

EAST RENFREWSHIRE COUNCILCABINET16 August 2018Report by Deputy Chief ExecutiveANNUAL EFFICIENCY STATEMENT 2017/18**PURPOSE OF REPORT**

1. To bring forward the Council's Annual Efficiency Statement for 2017/18.

RECOMMENDATION

2. It is recommended that Cabinet agree to approve the annual efficiency statement 2017/18 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 June 2018 Cabinet considered an update on our Modern, Ambitious Programme (MAP) and our Digital Strategy. It was noted that our programme of change had been reviewed and structured into a portfolio of 6 major programmes of change, with each consisting of a large number of projects:

- Core Systems
- Digital enablers
- 4 programmes associated with service departments

8. The main focus of work over the last year has been the Core Systems and developing our digital strategy, which be a key enabler to the departmental programmes of change.

9. Work is underway to improve the format of reporting both to the Corporate Management Team and elected members on progress with our key programmes of work.

FINANCE & EFFICIENCY

10. In addition to savings generated through MAP, the Council continues to actively review opportunities for applying efficiency savings over the whole range of its services. There is evidence in the attached efficiency statement that, through these efforts and MAP, the Council has made cash-releasing savings of £4,604,735 in 2017/18.

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

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

13. Over 70% of the savings proposed for 2017/18 were derived through efficiencies, through the Council's MAP programme or as a result of our focus on the 5 capabilities. Savings for the period 2018/2021 are already planned and have begun to be delivered. It is the Council's aim to identify at least £3m of savings per year through efficiencies or change projects. This target will be reassessed on an annual basis.

14. The Council's long term financial plan sets out key principles for budget savings:

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

CONSULTATION

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

PARTNERSHIP WORKING

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

CONCLUSION

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

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

RECOMMENDATION

19. It is recommended that Cabinet agree to approve the annual efficiency statement 2017/18 for submission to CoSLA.

Caroline Innes, Deputy Chief Executive

REPORT AUTHOR

Report author: Louise Pringle, Head of Business Change & Revenue Services with accountancy support from Laura Glassford, Finance Business Change Manager & Laura McAleese.

Cabinet contact: C'Ilr T. Buchanan, Leader, 0141 577 3107 (office), 07976 360398 (mobile)

25 July 2018

BACKGROUND PAPERS

- Update on Modern, Ambitious Programme (MAP) & Digital Strategy, Cabinet 21 June 2018 / Council 27 June 2018
- East Renfrewshire Council Workforce Plan 2018-2021, Cabinet 21 June 2018
- Best Value Assurance Report – Action Plan Update, Cabinet 26 April 2018
- Local Govt. Benchmarking Framework: 2016/17 Performance, Cabinet 5 April 2018
- Open Spaces Asset Management Plan 2018-20, Cabinet 5 April 2018
- Core Corporate Systems, Cabinet 15 March 2018
- East Renfrewshire Council – Best Value Assurance Report, Council 13 Dec 2017
- Modern, Ambitious Programme (MAP), Elected Members' Session, 13 Sept 2017
- Review of Procurement During Financial Year 2016/17, Cabinet 14 September 2017

BLANK PAGE

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2017/18

1	Local Authority Name	East Renfrewshire Council
2	Total cash efficiency achieved for 2017-18 £'000	£4,604,735
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>General</p> <p>Our latest Citizens' Panel results show that 92% of respondents are satisfied with East Renfrewshire as a place to live - up 10% since the first survey in 1998. 77% of residents are satisfied with the services that we provide - this compares very well when benchmarked.</p> <p>We operate in the context of very real service pressures from year on year increases in our population – in particular the very young and the very old.</p> <p>Over 70% of savings required for 2017/18, totalling £3.9m, have been derived from efficiencies through change and improvement. We have set ourselves challenging targets for efficiencies to help us cope with shrinking budgets. This is part of our long-term financial plan. We have a target of at least £3m a year to come from change and efficiency.</p> <p>Our vision is “a modern, ambitious Council, creating a fairer future with all”. To deliver on our outcomes, and our promise to make people’s lives better, we are developing excellence in five key areas: Prevention; Community Engagement; Data; Modernisation and Digital Services. These five capabilities are at the very heart of our programme of change – our Modern, Ambitious Programme (MAP).</p> <p>We now have a portfolio of 6 major programmes of change, each consisting of a large number of projects:</p> <ul style="list-style-type: none"> • Core Systems • Digital enablers • 4 x departmental programmes <p>Programme boards are already in place for 5 of the 6 programmes and we are now establishing a new programme board for Digital.</p> <p>Over the past year our main focal areas for MAP have been the Core Systems programme (which will see us replace our core finance/procurement and HR/payroll systems to drive cost savings and efficiencies) and our digital programme. (Further detail and examples of our digital progress can be found at: http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=22544&p=0)</p> <p>Enabling programmes for information management and property management are also under development.</p> <p>A range of service redesigns have also been completed or progressed in 2017/18. These include:</p> <ul style="list-style-type: none"> • Completion of service redesigns in Planning, Building Standards, Economic Development, City Deal & Environment Change Team, with redesigned services now aligned to strategic delivery and frontline operations. • Completion of a review of Cleansing & Waste, Parks, Countryside

Rangers, Vehicle Management with substantial targeted savings to be realised on implementation over the next year.

- Roads & Transportation and Property & Technical Services and Housing Services reviews completed and business cases are in development.
- School admin and clerical review now being implemented to realise substantial efficiencies through introduction of capabilities such as IVR call-handling; use of Parent Pay to allow online payments and minimise cash-handling; external mail for large volume runs; and use of electronic document and records management systems.
- A range of digital process reviews including Council Tax, benefits, community care grants externally and in HR internally.
- 69% of customer contact and payments are now made online or using preferred service methods (i.e. Direct Debit and Standing Order).

Procurement

- Service review of Corporate Procurement completed and has driven system and procedural efficiencies.
- Corporate Procurement worked with colleagues in Finance and ICT to successfully deliver an upgrade to our efinancial system and the implementation of a new market place which provides access to more contract catalogue content and punchout ordering.
- Implementation of an online purchasing card system replacing the manual recording of transactions by users.
- Implementation of virtual purchasing and fuel cards - a virtual card is issued to a user to facilitate an online order transaction. The introduction of fuel cards removed the manual VAT allocation process which had previously been conducted.
- A review of all contract terms has been completed to ensure robust contract conditions are in place and a new set of terms developed for consultancy contracts.
- Procurement Team and Glasgow City Region City Deal colleagues attended the national Meet the Buyer event at Hampden Park
- Procurement Team work closely with colleagues in the City Deal team to deliver a number of contracts. Procurement is represented in the Legal & Procurement workstream where we are working with the other member authorities to provide compliance with the Assurance framework.
- We are collaborating with Renfrewshire Council on contracts for Care and Repair and Full Fibre network.
- Community Benefits (CB) clauses were written into 20 Council contracts for works and services and Voluntary CBs were offered by 12 additional companies operating in the area. Headline CBs agreed in 17/18 include 5 entry level jobs, 3 new apprenticeships and £9,000 towards community initiatives.

Asset Management

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

All Asset Management Plans (AMPs) with the exception of Roads (Property, ICT, Fleet, Open Spaces, Housing) have been externally reviewed and validated and redirected into a consistent corporately agreed format. These are tied together through a Corporate Asset

Management Plan. Each asset management plan also has a risk register and an operational action plan. This process was overseen by the CAMG. All requests for capital funding require to be linked to the relevant AMP in order to demonstrate a coherent 'golden thread' with Council strategy/vision and to ensure capital requests service the wider corporate need.

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

2017-18 saw some major projects successfully completed including

- Successful completion of Faith School Joint Campus (£17.46m),
- New Auchenback Family Centre (£4.5m),
- Replacement for Barrhead High, with phase 2 for ground works underway (£7.4m & £23m DBFM revenue funded programme),
- Major improvement to Crookfur Primary School (£8.9m),
- Major maintenance capital works (£5m),
- Revenue Maintenance £2.73m (4971 orders issued) across a variety of budgets (Departmental and Client funded)

In 2018 a public consultation has been undertaken with regard to 4 options for the future of leisure provision within the Eastwood area of the Council.

Nursery provision is also a key focus and plans are in progress to meet new national targets on providing extra nursery provision. There is major Capital investment in place (£22.8m over 2018/19-2021/21) and we created 214 new nursery places in 2017/18.

Shared Services

As part of a £44m Glasgow City Region City Deal investment in East Renfrewshire, in 2017/18 our City Deal team progressed a number of major projects, including commencing construction of a new Business Centre and submission of a STAG to the Scottish Government to allow progression to design stage for a new railway station.

Our Community Safety control room provides 24/7 CCTV monitoring of 67 public space cameras, alongside alarm-receiving and call-handling operations for the telecare community alarm service, used by 2,800 residents. The telecare service is now able to prevent many unnecessary callouts to fire and rescue services as a result of false activations of smoke alarms that would have previously resulted in a 999 call-out. This is estimated to save over £555,000 per annum to the fire service, so is not included in this council AES, but is a good example of preventative work reducing costs in another part of the public sector.

Since its establishment in summer 2015, the East Renfrewshire Culture and Leisure Trust continues to perform well. Leisure Centre attendances are at five-year high, exceeding last year's figures by a further 9% or 59,000 attendances. Community Sports Development attendances remained high - over 15.6% up from 2015. A key development for the Trust over the last year has been gymnastics, which continues to grow strongly with increasing by 16.9%.

		<p>In libraries physical visits were down slightly by 4.1% on the prior year, with the closure of the Foundry accounting for around 2.6% of the overall drop. However, overall virtual visits (including social media activity) were up by 120% and total issues (including e-issues) increased by nearly 2%. Total professional theatre audiences grew 25% to 16,276.</p>
<p>4</p>	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £737,000</p> <hr/> <p>Shared Services = £210,000</p> <hr/> <p>Asset Management = £92,000</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; How Good Is Our Service self-assessments.</p>

Signed (Chief Executive or equivalent)

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

Date