

EAST RENFREWSHIRE COUNCILCABINET15 August 2019Report by Chief ExecutiveCHIEF EXECUTIVE'S OFFICE END YEAR PERFORMANCE REPORT 2018/19**PURPOSE OF REPORT**

1. The purpose of this report is to present a summary of performance of the Chief Executive's Office for 2018/19. This is presented at Appendix 1.

RECOMMENDATIONS

2. It is recommended that the Cabinet:
- (a) Scrutinises the performance of the Chief Executive's Office; and
 - (b) Notes this report as a summary of the Chief Executive's Office's End Year Performance for 2018/19 (Appendix 1).

BACKGROUND

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

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

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

REPORT

5. Staff from all areas of the Chief Executive's Office support a wide range of operational projects across the Council, the East Renfrewshire Culture and Leisure Trust (ERCLT) and the Integrated Joint Board (IJB).

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

7. The annual accounts were produced within the statutory timescale and are still subject to external audit but at year end (2018/19) the draft accounts show spend within budget and with an overall General Fund surplus of £3.1m. This demonstrates management action taken to reduce net expenditure to assist with future years' financial challenges. Overall, the underspend is smaller than in previous years, reflecting how budgets are being tightened.

8. The non-earmarked general fund reserve balance was £10.517m as at 31 March 2019 with reserve levels at 4.3% of the annual budgeted net revenue expenditure. The Council continues to demonstrate its track record of strong financial management by maintaining a sound financial position.

9. Accountancy staff maintained a longer term financial view throughout the year, updating the Council's Financial Planning document and introducing a new Capital Investment Strategy as required by accounting regulations. Progress was also made in developing a new financial system to be implemented across the Council during 2019/20.

10. External Audit (Audit Scotland) placed reliance on the work of the Internal Audit service. A report submitted to the Audit and Scrutiny Committee in June 2019 indicated that sound documentation standards and reporting procedures are in place and that main requirements of the Public Sector Internal Audit Standards (PSIAS) are complied with.

11. Legal Services continued to experience high workload demands and concluded over £1 million worth of legal work during the reporting period, based on comparable private sector charging rates. The service assisted the Housing Service to recover 8 properties where tenants have breached their tenancy agreements through anti-social behavior or have been convicted of offences connected to the property eg drug dealing. The service also experienced a 150% increase in volume of work instructed by HSCP.

12. Procurement have been heavily involved in development work with Scotland Excel in the course of the year and have provided assistance to the Core Systems project at board level. In addition, the service increased its score in the Procurement and Commercial Improvement Programme assessment carried out independently by Scotland Excel from Band F3 to Band F2.

13. The Strategic Risk Register has been further refined and is now reviewed at every meeting of the Corporate Management Team and is directly linked to the Council's strategic outcomes.

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

15. During 2018-19, the Council dealt with 1,507 requests under Freedom of Information and related legislation. Despite this volume 85% of requests were responded to within the statutory timescale of 20 working days. The Chief Executive's Office dealt directly with 91, 96% of which were answered within time, and 85 cross-departmental requests of which 99% were responded to within the statutory period.

16. During 2018/19, 4.44 days per employee were lost through absence in the Chief Executive's Office.

PUBLICATION OF END YEAR PERFORMANCE INFORMATION

17. This report and appendix will be posted on the Council's website.

FINANCE AND EFFICIENCY

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

PARTNERSHIP WORKING

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

IMPLICATIONS OF REPORT

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

CONCLUSION

21. This report provides an overview of the Chief Executive's Office's performance at year end 2018/2019.

RECOMMENDATIONS

22. It is recommended that the Cabinet:

- (a) Scrutinises the performance of the Chief Executive's Office; and
- (b) Notes this report as a summary of the Chief Executive's Office's End Year Performance for 2018/19 (Appendix 1).

Lorraine McMillan, Chief Executive, 0141 577 3009
Lorraine.mcmillan@eastrenfrewshire.gov.uk

Further information can be obtained from Craig Geddes, Senior Information and Improvement Officer on 0141 577 3059 or by email at Craig.Geddes@eastrenfrewshire.gov.uk

Cabinet contact: Councillor Tony Buchanan, Leader of the Council
Email; Tony.Buchanan@eastrenfrewshire.gov.uk Tel. 07976 360398 (Mobile)

BLANK PAGE

CHIEF EXECUTIVE'S OFFICE
YEAR END SUMMARY
2018-2019

Contents:

- Internal Audit
- Legal
- Procurement
- Accountancy
- Other Performance Indicators

BLANK PAGE

Chief Executive's Office – Internal Audit 2018/19

Summary	<p>Budget £253,900 4.7FTE</p> <p>95% of planned audits were carried out across the Council and East Renfrewshire Culture and Leisure Trust. Several pieces of unplanned work carried out resulting in 39% of contingency time being used in 2018/19.</p>
Outcomes	<ul style="list-style-type: none"> • Not applicable
Efficiencies	<ul style="list-style-type: none"> • Assurance statement for 2018/19 provided to Audit and Scrutiny Committee in June 2019. • More detailed progress reports are now submitted to the Audit and Scrutiny Committee • External assessment of compliance with PSIAS was presented to Audit and Scrutiny Committee in June 2018 which concluded that internal audit service is fully compliant in 11 categories and generally compliant in the remaining 2 categories. • A range of internal performance measures were submitted to the Audit and Scrutiny Committee quarterly showing performance against target (where applicable). • Two director of Finance Indicators are submitted for internal audit. For 2017/18, the cost of audit per £million of net expenditure is £1,204 (2016/17 £1,246) and the productive days achieved as % productive days as per the audit plan is 99.79% (2016/17 107.47%). • Internal Audit work with departments and services to ensure the highest standards are adhered to and that resources are managed to provide services across the Council that represent value for money • Provided internal audit services to the Integrated Joint Board (IJB), attended IJB Audit Committee during year and provided audit assurance statement. • Provided 20 working days of internal audit service to East Renfrewshire Culture & Leisure Trust and attended Finance, Audit and Risk Committee.
Customers	<ul style="list-style-type: none"> • User survey indicates that 100% of internal customers and 100% of elected members who completed the survey overall are happy with the service provided by internal audit. • External audit submitted a report containing comment on internal audit to Audit and Scrutiny Committee in June 2019 which confirms that sound documentation standards and reporting procedures are in place and that main requirements of the Public Sector Internal Audit Standards (PSIAS) are complied with. • When preparing the Internal Audit Strategic Plan and annual Audit Plan, a wide range of customers including Elected Members, the Corporate Management Team (CMT) and the Council's External Auditors are consulted to ensure that current and developing risks are appropriate, considered and included.
People	

Summary	<p>Budget £587,300 10.8 FTE</p> <p>There has been a general increase in general increase in day to day instructions and advice requests from departments. Maintaining reasonable response times within resources continues to be a major issue for staff. Increase in review and appeal under the FOI regime has also placed greater demands on the Chief Officer. Work continues to be outsourced as required under framework contract agreements based on resource, expertise and timing demands but majority of work continues to be handled by in house team.</p>
Outcomes	<p>Legal service have supported departments with specific projects as follows:</p> <p><u>Outcome 4</u></p> <ul style="list-style-type: none"> • Successful implementation of the MARAC (multi agency risk assessment conference) – domestic violence pathway • 8 properties successfully recovered on anti-social /drug / conviction grounds (100% success rate) <p><u>Outcome 5</u></p> <ul style="list-style-type: none"> • 9 local authority guardianships/ intervention orders obtained in relation to adults with incapacity
Efficiency	<ul style="list-style-type: none"> • Work to the value of £1,168,000 undertaken by in house team (based on comparable private sector rates) • Handled an Increase in new work across a variety of depts. from 17/18 figures - HSCP 150%, Education 61%. Housing 78% • 149 rent recovery cases initiated with 79 decrees obtained – satisfactory payment arrangements reached in all other cases • £29,548 savings achieved as a result of income generation • Completed the successful implementation of GDPR related policies, practice and procedures by the requisite date
Customers	<ul style="list-style-type: none"> • 95% customer satisfaction with service received from Legal Services (from client survey) • 100% of those surveyed either satisfied or extremely satisfied with quality of advice received • Training events held for child and adult care Social Workers on court skills and giving evidence • Arranged attendance of QC to provide training to HSCP in permanence matters • Response times remain an issue – 10% noted dissatisfaction re ability to meet timescales with comments centered on resource implications. That said, all urgent matters were progressed as a priority and relevant timescales were adhered to in all such cases.
People	<ul style="list-style-type: none"> • 100% of professional employees completed LAW Society Continuing Professional Development (CPD) requirements and remain a member of professional body • All employees actively involved in networking opportunities via the Society of Local Authority Lawyers & Administrators in Scotland (SOLAR) throughout the year

Chief Executive's Office – Procurement 2018/19

Summary	<p>Budget £416,500 7.8 FTE</p> <p>A period of transition for the team with changes in management and staff seconded to Core Systems. Intensive assessment by Scotland Excel has paved way for further work over next 12 months to drive further improvements from service. Savings target for 19/20 already guaranteed. Increase in Procurement and Commercial Improvement Program score from Band F3 to Band F2.</p>																		
Outcomes	<p><u>Outcome 3</u></p> <ul style="list-style-type: none"> Glasgow City Region City Deal – working with officers in Environment to deliver the contracts for the council's projects whilst ensuring compliance with the Assurance framework. 																		
Efficiency	<ul style="list-style-type: none"> A summary of the contracts arranged in the financial year 2018/19 is provided in the table below: <table border="1" data-bbox="392 560 2101 922"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> </tr> </thead> <tbody> <tr> <td>Number of contracts award via competitive tendering exercise (contract exceeding £50,000 for goods and services, £150,000 for works)</td> <td>57</td> <td>69</td> </tr> <tr> <td>Number of contracts awarded via the Quick Quote process (the thresholds applicable are goods and services £10,000 - £50,000 and £20,000 - £150,000 for works)</td> <td>105</td> <td>117</td> </tr> <tr> <td>Number of contracts awarded via a Mini Competition process from a framework contract</td> <td>16</td> <td>16</td> </tr> <tr> <td>Number of contract awards via a Direct Bid process from framework</td> <td>22</td> <td>34</td> </tr> <tr> <td>Number of exempt contracts / tenders</td> <td>17</td> <td>9</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Decline in number of exemptions to tender awarded reflecting greater forward planning and strategy development (47% reduction from 17/18 to 18/19) Increased use of framework contracts (mini competition or direct bid) – 31% increase Procurement and Commercial Improvement Program marks for implementation and exit strategies, contractual obligations and additional benefits and process automation increased from 16/17 figures Completion of stage 1 Scotland Excel service review identifying opportunities for development Participation on Core Systems Board to influence effective procurement of new system 		2017/18	2018/19	Number of contracts award via competitive tendering exercise (contract exceeding £50,000 for goods and services, £150,000 for works)	57	69	Number of contracts awarded via the Quick Quote process (the thresholds applicable are goods and services £10,000 - £50,000 and £20,000 - £150,000 for works)	105	117	Number of contracts awarded via a Mini Competition process from a framework contract	16	16	Number of contract awards via a Direct Bid process from framework	22	34	Number of exempt contracts / tenders	17	9
	2017/18	2018/19																	
Number of contracts award via competitive tendering exercise (contract exceeding £50,000 for goods and services, £150,000 for works)	57	69																	
Number of contracts awarded via the Quick Quote process (the thresholds applicable are goods and services £10,000 - £50,000 and £20,000 - £150,000 for works)	105	117																	
Number of contracts awarded via a Mini Competition process from a framework contract	16	16																	
Number of contract awards via a Direct Bid process from framework	22	34																	
Number of exempt contracts / tenders	17	9																	
Customers	<ul style="list-style-type: none"> 80% of respondees to client survey indicated satisfaction or extreme satisfaction with both the helpfulness and efficiency of the team Evaluation training carried out for departmental officers on request to assist evaluation of contracts Attendance (with Environment staff) at Meet the Buyer event in Edinburgh as part of Supplier Development programme. 																		
People	<ul style="list-style-type: none"> Staff consultation exercise conducted through Scotland Excel to prompt future service improvements 																		

Chief Executive's Office – Accountancy 2018/19

Summary	<p>Budget £1,514,400 28.6 FTE</p> <p>All statutory accounting requirements met, budget set and further progress made on updating structures, reporting, systems and processes as part of the Accountancy elements of the Council's Modern Ambitious Programme (including two key staff seconded to Core Systems). New Capital Investment Strategy introduced.</p>
Outcomes	<p>Accountancy project support for-</p> <p><u>Outcome 1</u></p> <ul style="list-style-type: none"> • financial planning of new schools, nurseries and family centres <p><u>Outcome 2</u></p> <ul style="list-style-type: none"> • financial planning of new schools, nurseries and family centres • governance of East Renfrewshire Culture and Leisure Trust <p><u>Outcome 3</u></p> <ul style="list-style-type: none"> • City deal and housing financial planning
Efficiencies	<ul style="list-style-type: none"> • Unqualified annual accounts for 17/18 with no unadjusted errors & streamlined charitable trusts format. • Closed 2017/18 accounts 2 weeks earlier & report to Audit & Scrutiny Committee before 30 June 2018. • Overall Council spend for 2018/19 within budget with surplus anticipated for year despite difficult financial situation. • Close control of budgets in year and action taken to assist 19/20 budget pressures. • Budget set despite significant financial challenges & settlement issues. Balanced budget for 2019/20 with under £6m gap for 2020/21. • Long term financial planning – Outline Financial Plan 2019-2025 produced. • Long term financial planning – New Capital Investment Strategy produced. • Major involvement in Core Corporate system change programme. • Continued improvement to reporting formats (revenue and capital) and Trust information. • New Anti Money Laundering Policy produced and implemented
Customers	<ul style="list-style-type: none"> • Overall Internal Customer satisfaction of 90%. • Anti Money Laundering training being developed. • Tailored support for Environment Department Change Programme. • Ongoing senior level support for Audit & Scrutiny Committee & Trust Board.
People	<ul style="list-style-type: none"> • Staff consulted and actively involved in change and self-evaluation projects.

Chief Executive's Office 2018/19 Year End Report: other indicators

Absence:

During 2018/19, 4.44 days per employee were lost through absence in the Chief Executive's Office, significantly below the Council target of 10.9 days per employee. This was above the 2017/18 figure (2.99 days per employee) due to a number of longer term absence within the Chief Executive's Office but an improvement from the 6.67 days per employee lost in 2016/17.

Invoice Performance:

- A total of 286 invoices were dealt with by the Chief Executive's Office in 2018/19 of which 245 were paid within 30 days giving 85.7% compared to a council wide performance of 81.4%. These figures are currently unaudited.
- Given the relatively small number of invoices to be processed it is disappointing that the level of performance is not higher and work is currently ongoing to address this for 2018/19.

LGFB Indicator - Support services as a proportion of total gross expenditure

The figure for 2017/18 was 5.3%. As in previous years, the figure for 2018/19 will not be available until late October. Please note that the figures for the two years may not be comparable as the criteria for defining a "support service" continues to change.

Freedom of Information and Subject Access Requests

- During 2018/19 the Council dealt with 1,507 requests under the Freedom of Information Scotland Act 2002 and the Environmental Information Regulations (Scotland) 2004
- 85% of requests were responded to within the statutory timescale with an average response time of 11.9 working days.
- The Chief Executive's Office dealt directly with 91 requests of which 96% were responded to within the statutory 20 working days with an average response time of 10.3 working days.
- 85 cross-departmental FOI requests were coordinated and responded to. 99% of these responses were within the statutory timescale and they had an average response time of 11.9 working days. 47 Requests under the Data Protection Acts 1998 and 2018 were received and processed by the Business Unit. This compares to 22 Subject Access Requests in 2017/18.

BLANK PAGE