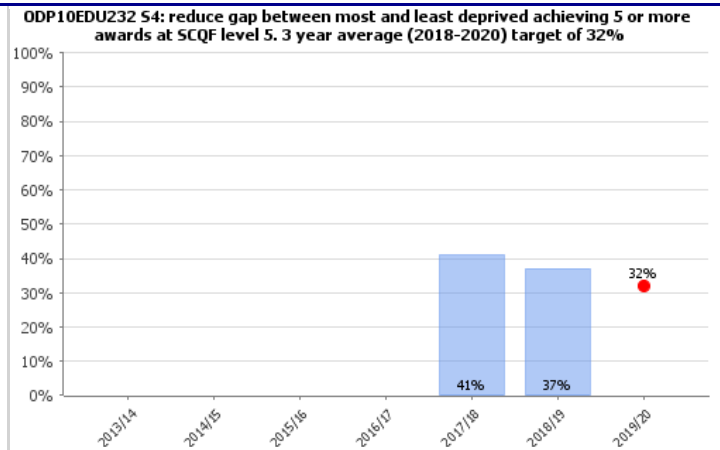
64.5%



S4: reduce gap between most and least deprived achieving 5 or more awards at SCQF level 5. 3 year average (2018-2020) target of 32%

The gap between the proportion of young people achieving 5 or more SCQF level 5 qualifications in SIMD deciles 9 and 10 compared to deciles 1&2 reduced by 12.5% in 2018/19 to 28.5%. The average gap over 2017/18 and 2018/19 was 34.4%. There were 116 pupils in SIMD deciles 1 and 2 and 744 in deciles 9 and 10 in 2018/19.

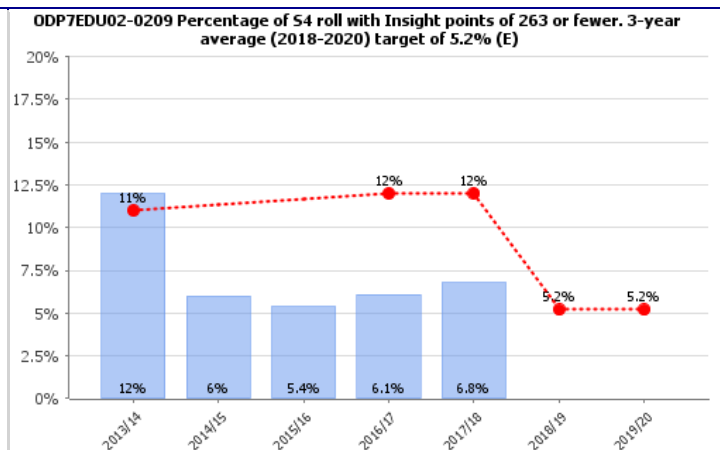
37%



Percentage of S4 roll with Insight points of 263 or fewer. 3-year average (2018-2020) target of 5.2%

The percentage of S4 pupils with total Insight point scores of 263 or fewer (equivalent to eight "Pass" awards at National 4) increased slightly to 6.8% in 2018. The Council has set a three year (2018-2020) target of 5.2%.

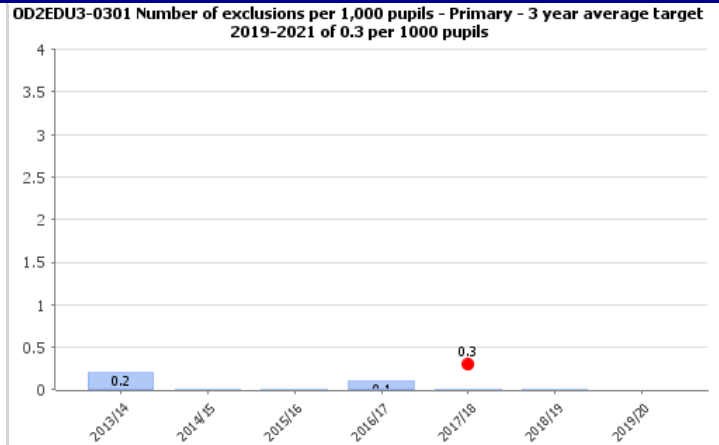
6.8%



Number of exclusions per 1,000 pupils - Primary - 3 year average target 2019-2021 of 0.3 per 1000 pupils

In 2018-19, there were no temporary exclusions within the primary sector. East Renfrewshire compares very favourably to the national value of 11 incidents per 1000 pupils (latest published data for 2016-17). The department has set a challenging three year average target of 0.3 incidents per 1000 pupils for 2019-21 and are on target to achieve this.

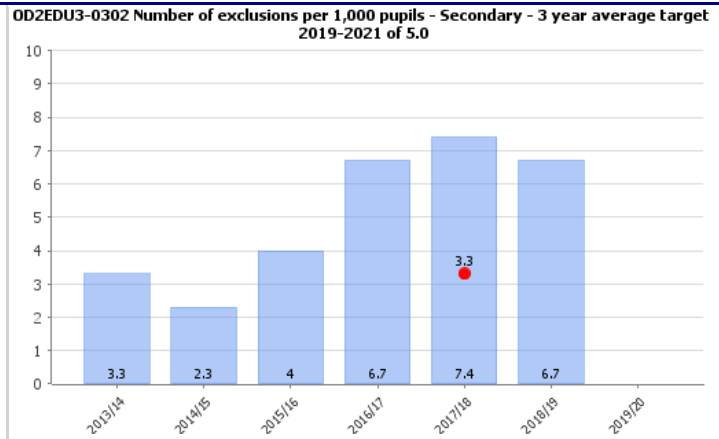
0 



Number of exclusions per 1,000 pupils - Secondary - 3 year average target 2019-2021 of 5.0


In 2018-19 there was a decrease in exclusions to 6.7 incidents per 1000 pupils, down from 7.4 in 2017-18. The ERC performance compares very well with the national figure of 47.7 incidents per 1000 pupils (latest published data for 2016-17). The Council has set a very challenging three year average target of 5.0 incidents per 1000 pupils for 2019-21 and are slightly above this currently.

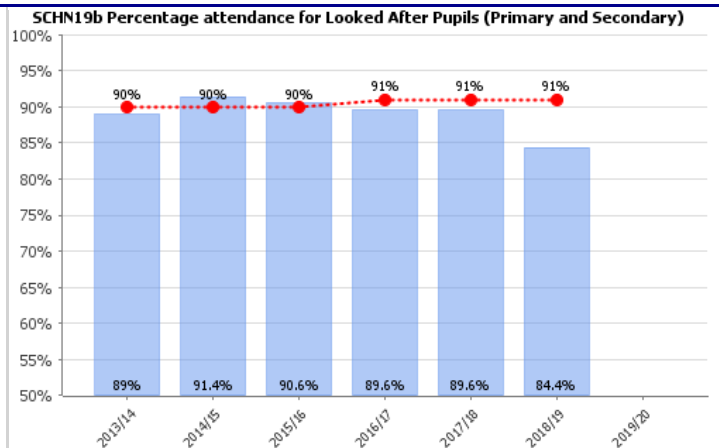
6.7 



Percentage attendance for Looked After Pupils (Primary and Secondary)

Attendance rates of looked after children and young people attending our Primary and Secondary schools reduced in 2018-19 to 84.4%.

84.4% 



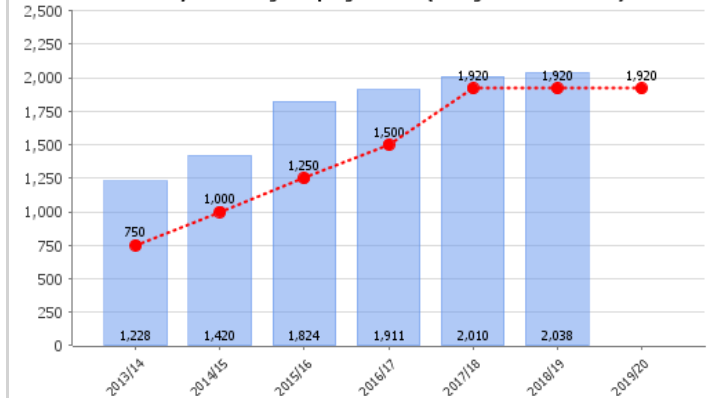
Number of awards achieved by young people participating in school and community based targeted programmes. (Young Persons Services)

Update on data that was not available at end-year. Target exceeded with a record 2,038 awards achieved during the 2018/19 academic year.

2,038



OD3CESOA301-01 Number of awards achieved by young people participating in school and community based targeted programmes. (Young Persons Services)



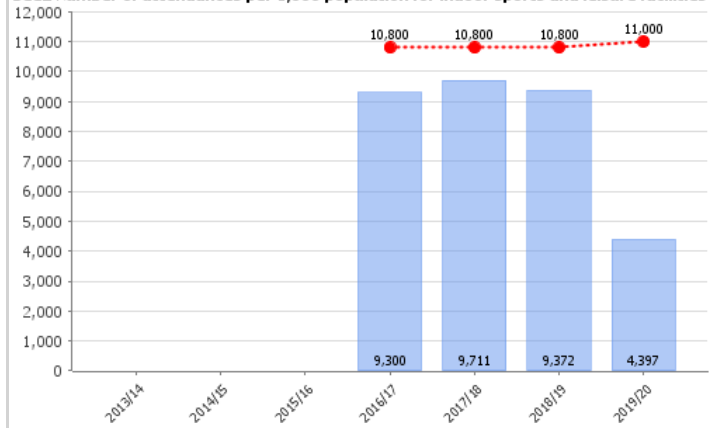
Number of attendances per 1,000 population for indoor sports and leisure facilities

Mid-year figures represent 40% of target. Pools usage continues to improve toward levels prior to refurbishment closure of Barrhead Foundry pool. Refurbishment of fitness studio facilities in Barrhead had an impact on Quarter 2 attendance levels.

4,397



SCC2 Number of attendances per 1,000 population for indoor sports and leisure facilities



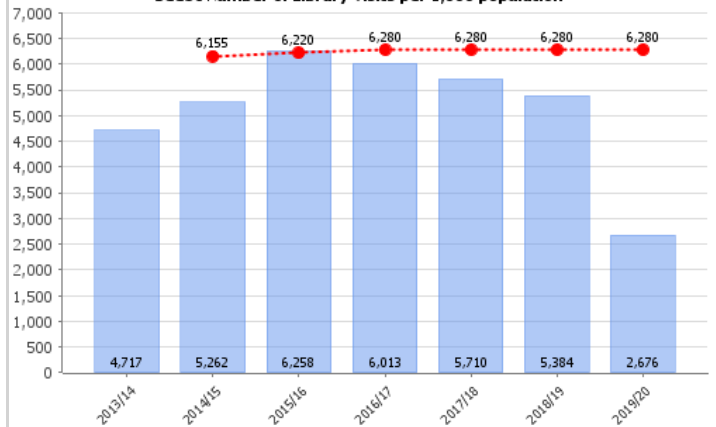
Number of Library visits per 1,000 population

Mid-year results show us at 42.6% of target. Footfall through Barrhead has continued to improve following the re-opening of the Foundry pool. This has been offset by a decrease in visits at Newton Mearns and Giffnock libraries

2,676



SCC5c Number of Library visits per 1,000 population



ODP 3 Council Performance

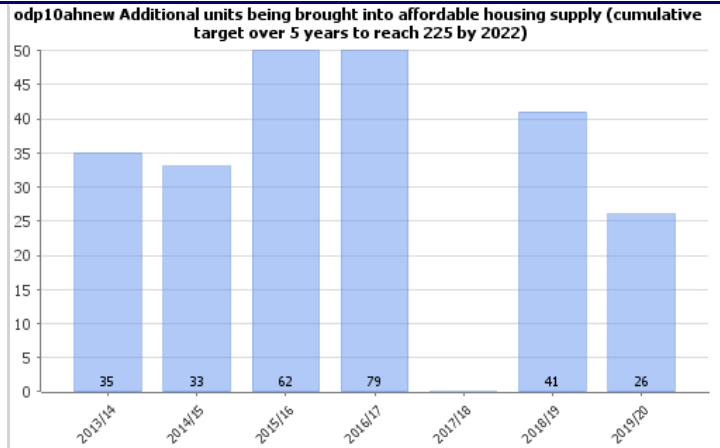
East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents



Additional units being brought into affordable housing supply (cumulative target over 5 years to reach 225 by 2022)

Mid-year data. In progress, working towards cumulative target of 225 by 2022. 26 new Council Homes delivered at Fenwick/ Oakbank (4) and at Blackbyres (22) in 2019/20 so far.

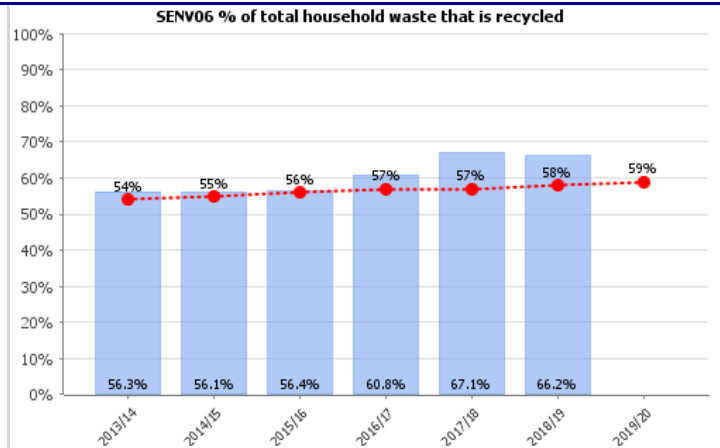
26



% of total household waste that is recycled

Update on data that was not available at end-year. 2018/19 figure has now been verified 66.2% (13,753 tonnage) and we remain the top recycling Council in Scotland for a third consecutive year.

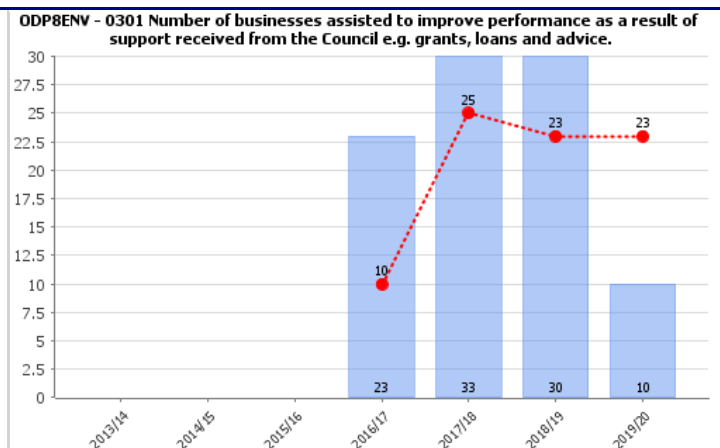
66.2%



Number of businesses assisted to improve performance as a result of support received from the Council e.g. grants, loans and advice.

Mid-year data. Slightly below mid-year target of 11, with grants secured for £42,700 in the first 6 months of the year.

10



ODP 4 Council Performance

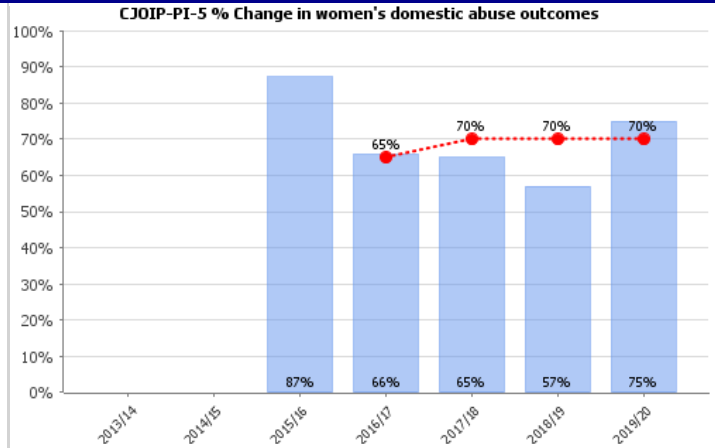
East Renfrewshire residents are safe and live in supportive communities



% Change in women's domestic abuse outcomes

Mid-year data. From April to September 2019 East Renfrewshire Women's Aid service reported significant change and improvement for women across all reported outcomes with 75% of women assessed (41 of 55) noting an improvement in progress in their outcomes overall. Reduction in risk is reflected in the significant increases in the areas of safety with 70% improvement, health and wellbeing 80% improvement, and empowerment and self-esteem 75%.

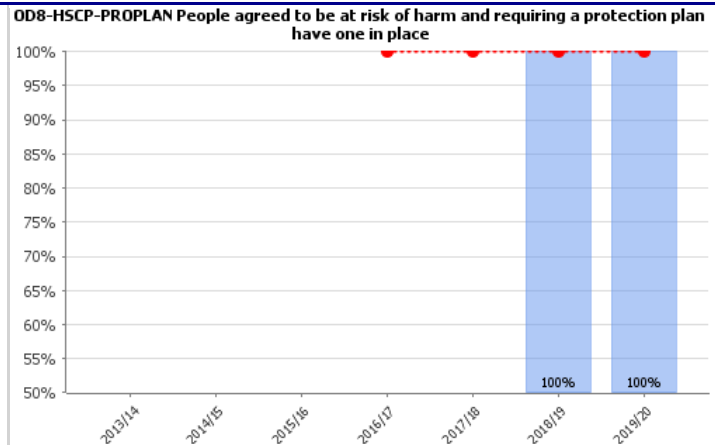
75%



People agreed to be at risk of harm and requiring a protection plan have one in place

Mid-year data. All 29 residents identified as at risk of harm by the HSCP now have a bespoke protection plan in place.

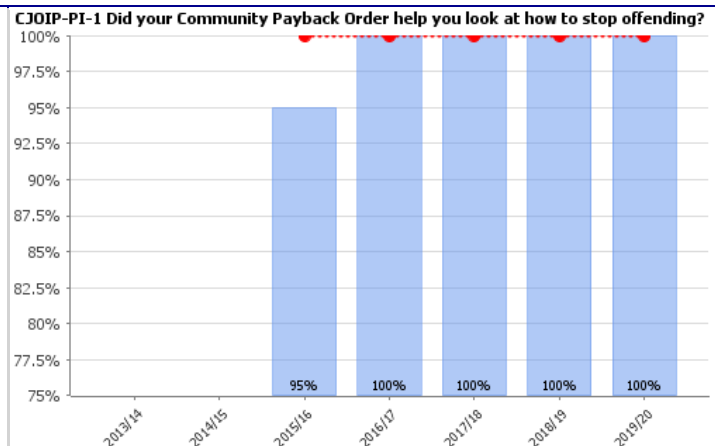
100%



Community Justice- Did your Community Payback Order help you look at how to stop offending?

Mid-year data. Results of the completed survey forms from the first half of 2019/20 reveals a 100% positive response. 21 surveys completed.

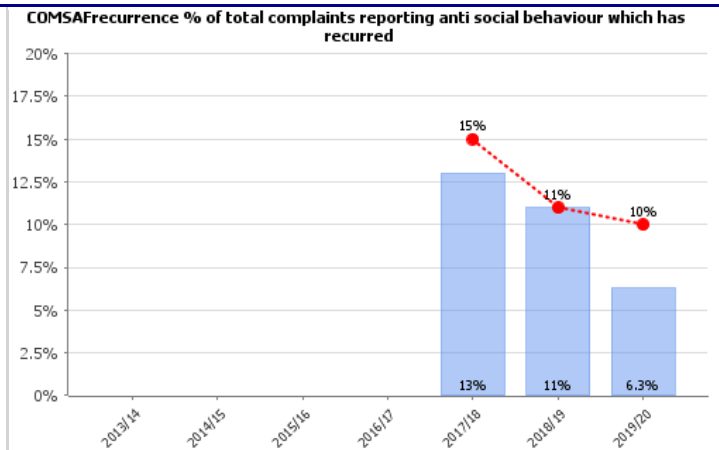
100%



% of total complaints reporting anti-social behaviour which has recurred

191 complaints were made to the Ring and Report Line in the first half of 2019/20, of which 12 were from residents who had previously reported the same concern. The Community Safety service, in conjunction with GRIP partners, is focussed on reducing patterns of anti-social behaviour and the impact that repeated incidents can have on neighbouring residents and communities. This work should result in a reduction in the number of calls made to the Ring and Report Line reporting recurrent behaviours.

6.3% 




ODP 5 Council Performance

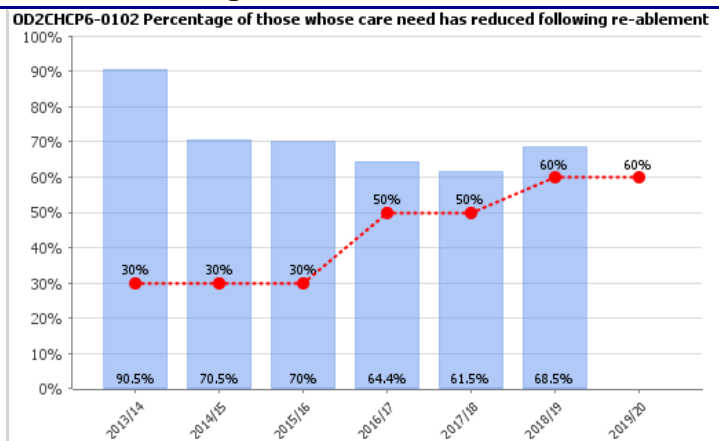
Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives



Percentage of those whose care need has reduced following re-ablement

Latest figure relates to October-Mar 2018/19. Of the 89 people receiving re-ablement, care was reduced or stopped for 61 (68.5%).

68.5% 



People reporting 'living where you/as you want to live' needs met (%)

Mid-year data. In the first six months of 2019/20 of the 372 valid responses 330 respondents reported their needs met.

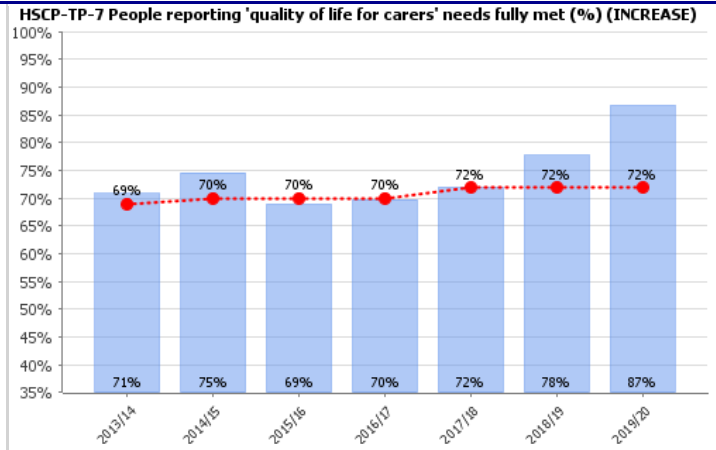
89% 



People reporting 'quality of life for carers' needs fully met (%)

Mid-year data. In the first six months of 2019/20 of the total 87 valid responses 76 reported their needs met.

87% 



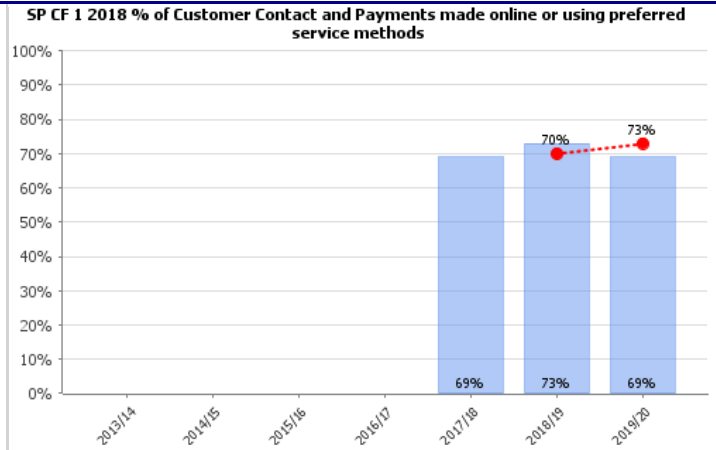
Customer, Efficiency, People- Council Performance



% of Customer Contact and Payments made online or using preferred service methods

69% of contact was made online and using preferred payments methods, 31% of contact was offline i.e. Face to Face, phone and e-mail.
 3,394 (1%) = Automated Telephone Payments
 11,975 (4%) = Online Payments
 82,379 (24%) = Parent Pay
 174,846 (52%) = Direct Debit
 64,855 (19%) = Standing Orders

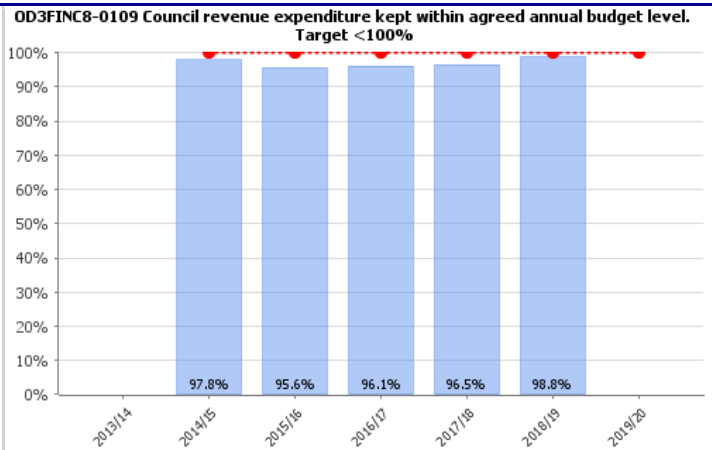
69% 



Council revenue expenditure kept within agreed annual budget level. Target <100%

Update on data that was not available at end-year. Target met, 98.8% at year end.

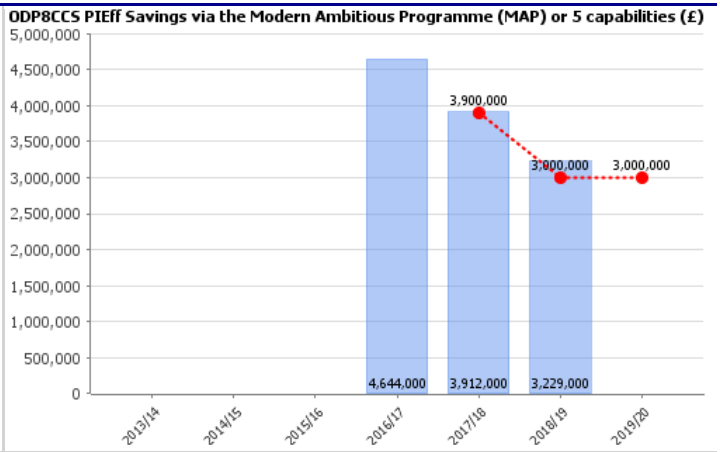
98.8%



Savings via the Modern Ambitious Programme (MAP) or 5 capabilities (£)

Update on data that was not available at end-year. 2018/19 figure of £3.229 million.

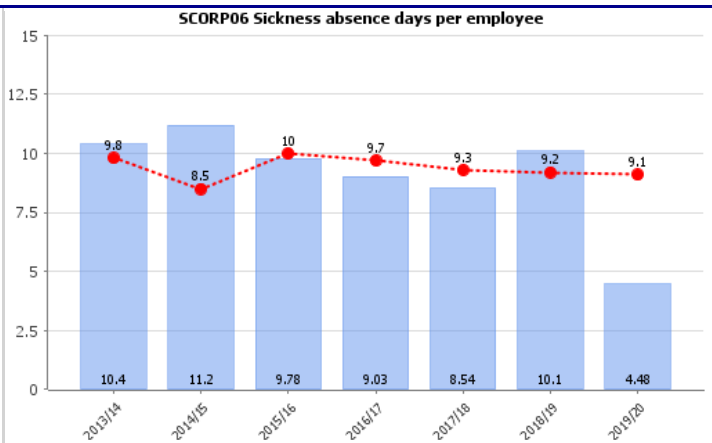
£3,229,000



Sickness absence days per employee

Mid-year data. Overall absence rates are above half year target of 3.9 days. The next two quarters will need to show an improvement if the overall absence rate is to meet the annual target.

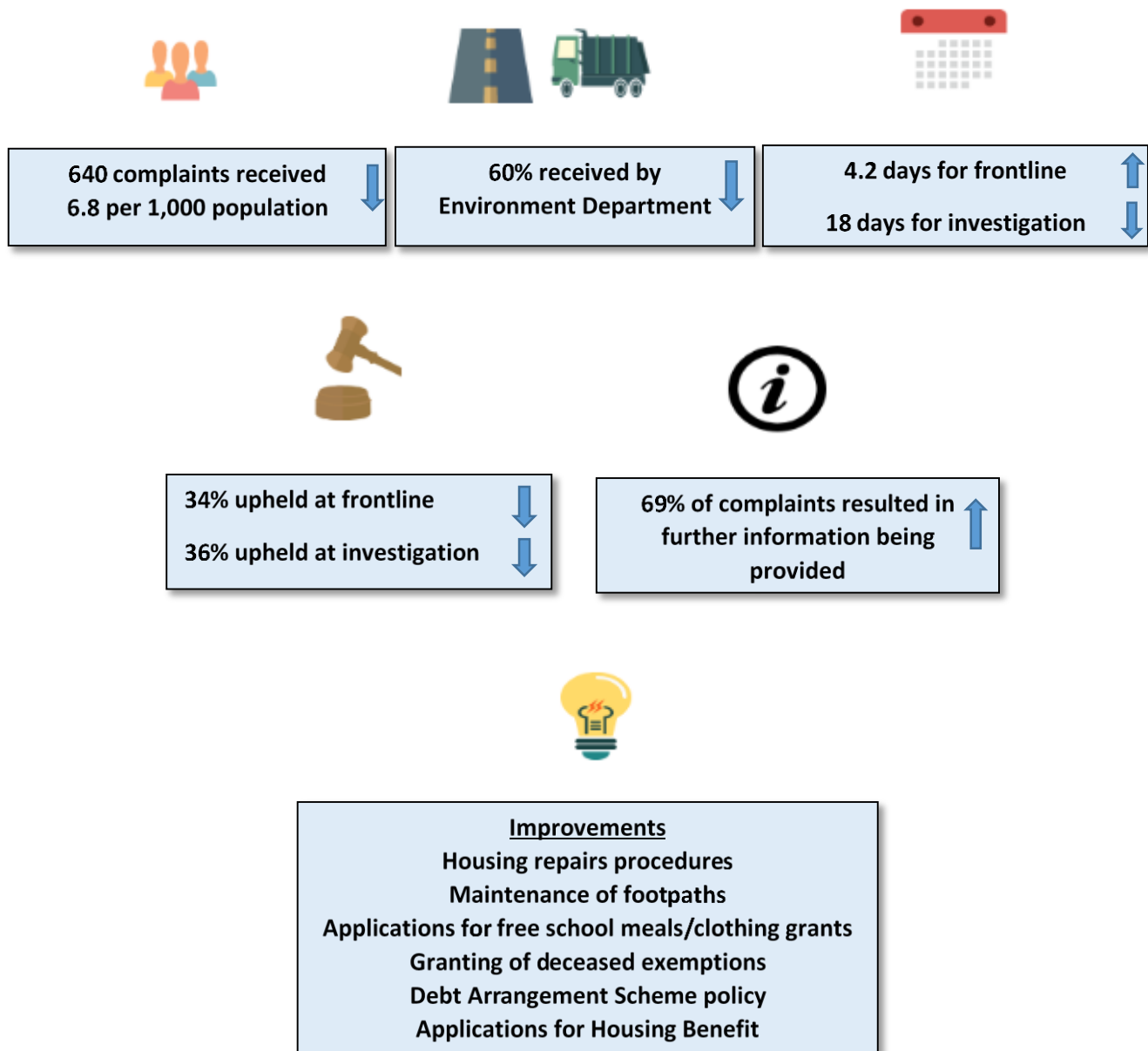
4.48



BLANK PAGE

Mid-Year complaints 2019/2020

All Scottish councils are required to record and report on a suite of complaints performance indicators to meet Scottish Public Services Ombudsman (SPSO) requirements. In the first half of 2019/20 we received 640 complaints, which represented a decrease of 58 on the previous mid-year figure. Most complaints continued to be received by Environment Department (60%). The data shows we continued to perform well in relation to the handling of complaints at the frontline stage (4.2 days) and investigation stage (18 days). Similarly, 34% of complaints were upheld at the frontline stage, while 36% were upheld at the investigation stage marking an improvement in the mid-year figures from 2018/19.



Note: The arrows show changes in the figures from the mid-year position at 2018/19.

1 - The total number of complaints received per 1000 of the population.

Indicator Description	Mid-Year 2018/19	Mid-Year 2019/20	Notes
Number complaints received per 1,000 population.	7.4	6.8	There were 640 complaints in the first half of 2019/20, a decrease of 58 from the same period in 2018/19. We also report specifically on our housing complaints. We received 92 of these in 2019/20 which is down by 20 on the 2018/19 figure.





2 - Complaints closed at stage one and stage two as a percentage of all complaints closed

Indicator Description	Mid-Year 2018/19	Mid-Year 2019/20
Number complaints closed at stage one as % of all complaints	89.8% (610)	88.2% (521)
Number complaints closed at stage two as % of all complaints	6.6% (45)	10.3% (61)
Number complaints closed at stage two after escalation as % of all complaints	3.5% (24)	1.5% (9)

3 - The number of complaints upheld/ partially upheld/ not upheld at each stage as a percentage of complaints closed in full at each stage.

Not upheld	Mid-Year 2018/19	Mid-Year 2019/20
Number complaints not upheld at stage one as % of complaints closed at stage one	49.5% (302)	53.9% (281)
Number complaints not upheld at stage two as % of complaints closed at stage two	40% (18)	44.3% (27)
Number escalated complaints not upheld at stage two as % of escalated complaints closed at stage two	67.6% (16)	55.6% (5)
Partially Upheld	Mid-Year 2018/19	Mid-Year 2019/20
Number of complaints partially upheld at stage one as % of complaints closed at stage one	10.2% (62)	12.1% (63)
Number complaints partially upheld at stage two as % of complaints closed at stage two	15.6% (7)	19.7% (12)
Number escalated complaints partially upheld at stage two as % of escalated complaints closed at stage two	20.8% (5)	11.1% (1)
Upheld	Mid-Year 2018/19	Mid-Year 2019/20
Number of complaints upheld at stage one as % of all complaints closed at stage one	40.3% (246)	34% (177)
Number complaints upheld at stage two as % of complaints closed at stage two	44.4% (20)	36.1% (22)
Number escalated complaints upheld at stage two as % of escalated complaints closed at stage two	12% (3)	33.3% (3)

4 - The average time in working days for a full response to complaints at each stage.

Indicator Description	Mid-Year 2018/19	Mid-Year 2019/20	Target	Status
Average time in working days to respond to complaints at stage one (frontline resolution).	3.6	4.2	5	
Average time in working days to respond to complaints at stage two (investigation).	22.4	18	20	
Average time in working days to respond to complaints after escalation (investigation).	23.3	14.4	20	
Average time in working days to respond to complaints at investigation (stage 2 and esc combined)	22.8	17.6	20	

5 - The number and percentage of complaints at each stage which were closed in full within the set timescales of 5 and 20 working days.

Indicator Description	Mid-Year 2018/19	Mid-Year 2019/20
Number complaints closed at stage one within 5 working days as % of stage one complaints	87% (531)	79.7% (415)
Number complaints closed at stage two within 20 working days as % of stage two complaints	60% (27)	65.6% (40)
Number escalated complaints closed within 20 working days as % of escalated stage two complaints	79.2% (19)	77.8% (7)
Number investigation complaints closed within 20 working days as % of investigation complaints (stage 2 and esc combined)	66.7% (46)	67.1% (47)

6 - The number and percentage of complaints at each stage where an extension to the 5 or 20 working day timeline has been authorised.

Indicator Description	Mid-Year 2018/19	Mid-Year 2019/20
% of complaints at stage one where extension was authorised	1.5% (10)	0.6% (3)
% of complaints at stage two where an extension was authorised.	8.9% (4)	0
% of escalated complaints where extension was authorised.	4.2% (1)	0

7 - Customer Satisfaction Measures

In collaboration with Councils across Scotland, the SPSO has finalised a set of harmonised survey questions to derive customer satisfaction with the complaints handling process. The survey was launched on the Council's Citizens' Space platform at the beginning of October 2019 with the first set of results anticipated by the end of December 2019. It is proposed that updated survey results will be reported at end year.

8 - Improvement Actions

Complaints data is closely monitored to ensure we learn from complaints and make service improvements. In the first half of 2019/20, for example:

- Amendments to housing repairs procedures were implemented.
- The approach to footpaths and lanes maintenance was reviewed.
- Processes for dealing with free school meals and clothing grants were streamlined.
- A new process for granting deceased exemptions was put in place.
- The Debt Arrangement Scheme policy has been amended.
- The Housing Benefit application process has been simplified for customers.

BLANK PAGE

EAST RENFREWSHIRE COUNCILCABINET5 December 2019Report by Chief Officer Legal and
ProcurementANNUAL PROCUREMENT REPORT 2018/19 AND
CORPORATE PROCUREMENT STRATEGY 2019– 2022**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval of the Annual Procurement Report 2018/19 and the new Corporate Procurement Strategy 2019 - 2022.

RECOMMENDATION

2. The Cabinet is asked to approve the Annual Procurement Report 2018/19 and the Corporate Procurement Strategy, as detailed in Appendix 1 and 2.

BACKGROUND

3. The Annual Procurement Report is required under Section 18 (2) (a) of the Procurement Reform (Scotland) Act 2014 where it is stated that Councils must publish a summary of their regulated procurements completed during the year covered by the report. This report provides an opportunity for the Council to demonstrate to our stakeholders that our procurement spend is being used to achieve not only best value but also supports the Council vision of being modern and ambitious to create a fairer future with all.

4. The Procurement Reform (Scotland) Act 2014 also requires the Council to develop a Procurement Strategy and review it annually. The Corporate Procurement Strategy incorporates 2019- 2022 demonstrates how procurement in East Renfrewshire plays a fundamental role in supporting the delivery of the Council's strategic objectives and is a key enabling strand for continuous improvement across the Council.

REPORT

5. The Council's Annual Procurement Report 2018/19 is attached as **Appendix 1** and covers all regulated procurements completed during the period 1 April 2018 to 31 March 2019. The Procurement Reform (Scotland) Act 2014 defines regulated procurements as procurement exercise for good and services with a value of £50,000 or more and for works with a value of £2million or more.

6. The Annual Procurement Report highlights improvement activities in relation to key procurement capabilities as well as performance in the areas of community benefits and social responsibility. An indication of proposed regulated procurements to be carried out in the following 2 financial years is also contained within the report.

7. The new Corporate Procurement Strategy 2019-2022 is attached as **Appendix 2** and outlines a new vision for Corporate Procurement: *“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”*

8. The Strategy also sets out 5 new procurement capabilities which will help to deliver operational and strategic procurement outcomes for the Council. These capabilities are aligned to the Council’s overall vision, capabilities and values and are fully articulated in the Strategy:

- Leadership and Stakeholder Management
- Compliance and Governance
- Strategic Procurement
- Performance Reporting
- Sustainable Procurement and Community Benefits

9. The next Annual Procurement Report 2019/20 and update on progress will be provided to the Cabinet in October 2020.

FINANCE AND EFFICIENCY

10. There are no specific financial implications arising from this report.

CONSULTATION

11. No formal consultation was undertaken in the production of the report.

IMPLICATIONS OF THE PROPOSALS

12. There are no staffing, IT, legal, sustainability or other specific implications associated with this report.

CONCLUSIONS

13 This Annual Report 2018/19 and new Corporate Procurement Strategy 2019-22 provides an update of annual activities whilst ensuring the Strategic Direction of Corporate Procurement is set to meet the current and future needs of the Council. Publication of the Annual Report and Strategy also ensure compliance with duties under the Procurement Reform (Scotland) Act 2014.

RECOMMENDATION

14. The Cabinet is asked to approve the Annual Procurement Report 2018/19 and the Corporate Procurement Strategy, as detailed in Appendix 1 and 2.

REPORT AUTHOR

Chief Officer Legal and Procurement, Gerry Mahon, Tel: 0141 577 3801, email at gerry.mahon@eastrenfrewshire.gov.uk

Report date: 12 November 2019

CORPORATE PROCUREMENT



Annual Procurement Report

1st April 2018 – 31 March 2019

BLANK PAGE

CONTENTS	SECTION	PAGE
Introduction	1	3
Summary of Regulated Procurement	2	4
Review of Regulated Procurement Compliance	3	5
Community Benefit Summary	4	6
Supported Business Summary	5	6
Future Regulated Procurement Summary	6	7
All Regulated Procurement	Appendix 1	10
Community Benefits	Appendix 2	16

BLANK PAGE

- 1.1 Section 18 of the Procurement Reform (Scotland) Act 2014 (the Act) requires East Renfrewshire Council (the Council) to publish an Annual Procurement Report which monitors the authorities regulated procurement activities against its Procurement Strategy 2019-2022.

This report provides an opportunity for the Council to demonstrate to our stakeholders that our procurement spend is being used to achieve not only best value but also the Council vision of being modern and ambitious to create a fairer future with all.

- 1.2 The Annual Procurement Report is a mandatory requirement of the Act and must include

- A summary of the regulated procurements that have been completed during the year covered by the report,
- A review of whether those procurements complied with the authority's Procurement strategy,
- The extent that any regulated procurements did not comply, and a statement of how the authority intends to ensure that future regulated procurements do comply,
- A summary of any community benefit requirements delivered as part of a regulated procurement that were fulfilled during the year covered by the report
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- A summary of the regulated procurements the authority expects to commence in the next two financial years,
- Such other information as the Scottish Ministers may by order specify.

- 1.3 The Annual Procurement Report also details initiatives being developed to further improve the performance of the Corporate Procurement Unit in line with the procurement vision for the Council which is:

“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”

- 1.4 East Renfrewshire Council's vision for the future is to be a “modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better”. The Council has 5 Strategic Outcomes where we are working across East Renfrewshire to achieve best Outcomes for:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People and People with Long-Term Conditions

- 1.5 In order to deliver on these 5 Strategic Outcomes, 5 Capabilities have been identified to provide the necessary skills required. These are:

- Prevention
- Empowering Communities
- Data
- Modernisation
- Digital

- 1.6 Corporate Procurement can play an important role in achieving the Council's

54
Strategic Outcomes and provide key skills contributing to the 5 Capabilities as detailed below:

- **Prevention** – we will collaborate with Services across the Council with a focus on preventing poor outcomes for our residents and providing planned rather than reactive services. We will seek to maximise opportunities for collaboration and using an evidence based approach to designing services.
- **Community Engagement** – we will utilise innovative approaches to engage our communities and to prioritise the allocation of resources. We will explore ways in which contractors, commissioned partners and communities can work in partnership with us to deliver outcomes.
- **Data and Evidence** – we will utilise spend data, market analysis and build positive relationships and networks with key stakeholders to ensure an evidence based approach to strategic procurement and identifying efficiencies
- **Modernising How We Work** - we will focus on modernising our processes to avoid unnecessary approvals, duplication and manual processes. We need to ensure Corporate Procurement meets the current and future needs of the Council and greater focus should be placed on Contract and Supplier Management to ensure best value is achieved from our contracts throughout their lifecycle.
- **Digital** – we will harness the potential from the new “Core Systems” and ensure that the full purchase to pay processes throughout the Council are modern, digital and efficient.

SECTION 2 - SUMMARY OF REGULATED PROCUREMENT

- 2.1 Section 18 (2) (a) of the Procurement Reform (Scotland) Act 2014 requires Councils to include a summary of the regulated procurements that have been completed during the year covered by the report.
- 2.2. Regulated procurement refers to any procurement above £50,000 for goods and services, or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end.
- 2.3 The number of regulated procurements carried out during the financial year 2018/19 was 22 with a total cost of £24,752,426. It should be noted that this figure does not include departmental call offs from existing Framework Agreements which were awarded out with the period of this report.
- 2.4 A listing of all regulated procurements from Financial Year 2018/2019 can be found at **Appendix 1**.

3.1 Corporate Procurement Strategy

The Corporate Procurement Strategy has set out 5 key procurement capabilities which will help to deliver operational and strategic procurement outcomes for the Council and are aligned to the Council's capabilities:

Leadership and Stakeholder Management – Through identifying and building relationships with key strategic and tactical stakeholders across the organisation procurement can build an understanding of current and future requirements and add value as part of a category management approach.

Compliance and Governance - Compliance with our legislative and statutory procurement duties as well as consideration of areas such as living wage, fair and ethically traded goods and services, community health and wellbeing and animal welfare in procurement of food.

Strategic Procurement – To deliver a category management approach to strategic procurement which supports a commercial focus across the organisation and identifies savings and opportunities throughout the full procurement journey.

Performance Reporting -To use an evidenced based approach to provide visibility of key performance information which supports informed decision making around the current and future direction of Corporate Procurement.

Sustainable Procurement and Community Benefits - Focus on sustainable procurement including innovative use of Community Benefits clauses, economic development and consideration of social responsibilities

3.2 In 2018/19 the Council has ensured that all regulated procurements comply with both the Council's Procurement Strategy and all relevant legislation. A summary of work carried out for each of our key procurement capabilities in 2018/19 is provided below.

Leadership and Stakeholder Management

- Scotland Excel procurement review including in-depth interviews with senior stakeholders across the Council
- Participation on national and regional strategic working groups including those hosted by Scotland Excel, Scottish Government and City Deal.

Compliance and Governance

- Amendments to Contract Standing Orders approved
- Contract Terms and Conditions reviewed and updated

Strategic Procurement

- Procurement Board support for the various procurement changes
- Annual review of spend to identify contract opportunities

Performance Reporting

- Use of Public Contracts Scotland portals including PCS-Tender to analyse contract data.
- Scoping requirements for central contracts register.

Sustainable Procurement and Community Benefits

- Development of the contract strategy document to include sustainable considerations.
- Capturing and reporting community benefits through involvement in City Deal.

- 3.3 The Procurement Strategy 2019-2022 identifies a number of actions and expected outcomes aligned to our 5 key procurement capabilities. The Strategy will be reviewed on an annual basis to drive continuous improvement.

SECTION 4 COMMUNITY BENEFITS SUMMARY

- 4.1 Section 18(2) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for the Annual Procurement Report to include a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report.
- 4.2 In October 2014 Cabinet approved the sustainable procurement policy which covers both community benefits and sustainability. The Council's commitment to this is demonstrated not only through the policy but also within the Corporate Procurement Strategy and Contract Standing Orders.
- 4.3 Community benefits are sought for applicable contracts where both the value (over £50,000) and duration of the contract merit a benefit being pursued and it is at the contract strategy development stage that community benefits are to be considered and then reflected into the tender documentation.
- 4.4 The approach taken by the Council has been beneficial when developing the Glasgow City Region City Deal Community Benefits Policy. The Council actively participates in the Community Benefits working group ensuring standardisation of the process and maximisation of the benefits achieved through the city deal contracts.
- 4.5 Community Benefits were secured in a number of contracts which can be viewed at **Appendix 2**.

SECTION 5 SUPPORTED BUSINESS SUMMARY

- 5.1 The Procurement Reform (Scotland) Act 2014 requires organisations to include a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.
- 5.2 The Council supports the use of supported businesses and will promote their use where it is appropriate. This can be demonstrated through:
- The adoption of a low value ordering process that encourages the use of supported business for non-regulated requirements.
 - The procurement intranet pages host supported business information to increase awareness across the council.
 - The contract strategy development stage considers supported business and third sector organisations as part of the market research stage.
- 5.3 The Council previously placed orders with Lady Haig's Poppy Factory and Hansel Alliance, RSBI, Aspire Community Solutions and Greenhouse Cafe.

SECTION 6 FUTURE REGULATED PROCUREMENT SUMMARY

6.1 The following future Regulated Procurements are currently within the pipeline of projects to be delivered over the next two financial years.

It should be noted that all information is indicative and may be subject to change.

Tender Title / Subject	Estimated Value	Commencement Timescale
Email & Web Secure Gateways Licenses	£156,988.00	FY 19/20
Customer Digital Experience Management Framework Agreement	£1,000,000.00	FY 19/20
Cyber Security Operations Centre	£60,000.00	FY 19/20
Managed Print	£3,500,000.00	FY 19/20
Route Optimisation Solution	£266,450.00	FY 19/20
Structured Cabling	£60,000.00	FY 19/20
Occupational Health Services	£210,900.00	FY 20/21
Insurance Broker	TBC	FY 20/21
GIS Mapping Tool	TBC	FY 20/21
Prepaid Credit Cards	TBC	FY 20/21
Secure Cash Uplift	TBC	FY 20/21
HSCP Case recording System	£2,000,000.00	FY 20/21
Provisions of Services to Aid Recruitment of Chief Officer and Senior Management positions.	£170,000.00	FY 20/21
Arboricultural Services	£1,200,000.00	FY 19/20
Collect & Recycle or Dispose of Household Waste Recycling Centre (Barrhead)	£295,000.00	FY 19/20
Supply & Delivery of Sports Pitch	£148,000.00	FY 20/21
Right to Purchase Post-Consumer Glass, Cans and Mixed Plastics	TBC	FY 20/21
Winter Maintenance Services	£600,000.00	FY 19/20
Coal Tar Testing (CTT)	£800,000.00	FY 19/20
Installation & Maintenance of Traffic Light Signals	£400,000.00	FY 19/20
Provision of Fresh Fruit & Vegetables	£494,000.00	FY 19/20
Supply, Delivery & Installation of Gym Equipment at Barrhead Foundry	£75,000.00	FY 19/20

58

Sheriff Officers Services	£108,000.00	FY 19/20
Revenues and Benefits System	£840,000.00	FY 19/20
Telecare Call Warden Handling System	£2,075,000.00	FY 19/20
Telecare Peripherals	TBC	FY 19/20
Audio Visual	£250,000.00	
Early Years Expansion capital works 2020	£19,922,363.32	FY 19/20
Measured Term Contract Electrical Works	£2,000,000.00	FY 19/20
CCTV Services	£628,000.00	FY 20/21
Provision of Treasury Management Advisory Services	£65,000.00	FY 20/21
Banking Services	£120,000.00	FY 20/21
Online Payment for Schools Services	£51,000.00	FY 20/21
Outdoor Residential & Duke of Edinburgh	£2,360,000.00	FY 20/21
Cross Arthurlie Extension Works	£2,000,000.00	FY 19/20
Control Management and Testing of Legionella Services	£145,000.00	FY 19/20
Framework Agreement for the renewal of School Windows & Screens - Works	£2,150,000.00	FY 19/20
Housing Management Solution	£500,000.00	FY 19/20
Smoke, Heat & Co Detector 19/20 Services	£355,000.00	FY 19/20
Supply and Delivery of Bottled Water, Water Coolers and associated consumables	£138,000.00	FY 19/20
Provision of Advocacy Services	£600,000.00	FY 19/20
Painting of Lighting Columns	£118,417.60	FY 19/20
Roads & Footways Reconstruction / Resurfacing Framework Agreement	£9,750,000.00	FY 19/20
Electrical Testing & Associated Works	£208,000.00	FY 19/20

Appendix 1

Project Title	Project Reference	Type	Contract Award Date	Contract End Date	Contract Value (Not including extension option)	Supplier Name
Waste Management - Greenhags Transfer Station and HWRC	DB 18 19 024	Services	01/04/18	30/11/18	£700,000.00	Lowmac Alloys
National care home contract	N/A	Services	01/04/18	31/03/19	£11,403,845.00	COSLA
Secure Email Gateway	DB 18 19 005	Services	20/04/18	19/04/18	£67,438.00	The Software Box
Design team services for Maidenhill Primary	DB 18 19 018	Services	01/05/18	01/08/21	£1,066,768.00	Gardiner & Theobald
Mini Comp - Microsoft Desktop Education All Language Licence	MC 18 19 008	Services	22/08/18	21/08/19	£124,470.00	Insight Direct (UK) Ltd
Framework Agreement for Housing Services Roof and Render Renewal Works 2018-22	CE 18 19 004	Works	24/09/18	31/03/22	£4,200,000.00	Procast Building Contractors Ltd
Grounds Maintenance	CE 18 19 005	Services	01/10/18	01/02/19	£240,000.00	Nurture
Provision of GVW Hotbox	DB 18 19 010	Services	01/10/18	30/09/19	£72,020.00	B&B contracts
Processing of Co-mingled Organic Green and Organic Food Waste	DB 18 19 015	Services	01/11/18	31/10/22	£529,000.00	GP Recycling Ltd
Provision of Pest Control Services	DB 18 19 021	Services	01/11/18	31/10/20	£62,000.00	Graham Environmental

Mini Competition Design Team for Aurs Road Upgrade and Realignment	MC 18 19 009	Services	09/11/18	18/11/21	£939,143.45	Peter Brett Associates LLP
Provision of Window Cleaning Services - Framework	CE 18 19 013	Services	19/11/18	18/11/21	£66,000.00	Caledonia Maintenance Services Ltd
Supply, Implementation & Support of Finance, Procurement	CE 18 19 012-1	Services	26/11/18	25/11/23	£937,042.80	Capita Secure Information Solutions Ltd
Mini Competition – Supply & Delivery of Personal Protective Workwear (PPE)	MC 18 19 004	Goods	01/12/18	30/11/20	£254,000.00	Lion Safety
Mini Competition - Replacement of Corporate Backup and Restore Solution	MC 18 19 010	Services	03/12/18	02/12/21	£177,393.00	NVT Group Ltd
MTC for Asbestos Surveys, Sampling, Analysis and Clearing Procedures 2018-20	CE 18 19 024	Services	17/12/18	16/12/20	£154,535.68	Life Environmental Services Ltd
Provision of Business Engagement Partner - Framework	CE 18 19 023	Services	01/01/19	31/12/23	£1,240,000.00	Verg Communities First The Lennox Partnership Greenhouse Community Barnardo's RPL Marketing Sixth Sense Trading Ltd

61

Purchase of Laundry Equipment	DB 18 19 025	Goods	01/01/19	31/12/24	£194,628.00	JLA
Audio Visual Equipment	MC 18 19 019	Goods	11/02/19	29/03/19	£147,320.00	SSUK Ltd
Cashless Catering Replacement for Schools	CE 18 19 021	Services	01/03/19	29/02/24	£340,000.00	Cash Registers (Buccleuch)
Supply, Implementation & Support of HR & Payroll	CE 18 19 012-2	Services	19/03/19	19/03/21	£536,823.00	Midland HR
Transport School Children with ASN and/or Medical Needs With Escorts Where Required	CE 18 19 014	Services	15/08/18	30/06/23	£1,300,000.00	Graco Eastwood Mearns Midicab Co TW Bradley Contracts

BLANK PAGE

Appendix 2

Community Benefits from City Deal and Major Capital Programme 2018-19				
Benefit Category	East Renfrewshire City Deal	BAM Construction Maidenhill PS	CCG Council House Construction	Fleming Barrhead Foundry Major Refurbishment Works
New Entrants – Priority Employability Groups	1	1		
New Entrants – no relevant experience	2	2	1	1
New Start - Apprentice or Graduate	1	4	1	
Completed or Progressed Apprentice	2	7		
Work Experience Placement (16 + years of age)	3	4	2	2
Work Experience Placement (14 - 16 +years of age)	2	1		
Careers Event	12	8	1	
Site Visit, School or Further Education Engagement	11	8		2
Contractor/Sub Contractor/Specialist Training Qualifications	2	6		
Supply Chain Briefing with SME's	5	4		
Financial Support for a Community Project	£4,000	£1,000	£1,500	
Non-Financial Support for a Community Project	6	1		
Business Mentoring for an SME		4		
Voluntary Community Benefit	5			1

BLANK PAGE

CORPORATE PROCUREMENT



CORPORATE PROCUREMENT STRATEGY

2019 - 2022

BLANK PAGE

CONTENTS

SECTION	TITLE	PAGE NUMBER
1	INTRODUCTION	3
2	PROCUREMENT VISION	3
3	STRATEGY RATIONALE AND CONTEXT	3
4	STRATEGIC AIMS & OBJECTIVES	4
5	FINANCE	8
6	IMPLEMENTATION, MONITORING & REPORTING	9
7	POLICIES, PROCEDURES & TOOLS	10
8	OWNERSHIP & CONTACT DETAILS	14
	APPENDICES	15

BLANK PAGE

SECTION 1 INTRODUCTION

Section 15 of the Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, to prepare and publish a Procurement Strategy.

This Procurement Strategy sets out the vision, objectives and actions which will govern procurement activities for East Renfrewshire Council for the period 2019-2022.

The Council's key procurement objectives reflect both national and local policies and our aim is to build on our procurement model and Category Management approach to deliver strategic procurement outcomes for the Council by focusing improvement on the five key procurement capabilities:

- Leadership and Stakeholder Management
- Compliance and Governance
- Strategic Procurement
- Performance Reporting
- Sustainable Procurement and Community Benefits

This strategy will ensure Corporate Procurement supports our Services to deliver efficiently and effectively, adding value and professional expertise whilst ensuring compliance with procurement legislation.

Throughout the period of this strategy we will review and report upon our performance through our Annual Procurement Report.

SECTION 2 PROCUREMENT VISION

Our Vision for Corporate Procurement in East Renfrewshire is:

“To grow the strategic influence of procurement across the Council through respected and professional expertise, fostering positive relationships which ultimately deliver innovative, sustainable and compliant practices which provide best and added value for the organisation.”

SECTION 3 STRATEGY RATIONALE AND CONTEXT

East Renfrewshire Council's vision for the future is to be a “modern, ambitious council creating a fairer future with all and our ultimate aim is to make people's lives better”. The Council has 5 Strategic Outcomes where we are working across East Renfrewshire to achieve best Outcomes for:

- Early Years and Vulnerable Young People
- Learning, Life and Work
- Environment and Economy
- Safe, Supportive Communities
- Older People and People with Long-Term Conditions

In order to deliver on these 5 Strategic Outcomes, 5 Capabilities have been identified to provide the necessary skills required. These are:

- Prevention
- Empowering Communities
- Data
- Modernisation
- Digital

As a Corporate function, Corporate Procurement can play an important role in achieving the Council's Strategic Outcomes and provide key skills contributing to the 5 Capabilities as detailed below:

Prevention – we will collaborate with Services across the Council with a focus on preventing poor outcomes for our residents and providing planned rather than reactive services. We will seek to maximise opportunities for collaboration and using an evidence based approach to designing services.

Community Engagement – we will utilise innovative approaches to engage our communities and to prioritise the allocation of resources. We will explore ways in which contractors, commissioned partners and communities can work in partnership with us to deliver outcomes.

Data and Evidence – we will utilise spend data, market analysis and build positive relationships and networks with key stakeholders to ensure an evidence based approach to strategic procurement and identifying efficiencies.

Modernising How We Work - we will focus on modernising our processes to avoid unnecessary approvals, duplication and manual processes. We need to ensure Corporate Procurement meets the current and future needs of the Council and greater focus will be placed on Contract and Supplier Management to ensure best value is achieved from our contracts throughout their lifecycle.

Digital – we will harness the potential from the new “Core Systems” and ensure that the full purchase to pay processes throughout the Council are modern, digital and efficient.

The Council's previous Procurement Strategy 2017/18 was closely aligned with the Council vision and requirements of the Scottish Government. This delivered a number of achievements, including:

- Completion of a Procurement Review which included in-depth interviews with senior stakeholders across the Council to set the direction for the procurement improvement programme.
- Participation on national and regional strategic working groups including those hosted by Scotland Excel, the Scottish Government and City Deal
- Amendments to Contract Standing Orders and Contract Terms and Conditions to support improved procurement practices across the Council
- An annual review of spend and use of Public Contract Scotland portals including PCS-Tender to analyse contract data
- Extensive involvement in specification development for procurement module within the new finance and procurement system and work underway to develop an online central contract register
- Development of the Contract Strategy document to include sustainable considerations and capturing and reporting of Community Benefits through City Deal

SECTION 4 - STRATEGIC AIMS AND OBJECTIVES

The Procurement Strategy 2019-2022 is focused on our five key procurement capabilities of:

- Leadership and Stakeholder Management
- Compliance and Governance
- Strategic Procurement
- Performance Reporting
- Sustainable Procurement and Community Benefits

The following section details the aims, actions and expected outcomes from this focussed approach:

<p>Leadership and Stakeholder Management</p> <p>Aim: Through identifying and building relationships with key strategic and tactical stakeholders across the organisation procurement can build an understanding of current and future requirements and add value as part of a category management approach.</p> <p>Actions</p> <ul style="list-style-type: none"> • Develop and deliver an on-going Stakeholder Engagement Plan for Procurement incorporating key internal strategic and tactical stakeholders • Implement training and development opportunities for Corporate Procurement in line with our benchmark against the national Procurement Development Framework • Develop and maintain user friendly, plain English guidance for use by purchasing departments • Deliver a revised procurement intranet page presenting key information, templates and communication in a user-friendly way <p>Outcomes</p> <ul style="list-style-type: none"> • A full understanding of the procurement requirements of Services which will facilitate improved project management and provide an opportunities to focus on demand management and contract and supplier management. • A Corporate Procurement team with the skills and capability required to meet the current and future needs of the Council • Improved Communications and flow of information between Corporate Procurement and Council Services

<p>Compliance and Governance</p> <p>Aim: Compliance with our legislative and statutory procurement duties as well as consideration of areas such as living wage, fair and ethically traded goods and services, community health and wellbeing and animal welfare in procurement of food.</p> <p>Actions</p> <ul style="list-style-type: none"> • Fulfilment of the statutory obligations imposed by the Procurement Reform (Scotland) Act 2014, the Public Contract (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016. • Ensuring Contract Standing Orders, Council policies and guidance reflect the legislative requirements • Maintaining procurement template documents in line with legislative changes and best practice • Introduce Standard Operating Procedures for key processes and systems used by the Corporate Procurement team.

<p>Outcomes</p> <ul style="list-style-type: none"> • Procurement processes and documentation in place to meet legislative requirements and reviewed regularly to meet requirements of changing environment • Compliance with statutory and regulatory requirements and reduction in the risk of legal challenge. • Consistent and streamlined approach to procurement processes and systems.
<p>Strategic Procurement</p>
<p>Aim: To deliver a category management approach to strategic procurement which supports a commercial focus across the organisation and identifies savings and opportunities throughout the full procurement journey.</p>
<p>Actions</p> <ul style="list-style-type: none"> • Develop and implement a workload planning tool to manage capacity and resource requirements of Corporate Procurement and use this to monitor and review category alignment for the procurement team • Develop a strategy for the future direction of Contract and Supplier Management across the Council • Develop a strategy for the future direction of Corporate Procurement to meet the future needs of the Council • Category Managers increasing their commodity knowledge through building relationships and taking advantage of collaboration and networking opportunities • Council representation on key local, regional and national working groups including those hosted by Scotland Excel and Scottish Government • Increasing use of spend data analysis, market awareness and benchmarking to design innovative and competitive tenders • Use of spend analysis to identify opportunities for savings and efficiencies through procurement
<p>Outcomes</p> <ul style="list-style-type: none"> • Procurement team will have the capacity to meet the needs and requirements of services through effective workload planning • An evidence based understanding of the future strategic direction of Corporate Procurement and the Councils approach to Contract and Supplier Management • Corporate Procurement will have the tools, knowledge and skills required to support innovative procurement solutions and provide added value to Services
<p>Performance Reporting</p>
<p>Aim: To use an evidenced based approach to provide visibility of key performance information which supports informed decision making around the current and future direction of Corporate Procurement.</p>
<p>Actions</p> <ul style="list-style-type: none"> • Develop and agree approach to capturing and reporting the value achieved through Corporate Procurement in the form of a “Savings Principles” approach focusing on the identification, measuring and reporting of savings and benefits • Development and Implementation of an online central contracts register which can be used across the Council • Preparation of the Annual Procurement Report and strategy update. • Production of reports and dashboards to support relationships with Services leading to an increased focus on Demand Management • Monitoring of contract activity including performance, issues and risks • Collate management information to demonstrate procurement performance

Outcomes

- A robust process for savings capture and a full organisational awareness of the value provided by Corporate Procurement.
- Digital tools in place to support ease of access and interrogation of contract information, spend data and market analysis.
- Increased awareness across Services of spend information and how to use this to inform and understanding of demand management and decision making

Sustainable Procurement and Community Benefits

Aim: Focus on sustainable procurement including innovative use of Community Benefits clauses, economic development and consideration of social responsibilities

Actions

- To participate in Scottish Government “Grow Local” project which focusses on supporting local business
- Development of evaluation methods and improved capturing of community benefits in individual contracts.
- Increased use of community benefits clauses and reporting on the benefits realised
- Ensuring that all regulated procurement activity considers relevant social, economic and environmental issues and seeks to maximise opportunities for the benefit of our Council area.
- Improved collaboration across Services to focus on Community Benefits
- Supporting local business, SMEs and supported businesses through working with Economic Development partners and making processes streamlined, clear and accessible.
- Applying Fair Working Practices to appropriate procurements, encouraging the adoption of the living wage and subsequent monitoring throughout the contract period
- Promotion of Health and Safety legislation compliance by contractors and sub-contractors
- Promoting the highest standards of animal welfare and encouraging the procurement of fair, ethical and environmental friendly goods and services.

Outcomes

- Compliance with all elements of the sustainable procurement duty so that Council contracts deliver benefits not only for the Council but also for local business, SME’s, supported businesses, suppliers and their workforce.
- Measurable and demonstrable social, economic and environmental benefits to East Renfrewshire communities from the effect of sustainable procurement activity.
- Improved opportunities for SMEs, Third Sector Bodies or Supported Businesses to take advantage of business opportunities within the Council area.

SECTION 5 FINANCE

The procurement of goods, works and services in the Council is varied and ranges from low value low risk purchases to high value and complex procurements for the construction of infrastructure and buildings. In 2018/19, the Council spend by Directorate is detailed in the table below.

Directorate Description	Net Aggregate Spend
HSCP	£37,449,864
Environment	£31,094,418
Capital	£28,401,958
Education	£13,223,830
Corporate / Chief Executives	£4,807,942
Total	£114,978,012

The Scottish Procurement Information Hub also records this spend information and a full breakdown across all category areas is shown at **Appendix A**.

It is the role of Corporate Procurement to support activities which encourage and provide opportunities for businesses located in the East Renfrewshire Council area and particularly Small to Medium Enterprises (SME's). Data from the Scottish Procurement Information Hub shows in 2018/19 the Council spent £10.6m with businesses who are located in East Renfrewshire. Data also shows that 48% of East Renfrewshire Council spend was with SME's. This Strategy will see a continued focus on improvement in this area (Scottish Procurement Information Hub).

The Council is currently implementing a number of a new "Core Systems" which will provide significant benefits to Corporate Procurement, with the ability to provide a greater level of interrogation and analysis of spend data. These systems will also allow us to improve our internal processes and reporting as well as allow to work with Services to exploit opportunities for innovative approaches and greater efficiencies in service deliver. Corporate Procurement have been extensively involved in the specification of the procurement elements of new systems and it is vital that their full functionality is harnessed to allow more detailed reporting of performance of this Strategy going forward.

SECTION 6 IMPLEMENTATION, MONITORING AND REPORTING

This new Procurement Strategy 2019-2022 introduces a new vision for Corporate Procurement which is articulated in our 5 new procurement capabilities detailed in Section 4.

Duties under The Procurement Reform (Scotland) Act 2014 require the Council to develop and review the Procurement Strategy annually. In addition to this mandatory Procurement Strategy and to meet regulatory requirements, the Council must now also prepare and publish an Annual Procurement Report disclosing how its procurement activity has complied with its published procurement strategy.

The Procurement Reform Act (Scotland 2014) lists the minimum requirements that an Annual Procurement Report should contain and advises that the report must include:

- A summary of the regulated procurements for the financial year and of the regulated procurements the authority expects to commence in the next two financial years;
- A review of whether procurements have complied with the contracting authority's procurement strategy;
- A summary of any community benefit requirements imposed as part of a regulated procurement and any steps taken to facilitate the involvement of supported businesses in regulated procurement

Corporate Procurement will therefore publish the Council's Annual Report for 2019/20 in October 2020 and this will also include a revised and updated version of the Procurement Strategy.

In addition to these internal procedures for the monitoring, reviewing and reporting on the Procurement Strategy, Corporate Procurement has benefited from external assessment through the Procurement and Commercial Improvement Programme (PCIP). The result from the most recent assessment undertaken in December 2018 was an improved score of 66% and a number of areas for improvement identified have been incorporated into the actions and 5 key capabilities identified in this Strategy. Successful implementation of the Corporate Procurement Strategy will put East Renfrewshire Council in a strong position for further improvement in the next round of PCIP assessments.

SECTION 7 PROCEDURES, POLICIES & PROCUREMENT TOOLS

The Council operates against a backdrop of policies and procedures to aid the delivery of Council activity in compliance with legislation and with local and national policies. The Council relies on the following Procedures, Policies and Procurement Tools to support its procurement activities:

Procedures

As a contracting authority, East Renfrewshire Council must make arrangements to ensure the proper conduct of business, including conformance to standards of good governance and accountability with regard to procurement.

To ensure Procurement Strategy Key Objectives are delivered effectively, there remains a continuing need to recognise the requirement for and execution of an appropriate Council governance framework.

The presence of this framework will enable Key Objectives to be achieved through a decision making process which ensures appropriate approvals are in place.

In adhering to this governance framework, the Council ensures that its regulated procurements are carried out in compliance with its duty to treat relevant economic operators equally and without discrimination and that these procurements will be undertaken in compliance with its duty to act in a transparent and proportionate manner.

In maintaining this governance framework, the Council will ensure that a continuing focus remains in relation to updating, and appropriately applying the following procedural governance documents;

Contract Standing Orders

The Council's Standing Orders Relating to Contracts set out how contracts for all goods, services and works will be made by the Council.

The purpose of these Standing Orders is to ensure that contracts are appropriate for their purpose, provide the right balance between price and quality, and are procured in an open way that demonstrates probity and compliance with the Council's policies.

The Standing Orders are applied having regard always to the EU Treaty Principles of equal treatment, non-discrimination, proportionality and transparency. All Council employees must treat tenderers equally and without discrimination and act in a transparent and proportionate manner at all times.

The Standing Orders also set out the Council's obligations in ensuring that the suppliers and service providers it contracts with comply with all statutory requirements in respect of ensuring equal opportunity in employment under the provisions of the Equality Act 2010 and with all current Health and Safety legislation and approved Codes of Practice, as may be applicable to the contract. Promotion of this compliance is in line with the requirements of the Procurement Reform (Scotland Act) 2014.

East Renfrewshire Council Standing Orders Relating to Contracts

<http://intranet.erc.insider/search?q=contract+standing+orders&returnarticleid=1&articleaction=newsearch>

Financial Regulations

The Council's Financial Regulations set out the framework for managing the Council's financial affairs. They seek to ensure that the Council conducts its affairs in a way that complies with legislation, accepted accounting procedures and professional good practice.

The Council's Financial Regulations apply to every employee of the Council or anyone acting on its behalf. All employees have a responsibility to provide for the security of assets under their control, and for ensuring that the use of these resources is legal, properly authorised, and provides Best Value.

East Renfrewshire Council Financial Regulations

<http://intranet.erc.insider/CHttpHandler.ashx?id=5110&p=0>

Scheme of Delegation

The Scheme of Delegation is intended to facilitate the effective undertaking of Council business by clearly setting out the nature and extent of the powers delegated to officers by the Council, in order to ensure an efficient running of day to day operations and to allow the Council to carry out its functions and achieve its Strategic Objectives.

The Council's approach to delegation has been influenced by its commitment to facilitate participation in the decision making process and to delegate to Chief Officers. The result is that the Council has reserved very few powers to itself and has agreed extensive delegations to officers.

Policies

The Council has clear Strategic Objectives set out within the Outcome Delivery Plan and a strong focus on monitoring and reporting performance. The Strategic Objectives are supported by each Service through their individual Service and Improvement Plans.

To further ensure that the Council's regulated procurements contribute to the carrying out of its functions and the achievement of its purposes, this Procurement Strategy, in line with its Key Objectives, will be delivered in accordance with the Outcome Delivery Plan, the individual Service and Improvement Plans and a set of national and local policies and strategies. These are embedded within existing procurement processes.

East Renfrewshire Council Outcome Delivery Plan 2018-21

<https://www.eastrenfrewshire.gov.uk/odp>

Community Plan including Fairer East Ren

<https://www.eastrenfrewshire.gov.uk/communityplanning>

Sustainable Procurement Policy

The Council's approach to sustainable procurement is rooted within the procurement process to promote a commitment to sustainability and achievement of Best Value for the Council. In an ongoing effort to embed sustainability issues in procurement exercises, three strands of sustainability are explored at the contract strategy stage; environmental, social and economic factors along with a consideration on how the Council can facilitate the involvement of SMEs, third sector bodies and supported businesses in procurement exercises, as well as a promotion of innovation in the design and delivery of services.

Community Benefit Requirements – The Council will adhere to all statutory guidance and legislation on the use of Community Benefits, ensuring that all regulated procurements include

Community Benefits clauses where relevant. This policy reflects East Renfrewshire Council's approach to sustainable procurement. It is intended that it will apply to all contracts for works, goods or services in which the Council has an interest. The environmental opportunities checklist will be completed for all contracts valued in excess of £25,000.

East Renfrewshire Council Sustainable Procurement Policy

<http://www.eastrenfrewshire.gov.uk/sustainable-procurement>

Living wage

Whilst there are legal restrictions on requiring payment of the living wage, suppliers are encouraged to pay the living wage to their employees. The fair working practices question that promotes a healthy, happy and motivated workforce is included in all appropriate contracts.

The Council follows the lead of the Scottish Government by promoting the payment of the Living Wage to persons involved in fulfilling procurement requirements by considering, where relevant and proportionate, when Fair Working Practices should be addressed in contracting opportunities. The Council will comply with the Statutory Guidance on the Selection of Tenderers and Award of Contracts – Addressing Fair Work Practices, including the Living Wage, in Procurement.

Health and Safety:

The Council ensures that appropriate health and safety requirements are included in the evaluation for all its procurements, in line with all the relevant legislation. Thus ensuring that successful suppliers are fulfilling their legal obligations.

Consulting and Engaging with Stakeholders

The Council continues to consult and engage with those affected by our procurement activities through the development of contract strategies, in advance of the procurement exercise and through our focus on identifying opportunities for collaborative Contract and Supplier Management. Liaison during both the development and feedback stages of projects, ensuring that all opinion and feedback is considered when resulting agreements are implemented and executed, ensures continuous improvement in the delivery of services and allows the Council to understand the impact of our procurement activity.

Animal Welfare:

The Council recognises the requirement to find practical ways to supply healthy, fresh, seasonal, and sustainably grown food which represents Best Value whilst improving the health, wellbeing and education of communities in our area. Through Procurement's collaboration with our internal stakeholders and with Scotland Excel, the Centre of Procurement Expertise for Scotland's local government sector, we will work to put in place affordable contracts which meet the nutritional requirements for food, for all users of our catering services, whilst promoting the highest standards of animal welfare, in accordance with all statutory guidance and legislation. The Council is committed to including requirements that promote animal welfare in all relevant contracts. The Council will work with Scotland Excel to ensure that the contracts the Council are participating in promote the highest standards of animal welfare.

Fairly and ethically traded good and services

For each regulated procurement exercise, at the contract strategy development stage, consideration will be given to the sourcing of goods and services that are ethically traded. In line with the Council's Strategy and where ethically traded goods and services are available, the Council will work with all relevant stakeholders and take a Best Value approach when applying fair and ethically trading principles in procurement activities.

A number of other policies are relevant to or impact on the Council's procurement activities. These include:

- Gifts, hospitality and other inducements
- Conflicts of interest declaration
- Suppliers charter
- Council Health & Safety Policy
- Glasgow City Region City Deal Procurement Strategy
<http://www.glasgowcityregion.co.uk/CHttpHandler.ashx?id=16853&p=0>
- Glasgow City Region City Deal Sustainable Procurement Policy
<http://www.glasgowcityregion.co.uk/CHttpHandler.ashx?id=16877&p=0>

Procurement Tools

Key tools that the Council has embedded into the procurement process, which help contribute to compliance with the mandatory requirements under the Procurement Reform (Scotland) Act 2014, are detailed below.

- [Procurement Journey](#)
- [Public Contracts Scotland](#)
- [Public Contracts Scotland – Tender](#)
- [Information Hub](#)

National policies, legislation, and tools relating to the Scottish Government's reform programme which help drive best practice, deliver savings and improve the procurement capability can be found by clicking the following links (this is not an exhaustive list):

- [Scottish Model of Procurement](#)
- [Changes to European Directives](#)
- [Public Procurement Reform Programme](#)
- [Suppliers CharterEU Procurement Thresholds](#)
- Prioritisation toolkit, sustainability toolkit
- Flexible framework
<http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/Sustainability/ScottishProcess/SustainableProcurementTools>
- [PCIP](#)

SECTION 8 STRATEGY OWNERSHIP AND CONTACT DETAILS

Gerry Mahon

Chief Officer Legal & Procurement

Council HQ, Eastwood Park

Rouken Glen Road

Giffnock

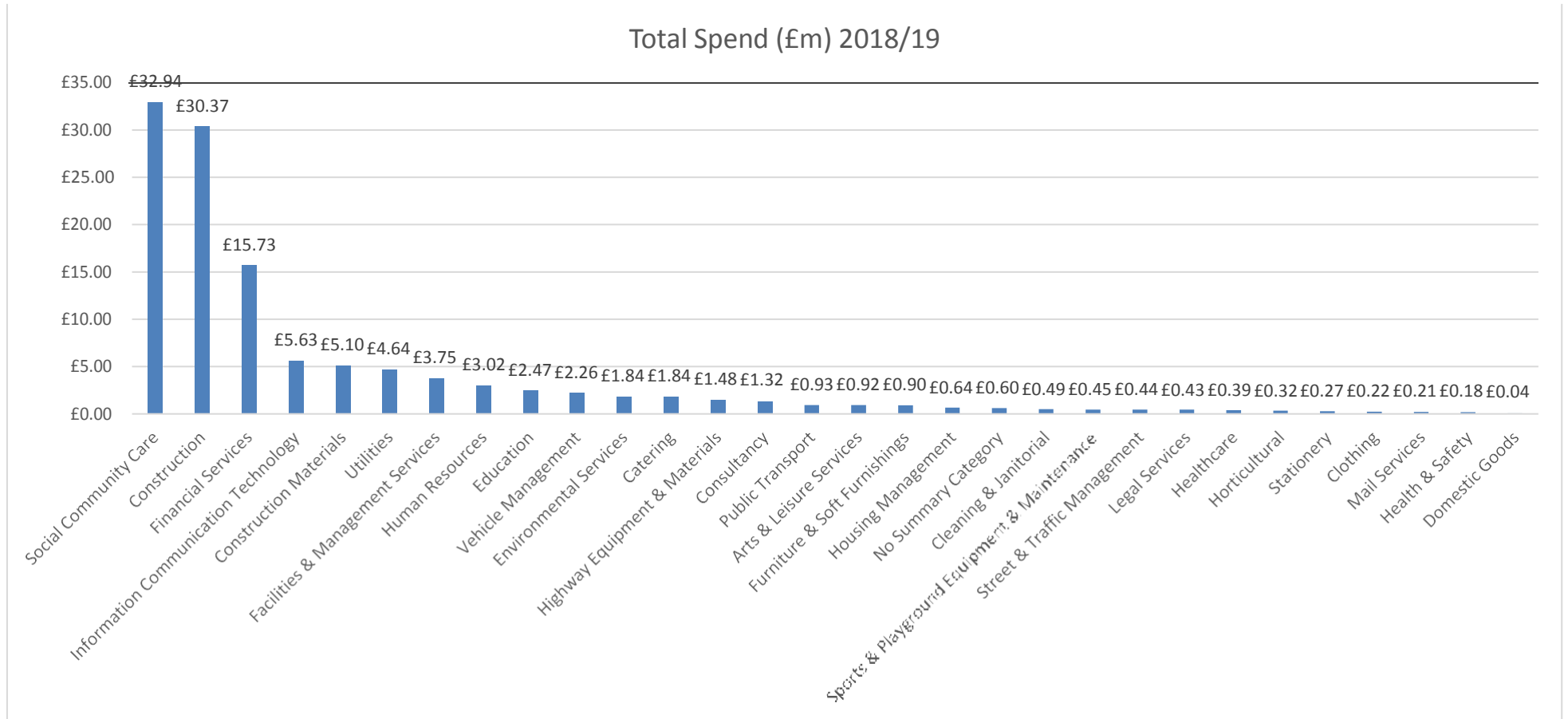
G46 6UG

Tel 0141 577 3801

Email Gerry.mahon@eastrenfrewshire.gov.uk

If you have any comments or feedback please contact;
ercprocurement@eastrenfrewshire.gov.uk

APPENDIX A – East Renfrewshire Council Spend 2018/2019 (Scottish Procurement Information Hub)



BLANK PAGE

EAST RENFREWSHIRE COUNCILCABINET5 December 2019Report by Deputy Chief ExecutiveExemption from Standing Orders Relating to Contracts**PURPOSE OF REPORT**

1. The purpose of the report is to seek an exemption from tendering in accordance with Contract Standing Order 15(iii), in relation to the award of a contract to Zellis UK Limited for the provision of a read only archiving licence for the HR & Payroll system – Resourcelink.

RECOMMENDATION

2. It is recommended that, in accordance with Contract Standing Order 15(iii), the Cabinet approve an exemption from tendering procedures to allow a contract to be negotiated with Zellis UK Limited, for the provision of a read only archiving licence for the 7 year period 1 April 2020 until 31 March 2027, at a cost of £134,400.

BACKGROUND

3. The HR & Payroll system has been in place since 1999 for payroll and 2009 for HR functionality and holds extensive data on Council employees. There are approximately 6000 records for 5105 Council employees including contracted and casual staff groups and HR and payroll functions covered for 467 employees of East Renfrewshire Culture and Leisure Trust. The system also holds the names and posts of approximately 206 NHS employees for HR functions.

4. The contract is due to expire 31 March 2020 at which point access to the system will be terminated. In line with GDPR, legislation and the Council's Retention policy the Council are required to retain access to all records for a period of 7 years. This leaves the Council with no choice, but to secure access to the proprietary data held in the system in a read only format for the legislated period of time.

5. In order to meet the requirements of GDPR, legislation and the Council's Retention policy Zellis UK Limited were invited into discussions with the Core Systems Programme to negotiate on price for the licence and also to determine a compliant procurement route to contract award such as Framework Agreement.

6. Zellis UK Limited have advised the cost for a 7 year read only archive licence will be £134,400 and that they are not named on any Framework Agreement covering our requirement for contract call off. Benchmarking with other councils has been undertaken and for those who secured an archive licence from their incumbent supplier the cost is comparable to the offer from Zellis UK Limited.

REPORT

7. The Council intends to explore the procurement or build of our own data archiving solution to futureproof retention of our data but this will not be in place to meet the expiry of the HR & Payroll system which is 31 March 2020.

FINANCE AND EFFICIENCY

8. It is confirmed that provision for this expenditure has been built into revenue budget plans from 2020/21 onwards.

CONSULTATION

9. It is confirmed that the Chief Officer - Legal and Procurement has been fully consulted and is in agreement to this approach. Consultation has also taken place with the Core Systems Change Board.

IMPLICATIONS OF THE PROPOSALS

10. Should the exemption under Contract Standing Order 15(iii) be granted and a contract awarded for a read only licence there would be:-

- Compliance with legislative requirements
- Ability for staff to access records for period of 7 years

11. Should the request for an exemption under Contract Standing Order 15(iii) be refused:-

- Access to the current system will be removed 31 March 2020 at which point the Council would be in breach of GDPR legislation.

CONCLUSIONS

12. Approval of this exemption request under Contract Standing Order 15(iii) and subsequent award of read only licence to Zellis UK Limited will ensure that the Council remains compliant with all data protection legislative requirements.

RECOMMENDATION

13. It is recommended that, in accordance with Contract Standing Order 15(iii), the Cabinet approve an exemption from tendering procedures to allow a contract to be negotiated with Zellis UK Limited, for provision of a read only archiving licence for the period 1 April 2020 to 31 March 2027, at a cost of £134,400.

REPORT AUTHOR

Sharon Dick, Head of HR and Corporate Services - Tel: 0141 577 4079,
email at Sharon.Dick@eastrenfrewshire.gov.uk

Convener contact details

Councillor Tony Buchanan Office: 0141 577 3107
(Leader of the Council) Mobile: 07976 360398

Report date: 13 November 2019

BACKGROUND PAPER

East Renfrewshire Council, Standing Orders Relating to Contracts - Contact Standing Order
15(iii)

BLANK PAGE