

EAST RENFREWSHIRE COUNCILCABINET15 August 2019Report by Deputy Chief ExecutiveANNUAL EFFICIENCY STATEMENT 2018/19**PURPOSE OF REPORT**

1. To bring forward the Council's Annual Efficiency Statement for 2018/19.

RECOMMENDATION

2. It is recommended that Cabinet agree to approve the annual efficiency statement 2018/19 for submission to CoSLA.

BACKGROUND

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

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

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

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

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

IMPROVEMENT & CHANGE IN EAST RENFREWSHIRE COUNCIL

7. In April 2019 Cabinet considered an update on our Modern, Ambitious Programme (MAP). It was noted that there were 6 major programmes of change underway (one for each department and also the digital and core systems programmes), with further enabling programmes for information management and property management under development.

8. The report highlighted that the pace and scale of change continues to be considerable as the Council faces budgetary pressures, statutory and contractual obligations and seeks to deliver on our own ambitions to continue to be at the forefront of digital change and modernisation, putting customers at the heart of our services.

9. Cabinet was updated on the main focus of the last year, which has been the Core Systems programme, which is concerned with significant change to replace the Council's ICT systems for finance/procurement and HR/payroll, and establishing the digital programme - these are the most significant enablers of departmental change programmes. Updates on each of the departmental programmes were also given.

10. The Annual Efficiency Statement attached as Annex 1 gives some further detail on how this work has delivered efficiencies and savings over 2018/19.

FINANCE & EFFICIENCY

11. In addition to savings generated through MAP, the Council continues to actively review opportunities for applying efficiency savings over the whole range of its services. There is evidence in the attached efficiency statement that, through these efforts and MAP, the Council has made cash-releasing savings of £3,374,983 in 2018/19.

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

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

14. The Council had an annual budget target of £4.4million of savings for 2018/19 and £9.3m of savings for 2019/20 with an expectation that at least £3m of these savings each year will be delivered through efficiencies, change and improvement. The Annual Efficiency Statement reports on both the achievement of these budgeted efficiencies and on any other efficiency measures that have been applied in the past year.

15. All departments, and the HSCP, confirm that both years' savings (including efficiencies) are on track to be delivered or have already been delivered. In a small number of cases there has been a delay in the achievement of published savings and other one-off measures have been identified to cover the delay.

16. The Council's long term financial plan sets out the key MAP principles that will help deliver our budget savings:

- More digital transactional services which are easy for the customer to use and which will reduce administration costs considerably
- More community engagement and self-directed support in the design of services to provide services which meet the needs of individuals and communities better and potentially at lower costs
- A long term direction to invest in prevention activity to reduce the cost of services in the longer term.

CONSULTATION

17. Individual improvement and change projects will be involved in specific consultation and engagement as relevant to their scope. There is no requirement to consult on the Annual Efficiency

Statement, although this will be made available on the Council website as part of public performance reporting.

PARTNERSHIP WORKING

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

CONCLUSION

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

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

RECOMMENDATION

21. It is recommended that Cabinet agree to approve the annual efficiency statement 2018/19 for submission to CoSLA.

Caroline Innes, Deputy Chief Executive

REPORT AUTHOR

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30 July 2019

BACKGROUND PAPERS

- Property Asset Management Plan 2019-21, Cabinet 6 June 2019
- Glasgow City Region – City Deal Update, Cabinet 2 May 2019
- Vision for the Future, Council on 1 May 2019
- Best Value Assurance Report Action Plan Update, Cabinet 25 April 2019
- Update on Modern, Ambitious Programme, Cabinet 25 April 2019
- National External Audit Report – Financial Overview 2017/18, Audit & Scrutiny Committee 14 March 2019
- Financial Planning 2019-2025, Council 28 February 2019
- Capital Investment Strategy, Council 28 February 2019
- Glasgow City Region – City Deal Update, Council 31 October 2018
- Annual Procurement Report, Cabinet 25 October 2018
- National External Audit Report – Council's Use of ALEOs, Audit & Scrutiny Committee 16 August 2018
- Annual Efficiency Statement 2017/18, Cabinet 16 August 2018
- Update on MAP & Digital Strategy, Council 27 June 2018
- ERC Workforce Plan 2018-2021, Cabinet 21 June 2018

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CONFIRMATION OF EFFICIENCIES DELIVERED IN 2018/19

1	Local Authority Name	East Renfrewshire Council
2	Total cash efficiency achieved for 2018-19 £'000	£3,374,983.62
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>General</p> <ul style="list-style-type: none"> • East Renfrewshire Council's Modern Ambitious Programme (MAP) seeks to modernise the way we work and address the pressures of increasing demands and financial constraints. We are redesigning services end to end, involving our users and aiming for lean, efficient and easy-to-access services, digitally wherever possible. • Through MAP we have been building up a range of enabler projects which can be used as building blocks for service redesigns, which will release savings/efficiencies across the Council, our Health & Social Care Partnership (HSCP) and East Renfrewshire Culture & Leisure Trust (ERCLT). • We have 6 major programmes of change, each consisting of a large number of projects: <ul style="list-style-type: none"> - Core Systems - Digital - Environmental Change Programme - HSCP Change Programme (Fit for the Future) - Education Change Programme - Corporate & Community Services Change Programme • Further enabling programmes for information management and property management are under development. • Over the last year the main focal areas for MAP have been our Core Systems programme and establishing the digital programme as these will be the most significant enablers of departmental change programmes. • Many of the savings quoted in this AES are the result of service redesigns throughout the Council, particularly this year in the Education Department, totalling to over £600,000 of efficiencies via this route this year. There are also been significant structural changes in our Environment Department this year, but those efficiencies arising will feature in future years' statements. The change to managed 3-weekly collections in our Environment Department did however lead to a saving of over £150,000 in 2018/19. • Also in 2018/19, a more structured approach to reporting on the various programmes of change, both within the Council-wide programmes (e.g. MAP and also City Deal and Early Years) and at departmental/HSCP level has been developed. This facilitates reporting key project information at various levels, with a focus on getting the right information to the right people timeously so that action can be taken to resolve any issues.

- Since October 2018 we have had a new Digital Board in place, chaired by our Deputy Chief Executive. The digital programme contains a diverse range of projects, including the replacement of our Digital Customer Experience platform (i.e. our website and customer 'front end'); shifting from analogue to digital telecare; digitising parental/school administrative interactions in Education; introducing a Digital Innovation Hub in one of our primary schools; implementing new digital processes for high-volume environmental transactions (e.g. fly-tipping; graffiti removal; special uplifts and missed bins); replacing our Council Tax and Benefits system; extending public wi-fi to ERCLT facilities; and a large number of system upgrades and tenders for systems that are coming to the end of their current contracts.
- A Digital Maturity Assessment of East Renfrewshire Council was undertaken by the national Local Government Digital Office early in 2019, based on a spectrum of digital maturity ranging from 0 to 5. Most councils sit in the range 0 to 3. We are pleased that the East Renfrewshire assessment placed us in the upper 2 range, which is strong in relative terms.
- Further detail on MAP and our departmental programmes of change can be found here:
<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=24247&p=0>

Procurement

- There has been a review of our Procurement service this year and we will be working closely with Scotland Excel in forthcoming months to support further change and development.
- We have increased our use of Framework contracts through Scotland Excel, which is an efficient way to procure and can generate efficiencies through the use of nationally-negotiated contracts.
- Under our Core Systems programme we are undertaking complex work to replace our Finance/Procurement and HR/Payroll ICT systems following detailed tendering exercises. A new Finance/Procurement contract was awarded in November 2018 and will go live in late summer 2019. The Scottish Government's G-Cloud 10 framework was utilised for procurement of a new HR/Payroll system which is due for implementation at the end of 2019. The Core Systems programme is seen a key enabler for driving out future savings and efficiencies in process.
- Other significant procurements this year have included exercises for new Council Tax and Benefits system and Digital Customer Experience platform (i.e. our website and customer 'front end').
- We have also achieved over £100,000 savings per annum through tendering of our insurance contracts and a further significant saving as part of ongoing ICT contract rationalisation.

Asset Management

Our Corporate Asset Management Group (CAMG) provides the capacity

for the council to monitor its asset usage in the most effective and efficient manner possible.

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

All requests for capital funding require to be linked to the relevant AMP in order to demonstrate a coherent 'golden thread' with the Council's Capital Investment Strategy (approved by Cabinet in February 2019) and to ensure capital requests service the wider corporate need.

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

2018/19 saw some major projects successfully completed including:

- Eastwood Business Centre (£4m)
- Barrhead Foundry Wetside Changing and Pool Plant Works (£2.18m)

Nursery provision is also a key focus and plans are in progress to meet new national targets on providing extra nursery provision by providing a £22.8m investment for five new nurseries in East Renfrewshire. We are also on track to open our new Maidenhill Primary School in August 2019.

Shared Services

Following the £44m Glasgow City Region City Deal investment in East Renfrewshire, in 2018-19 our City Deal team successfully delivered the new Eastwood Business Centre (circa 20,000sqft) at Greenlaw, Newton Mearns and are now progressing with the Aurs Road and Balgraystone Road infrastructure projects which will improve connectivity between Barrhead, Newton Mearns and the M77.

As part of the goal to continue to improve connections between communities, a Scottish Transport Appraisal Guidance (STAG) has been submitted to allow progression to design stage of a new purpose built railway station at Barrhead South on the Glasgow to Neilston train line network.

We provide a lead role in the governance of the Local Government Digital Office and continue to be involved in a wide range of shared services and joint working/information sharing arrangements (e.g. GDPR readiness with Glasgow City Council) and recently participated in an Improvement Service exercise to give an overview of such arrangements.

<p>4</p> <p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000</p> <p>(only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £368,637</p>
	<p>Shared Services = N/A</p>
	<p>Asset Management = £241,361</p>
<p>5</p> <p>Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?</p>	<p>Key sources of evidence include: budget and efficiency templates that measure financial, productivity and quality aspects of each initiative; annual Citizens' Panel survey results; service-level surveys; performance indicators and benchmarks; usage rates for services; external audits and inspections; Audit of Best Value; internal audits; service business plans; iMatter employee survey results.</p>

Signed (Chief Executive or equivalent)

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

Date