

EAST RENFREWSHIRE COUNCILCABINET24 September 2020Report by Chief ExecutiveCHIEF EXECUTIVE'S OFFICE END YEAR PERFORMANCE REPORT 2019/20**PURPOSE OF REPORT**

1. The purpose of this report is to present a summary of performance of the Chief Executive's Office for 2019/20. 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 2019/20 (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 Gerry Mahon (Chief Officer - Legal)
- Internal Audit - Michelle Blair (Chief Auditor)
- Procurement Services - Debbie Hill (Chief Procurement Officer)
- Chief Executive's Business Unit – Gill Darbyshire (Chief Executive's Business Manager)

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, despite staff working from home due to COVID-19, and are still subject to external audit but at year end (2019/20) the draft accounts show spend within budget and with an overall General Fund surplus of £1.8m. 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 £9.590m as at 31 March 2020 with reserve levels at 3.8% 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 updating the Capital Investment Strategy as required by accounting regulations. We also successfully implemented the new financial system across the Council in August 2019.

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 August 2020 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.

12. Procurement have been implementing the recommendations of the Scotland Excel Procurement Review which is focused on delivering 8 inter-related projects which will move the Service towards a Strategic Procurement model to support the Council in its Strategic Commissioning ambitions. A key focus has been the implementation of new processes to identify savings opportunities and capture the benefits associated with procurement activity.

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

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

15. During 2019-20, the Council dealt with 1,257 requests under Freedom of Information and related legislation, and 82% of these requests were responded to within the statutory timescale of 20 working days. The Chief Executive's Office dealt directly with 65 Fols, 94% of which were answered within time, and 80 cross-departmental F o I requests of which 99% were responded to within the statutory period.

16. During 2019/20, 9.33 days per employee were lost through absence in the Chief Executive's Office, below the Council wide target of 10.8 days per employee.

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.

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 2019/20.

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 2019/20 (Appendix 1).

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CHIEF EXECUTIVE'S OFFICE
YEAR END SUMMARY
2019-2020

Contents:

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

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Chief Executive's Office – Internal Audit 2019/20

Summary	<p>Budget £260,000 3.7 FTE</p> <p>84% 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 48% of contingency time being used in 2019/20.</p>
Outcomes	
Efficiencies	<ul style="list-style-type: none"> • 33 reports and memos issues • 603 Audit days completed • Assurance statement for 2019/20 provided to Audit and Scrutiny Committee in August 2020. • More detailed progress reports are now submitted to the Audit and Scrutiny Committee • Internal self- assessment of compliance with PSIAS was carried out and presented to Audit and Scrutiny Committee in June 2019 which concluded that internal audit service is fully compliant with 95% of the standards. • 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 2018/19, the cost of audit per £million of net expenditure is £1,206 (2017/18 £1,204) and the productive days achieved as % productive days as per the audit plan is 96.93% (2017/18 99.79%). • 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"> • Due to Covid-19 lockdown and prioritization no user satisfaction study was issued this year. • External audit submitted a report containing comment on internal audit to Audit and Scrutiny Committee in June 2020 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	

Chief Executive's Office – Legal 2019/20

Summary	<p>Budget £472,900 7.8 FTE</p> <p>Day to day instructions to the service at large have generally remained of a consistent volume (1160 cases as opposed to 1230 last commensurate period) although demands in some particular areas of work have increased. A long term absence brought some pressure on property/contracts side of the team. Maintaining reasonable response times is again a focus for staff although new instruction sheets and regular workload meetings with relevant staff in services have assisted in work planning. Review and appeal matters under the FOI regime continues to take up a significant portion of time of 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. There has been a greater involvement of staff in working groups and sub committees across HSCP business following inspections and significant case reviews in that service. There has also been a notable increase in HR related business including tribunal work and advice.</p>
Outcomes	<p>The following are an illustrative indication of the types of work undertaken by Legal services in support of the Outcomes rather than an exhaustive list</p> <p><u>Outcome 1</u></p> <ul style="list-style-type: none"> • 9 permanency planning processes undertaken leading to permanent care solutions for children <p><u>Outcome 2</u></p> <ul style="list-style-type: none"> • 2 ASL (Additional Support for Learning) tribunals resolved to client satisfaction (100%) <p><u>Outcome 3</u></p> <ul style="list-style-type: none"> • 7 Section 75's completed to secure affordable housing and financial contributions from developers • State aid working group initiated under legal chairmanship <p><u>Outcome 4</u></p> <ul style="list-style-type: none"> • 3 properties successfully recovered on anti-social /drug / conviction grounds (100% success rate) • Successful oversight of RIPSAs inspection including preparation and drafting of revised policy and procedures <p><u>Outcome 5</u></p> <ul style="list-style-type: none"> • 6 Orders obtained under the Adult's with Incapacity legislation
Efficiency	<ul style="list-style-type: none"> • Work to the value of £1,059,000 undertaken by in house team (based on comparable private sector rates) • £36289 savings achieved as a result of income generation • Development of instruction sheets for various business matters to minimise delays • 88 new rent recovery cases initiated with 41 decrees obtained (some cases currently on hold due to restricted court operations due to Covid) • 1 commercial property recovered due to rental arrears
Customers	<ul style="list-style-type: none"> • Ongoing participation in a number of cross partner committees and sub-committees in the public protection regime eg adult care professional governance group, public protection sub group, policy and procedures subgroups (adult and child protection committees) • Training events held for child and adult care Social Workers on court skills and giving evidence. Further training developed in connection with Childcare law to be presented later in year (delayed due to Covid-19 lockdown) • Assisted Data Protection Officer to provide training in Data Protection Impact Assessments • Long term absence on the property/contracts side necessitated increased outsourcing of some of this type of work given resource demands and timeframes for completion. • Supported HSCP in responding to and meeting obligations in respect of historical Child Abuse Inquiry • Urgent production and dissemination of guidance on legal interpretation and implications of emergency Coronavirus legislation
People	<ul style="list-style-type: none"> • 100% of solicitors completed Law Society Continuing Professional Development (CPD) and received practising certificates for the current year • Quality conversations undertaken with all employees • 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 2019/20

Summary	<p>Budget £365,300 6 FTE</p> <p>A period of change and transformation for the team with the appointment of a new Chief Procurement Officer and the implementation phase of the Scotland Excel Procurement Review underway. The Service is working towards a Strategic Procurement model for procurement based on a category management approach which will support the Councils ambition for Strategic Commissioning within Services. Work is underway in key project areas of: Opportunities Assessment, Savings and Benefits; Team Development; Stakeholder Engagement and Relationships; Workload Planning; Contract and Supplier Management; Sustainable Procurement Community Benefits and “Grow Local”; Strategic Direction and Strategic Change Projects.</p>																		
Outcomes	<p><u>Outcome 1</u></p> <ul style="list-style-type: none"> Education Frameworks – working with officers in Education to review core products purchased from Framework Agreements and catalogue accessibility <p><u>Outcome 3</u></p> <ul style="list-style-type: none"> Glasgow City Region City Deal – working with officers in Environment on the commissioning and procurement of key strategic projects “Grow Local” and Community Benefits – working with Economic Development to encourage local supplier development and ensure that Community Benefits from Procurement activity are captured Sustainable Procurement – a new Sustainable Procurement policy is in place focusing on the social, economic and environmental aspects of Procurement Activity <p><u>Outcome 4 & 5</u></p> <ul style="list-style-type: none"> Social Care contract portfolio - working with officers in Health & Social Care Partnership to review contract portfolio and improve financial monitoring of providers. 																		
Efficiency	<ul style="list-style-type: none"> A summary of the contracts arranged in the financial year 2019/20 is provided in the table below: <table border="1" data-bbox="394 903 2063 1137"> <thead> <tr> <th></th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Number of Regulated Procurements</td> <td>22</td> <td>37</td> </tr> <tr> <td>Number of Contracts Awarded via Route 2 (£50,000 to £189,329 (Goods and Services), £500,000 and £4,733,251 for Works) or Route 3 (for larger contracts)</td> <td>14</td> <td>25</td> </tr> <tr> <td>Number of Quick Quotes Awarded</td> <td>71</td> <td>68</td> </tr> <tr> <td>Number of Contracts Awarded through mini-competition</td> <td>20</td> <td>25</td> </tr> <tr> <td>Number of Contracts Awarded through direct award</td> <td>13</td> <td>19</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Improved business intelligence including work towards development of a new online contracts register, harnessing the functionality from existing systems such as Public Contract Scotland, SPIKES and Council core systems. Areas for Savings Opportunities identified and new process for tracking the Benefits of procurement activity rolled out 		2018/19	2019/20	Number of Regulated Procurements	22	37	Number of Contracts Awarded via Route 2 (£50,000 to £189,329 (Goods and Services), £500,000 and £4,733,251 for Works) or Route 3 (for larger contracts)	14	25	Number of Quick Quotes Awarded	71	68	Number of Contracts Awarded through mini-competition	20	25	Number of Contracts Awarded through direct award	13	19
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Customers	<ul style="list-style-type: none"> Participation in Supplier Development Programme including “Meet the Buyer” event and “Twitter Takeover” Improved communications with internal and external customers, including building effective relationships supported by improved processes and business intelligence 																		
People	<ul style="list-style-type: none"> Council wide Staff Survey undertaken to establish Procurement Training needs across the organization Revised Internet content and working towards development of enhanced intranet content 																		

Chief Executive's Office – Accountancy 2019/20

Summary	<p>Budget £1,505,000 27.6 FTE</p> <p>All statutory accounting requirements met, budget set, new financial system implemented and further progress made on updating 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). Annual accounts for 2018/19 completed well within schedule.</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 18/19 with no unadjusted errors & streamlined charitable trusts format. • Closed 2018/19 accounts earlier than in previous years & reported to Audit & Scrutiny Committee before 30 June 2019. • Overall Council spend for 2019/20 within budget with surplus reported for year despite difficult financial situation. Draft accounts production kept on schedule despite COVID-19 impact. • Close control of budgets in year and action taken to assist 2020/21 budget pressures. • 2020/21 budget set despite significant financial challenges & late settlement issues. Balanced budget for 2020/21 but with potential £12m gap for 2021/22. • Long term financial planning – Outline Financial Plan 2020-2026 produced and Capital Investment Strategy updated. • Successful implementation of new financial system in August 2019 and ongoing involvement in remainder of Core Corporate system change programme. • Continued improvement to reporting formats (revenue and capital) and Trust information.
Customers	<ul style="list-style-type: none"> • Annual internal customer satisfaction survey not carried out due to impact of COVID-19 • Anti-Money Laundering training provided • Tailored support for various client department Change Programmes. • 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 2019/20 Year End Report: other indicators

Absence:

During 2019/20, 9.33 days per employee were lost through absence in the Chief Executive's Office, below the Council target of 10.8 days per employee. This was above the 2018/19 figure (4.44 days per employee) due to a number of longer term absence within the Chief Executive's Office.

Invoice Performance:

- A total of 245 invoices were dealt with by the Chief Executive's Office in 2019/20 of which 173 were paid within 30 days giving 70.6% below the Council-wide performance of 75.3%. 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 2020/21.

Efficiency Outcome Indicators

- Director of Finance Indicator (within the Outcome Delivery Plan) - Actual Revenue Outturn against Revised Revenue Budget.
 - The 2019/20 figure will not be available until the audit of the Council's Annual Accounts has been finalised.
- Local Government Benchmarking Framework (LGBF) Indicator - Support Services as a percentage of total gross expenditure
 - The figure for 2018/19 was 4.8% an improvement from 5.3% in 2017/18. The 2019/20 figure will not be available until late October 2020.

Freedom of Information

- During 2019/20 the Council dealt with 1,257 requests under the Freedom of Information Scotland Act 2002 and the Environmental Information Regulations (Scotland) 2004
- 82% of requests were responded to within the statutory timescale with an average response time of 13.7 working days.
- The Chief Executive's Office dealt directly with 65 requests of which 94% were responded to within the statutory 20 working days with an average response time of 11 working days.
- 80 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 12 working days.

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