

EAST RENFREWSHIRE COUNCIL

CABINET

20 August 2015

Report by Chief Executive

CHIEF EXECUTIVE'S OFFICE END YEAR PERFORMANCE REPORT 2014/15

PURPOSE OF REPORT

1. The purpose of this report is to present a summary of performance of the Chief Executive's Office for 2014/15 based on performance indicators and activities in the Outcome Delivery Plan (2014-2017) and Single Outcome Agreement (2014-15). Detailed performance results are attached in Annex 1.

RECOMMENDATIONS

2. It is recommended that Cabinet approves this report as a summary of the Chief Executive's Office's end year performance for 2014/15 (Annex 1).

BACKGROUND

3. The Chief Executive's Office led by Lorraine McMillan comprises:

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

REPORT

4. The Chief Executive's Office performed well at end year 2014/15. It has been an extremely busy period with staff involved in a variety of different projects throughout the year including the Glasgow and Clyde Valley City Deal, the Culture and Leisure Trust, the development of the Integrated Joint Board under the Health and Social Care Partnership and progress with the Council's hub schemes.

Main highlights include:

- High performing internal audit service which External Audit (Audit Scotland) placed reliance upon.
- Strong financial position in planning for 2015/16 and beyond. Accountancy met timescales for reporting and improved the amount of financial information given to Committee.
- Procurement reaching UK and Scottish finals of GO awards for innovation and team working.

- Highly regarded Legal team supporting a wide range of structure changes and large capital projects.
- Significant progress towards the modernisation of invoice processing with the implementation of a new invoice scanning and electronic document management system.

Areas for improvement

5. The Chief Executive's Office missed the 100% target to complete all performance, review and development meetings (PRD's) with staff by October 2014. However PRD's for 2015/16 have already commenced and all managers have been reminded of the importance of completing all PRD's by the August 2015 deadline.

6. The target for gathering internal customer feedback on the accountancy service was not met. However the survey was sent out in July and the results are now available.

CUSTOMER

7. A recent elected members' survey indicated positive results, with no dissatisfaction with any feature of the accountancy service. Following feedback from the survey last year, training for elected members on Capital Planning and Treasury Management was held on 15 October 2014. This training was delivered jointly by the Head of Accountancy and Capita Asset Services (the Council's treasury management advisers). There was 94% satisfaction amongst staff from across the Council with the quality of support/ advice on revenue accounting/ budget matters provided by the accountancy service.

8. There was 99% satisfaction with the quality of advice given by the procurement team to super users across the Council. Amongst lead officers after a tender exercise, 89% were satisfied with the support from the procurement team.

9. The annual legal services survey of internal customers showed 89% satisfaction with the level of service provided. Ninety-five per cent of respondents agreed that legal staff understand the issues that they face.

10. The internal audit service carried out an annual survey to find out views amongst senior management of their service. There was 95% satisfaction with their service.

11. The number of complaints received about the services from the Chief Executive's Office was very low with an overall total of four complaints in 2014/15. There was 1 for Procurement, 1 for Accountancy and 2 covering corporate issues. We continue to review all complaints against existing business practices to enable continuous improvement.

EFFICIENCIES

12. In the recently published Local Scrutiny Plan (External Audit), the Local Area Network stated that the Council continues to "*demonstrate a sound corporate governance and performance management framework.*"

13. The Council continues to monitor its financial position and the challenges to service delivery in the future from increased demand and reducing resources. The Council has identified that it needs to make savings of £22m over the next 3 years in order to bridge its identified funding gap. The Council carried out a budget engagement exercise in November 2014 and following this, £17.5m of savings proposals were ratified at the Council meeting in February 2015. The Council will seek to identify further efficiencies to close the remaining £4.5m gap by 2017/18.

14. The annual accounts are still subject to an external audit but at year end (2014/15) there was an overall surplus of £0.945m. Every general fund departments' outturn spend was within budget. The non earmarked general fund reserve balance was £8.841m as at 31 March 2015 which complied with the Council's policy of maintaining reserve levels at 4% of the annual budgeted net revenue expenditure. Therefore the Council continues to demonstrate its track record of strong financial management by maintaining its sound financial position. This will assist in taking forward necessary one-off transformation investment designed to generate ongoing revenue financial savings. As a result of the economic climate and the lack of capital receipts, it is difficult to maintain capital investment. The level of capital reserve held however will assist in maintaining the capital plan.

15. The amount and quality of financial information has been improved year on year. Elected members receive six revenue monitoring reports to Cabinet each year, setting out financial performance against budget for all services and highlighting reasons for major variances. In recent years, the frequency of year end forecast information in these reports has been increased so that the latter four reports of the year now incorporate a forecast of the year end position for each service. From 2015/16, all six reports will include forecasts of the year end position. In addition, managers receive revenue monitoring reports every four weeks to assist them in managing their budgets. Councillors also receive five capital monitoring reports to Cabinet each year. These reports set out progress both at service and individual project levels and from 2015/16 will include additional information explaining reasons for significant variances.

16. The format of the Council's accounts is updated each year to take account of the latest regulations – for example in 2013/14 individual accounts were required for all charitable trusts and in 2014/15 a management commentary will be incorporated into the main accounts volume. Furthermore, this Council has a history of recording no unadjusted errors on the accounts unlike many other councils.

17. There is evidence in the efficiency statement to be presented to Cabinet on 20 August 2015 that through reviewing opportunities for applying efficiency savings over the whole range of its services and the Public Service Excellence (PSE) programme, the Council made cash-releasing savings of £4.3m in 2014/15.

18. Early in 2015, issues were identified with some records and reconciliations relating to the Community Health and Care Partnership (CHCP). Action to improve financial controls was already underway including the implementation of a new Care Finance system designed to eliminate outdated manual processes and ensure that payments are driven by the most up to date information and are subject to robust control checks. Payment processes have been reviewed to increase controls. Implementation of the new Care Finance system is underway in phases and will be fully embedded by March 2016.

19. Significant progress has been made towards modernising invoice processing by the implementation of an electronic document management system (Info@Work). This has involved a real change to the way in which creditors staff deal with invoices. All invoices are now scanned and indexed on receipt at the creditors section. All staff have worked extremely hard to bring in this new system which also involves a performance workflow facility. This enables invoices to be dealt with in date order and will flag up items which are close to becoming overdue. Invoices received after 9 April 2015 are now on the system and can be retrieved easily by staff from any location via their desktop. The next stage of the project is to roll out Info@Work to staff in departments so they can use the system to interact directly with creditors. The percentage of invoices processed within 30 days met target for 2014/15 however this is still an area for improvement. Once the new system is fully embedded, the performance will improve further.

20. The Corporate Procurement Team is working hard to deliver the requirements of the new Procurement and Commercial Improvement Programme (PCIP) which replaces the Procurement Capability Assessment. The PCIP is a national assessment which will be relaunched shortly. The new assessment process will commence in January 2016 with completion by June 2016. Meanwhile new guidance will be issued towards the end of December and this will provide clarity on the requirements of new European Procurement legislation and the Procurement Reform (Scotland) Act 2014.

21. During 2014/15, the Council dealt with 1,024 requests under the Freedom of Information (Scotland) Act 2002 and the Environmental Information Regulations (Scotland) 2004. The Chief Executive's Office responded to 98% of FOI requests within the target time of 20 working days. There were a total of 84 FOI requests for the Chief Executive's Office which comprised Legal (49), Accountancy (11), Procurement (22) and Internal Audit (2).

22. Internal audit activity during the year was undertaken in accordance with the annual internal audit plan. The results of internal audit's progress against the annual plan was reported quarterly to the Audit and Scrutiny Committee. The 2014/15 plan was substantially completed with 96% of planned outputs delivered.

23. The strategic risk register was updated on a 6 monthly and presented to Cabinet on 26 March 2015 and Audit and Scrutiny Committee on 5 March 2015 and 25 September 2014. Operational risk registers are in place and risk management training is available from the corporate training calendar. The Corporate Risk Management Group met regularly throughout the year covering topics such as the Trust, Climate Change and Parking changes. A course on option appraisal was delivered to a range of managers across the Council and new guidance was issued to staff.

24. The Chief Executive's Office produced and updated publications aimed at residents including a new leaflet ["how much are we spending on council services?"](#) and the ["Planning for the Future"](#) report which provides key demographic trends for the East Renfrewshire area.

PEOPLE

25. In 2014/15, 9.7 days per employee were lost through absence in the Chief Executive's Office which is below the council target of 9.8 days. There were several long term absences in accountancy (4 in the final quarter) over the year. Managers continue to work closely with HR to ensure all absence reviews are carried out and that staff are effectively supported to return back to work.

26. Budget briefings were provided for all Chief Executive's Office staff (delivered by Chief Executive and Head of Accountancy) on 10 and 11th November 2014 and slides were shared on the corporate network.

27. The number of Chief Executive's Office staff accessing information digitally has increased with more staff able to access reference documents and libraries online (creditor invoices, legal, accountancy and internal audit). This has enabled staff to become more agile improving efficiency and productivity.

28. The East Renfrewshire Corporate Procurement Team was a finalist at both the Scottish GO awards ceremony on 21 October 2014 and the UK GO Awards on 26 February 2015. The [Government Opportunities \(GO\) Excellence in Public Procurement Awards](#) aim to recognise excellence within procurement and the benefits to the wider business and social community that smart, effective and sustainable purchasing can deliver. The team submitted an application providing details on a particular procurement exercise which they believed was successful due to innovative team working.

PUBLICATION OF END YEAR PERFORMANCE INFORMATION

29. A version of this report will be posted on the Council's website.

FINANCE & EFFICIENCY

30. There are no specific financial implications arising from this report. The Annual Efficiency Statement which is due to be discussed at Cabinet at this meeting will provide more detail on achievements.

CONSULTATION

31. There have been various consultations in the past year both internally and externally, including the budget engagement, licensing events/consultation on wheelchair accessible taxis, licensing policy and the taxi fare review.

PARTNERSHIP WORKING

32. This report highlights the Chief Executive's Office's contribution to the delivery of the Partnership SOA. Whilst it focuses on the Office's contribution, many of the results could not have been achieved without excellent partnership working.

IMPLICATIONS OF REPORT

33. 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 and the Single Outcome Agreement.

CONCLUSION

34. This report provides an overview of the Chief Executive's Office's performance at year end 2014/15. The Council reported an overall surplus of £0.945m and continues to maintain a prudent approach to financial management recognising the challenges to service delivery in the future from increased demand and reducing resources. The Chief Executive's Office continues to work closely with services to ensure sound governance arrangements are put in place to support changes to structures and new developments.

RECOMMENDATIONS

35. It is recommended that the Cabinet approves this report as a summary of the Chief Executive's Office's end-year performance for 2014/15 (Annex 1).

REPORT AUTHOR

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03 August 2015

KEY WORDS

This report sets out the performance at end year 2014/15 for the Chief Executive's Office. The keywords are: "Performance management, end year performance, outcomes, legal accountancy, procurement, internal audit".

Service Plan Chief Executive's Office 2014/15



Description

Chief Executive's Office

Date April 2014 - March 2015

Owner Lorraine McMillan

1.1 Brief outcome-focused summary of the service

To provide an efficient and effective Chief Executive's Office for East Renfrewshire Council.








1.2 Service profile





Staffing 78.6 FTE **Budget (Revenue Net)** £3,637,000


1.3 Summary of Services provided by Chief Executive's Office

- promote and facilitate good practice, co-ordinate joint activities between departments and monitor and report on these achievements to a range of stakeholders including the Council, the public and to various statutory bodies.
- ensuring the Council's policies are implemented efficiently and effectively and that they give best value to the council taxpayer.
- with the support of the accountancy team , manage and control the council's £234 million of expenditure.
- provision of a full range of legal services to Council and departments, including contracts, conveyancing, litigation and employment law.
- delivering procurement services across the Council, and for the improvement and modernisation of the Council's procurement activities.
- give assurance through the work of the internal audit team to management and elected members that systems and processes in place operate in an efficient and effective manner and that they ensure the integrity of transactions.
- ensuring effective and efficient risk management is in place which aids decision making and drives innovation.

| Customers | | | | | |
|---|---------|--------|---------|--------------------|---|
| Description | 2014/15 | | 2013/14 | Traffic Light Icon | Latest Note |
| | Value | Target | Value | | |
| Number complaints received CEO | 4 | N/A | 7 | | The Chief Executive's Office received 4 complaints over the year. There was 1 for Procurement, 1 for Accountancy and 2 covering corporate issues. |
| % of FOI's responded to within target (Chief Executive's Office) | 98% | 98% | 97% | | There were 84 FOI requests during 2014/15 for Chief Executive's Office (49 Legal, 22 Procurement, 11 Accountancy, 2 Internal Audit). Overall there were 1,024 requests across the Council under the Freedom of Information (Scotland) Act 2002 and the Environmental Information Regulations (Scotland) 2004. |
| Number of successful appeals (against Council) to the Scottish Information Commissioner about information requests | 0 | 0 | 0 | | There was 1 appeal and the Commissioner upheld the Council's decision. |
| % of customers satisfied with quality of advice/ support from staff on revenue accounting and budget matters | 94% | 90% | 88% | | The 2014/15 accountancy survey was issued to staff who receive accountancy support across the Council. The survey was sent out in July and the results became available in August 2015. There were 36 responses. |
| % of elected members satisfied with accountancy services financial information (budget monitoring reports and treasury information) | 100% | 100% | 100% | | 5 responses so far. Only one suggestion given which was to include a main points sheet highlighting an overall picture. |
| % overall satisfaction with quality of advice amongst superusers | 99% | 95% | 95% | | |
| % overall satisfaction with procurement amongst lead officers after tender exercise | 89% | 95% | 100% | | 8 out 9 questionnaires satisfied, 1 neutral. |
| Percentage of customer satisfaction with overall internal audit service | 95% | 95% | 100% | | |
| Customer satisfaction: percentage who are satisfied or very satisfied with level of services provided by legal services. | 89% | 89% | 87% | | |
| Customers - Number of community engagement activities carried out | 5 | | N/A | | Licensing events/consultation on wheelchair accessible taxis, licensing policy, provision, taxi fare review, budget engagement, Meet the buyer events for City Deal and Scotland Excel - suppliers had the opportunity to meet and chat to the procurement team. The Chief Procurement Officer presented to local businesses on public sector procurement at a local event organised by the Supplier Development Programme. |

| Efficiency | | | | | |
|--|---------|----------|---------|--|---|
| Description | 2014/15 | | 2013/14 | Traffic Light Icon | Latest Note |
| | Value | Target | | | |
| Outturn net expenditure within 95% to 100% of approved Revenue Budget as revised by approved in-year budget adjustments. | 97% | 95%-100% | 96.5% |  | |
| Excluding cash flow adjustments, outturn investment at service level on the General Fund Capital Programmes for 2014/15 to be within 90% and 105% of the approved programme, as revised by approved in-year adjustments. | 101% | 90%-105% | 95% |  | |
| Excluding cash flow adjustments, outturn investment at service level on the Housing Capital Programmes for 2014/15 to be within 90% and 105% of the approved programme, as revised by approved in-year adjustments. | 95% | 90%-105% | 99% |  | |
| Nil qualifications on the accounts given by External Audit | | Nil | Nil |  | The 2013/14 accounts were externally audited with nil qualifications by the end of September 2014. In line with the normal timescales, the audit of the 2014/15 accounts is underway and will be completed in September 2015. The Council usually reports on the previous year audit at year end and therefore the traffic light icon refers to the 2013/14 annual accounts. |
| SCORP08: Percentage of invoices sampled that were paid within 30 days % | 84.6% | 84% | 79.5% |  | The target was met for 2014/15 for invoice processing. All processes within creditors and within departments for dealing with invoices are currently being reviewed and improved as part of the implementation of a new electronic document management system. Already this has led to an improvement in the payment of local suppliers. We will continue to embed this modernised system during 2015/16. |
| Overtime payments made during the financial year (Chief Executive's Office) | £713.00 | | £446.00 |  | £361 creditors overtime for April 2014, £352 Procurement (Environment year end work) |
| Actual direct audit days as % of planned direct audit days per plan. | 98% | 100% | 92% |  | |

| People | | | | | |
|--|---------|--------|---------|---|--|
| Description | 2014/15 | | 2013/14 | Traffic Light Icon | Latest Note |
| | Value | Target | Value | | |
| Absence Chief Executive's Office- days lost per employee | 9.68 | 9.8 | 8 |  | For 2014/15, 9.68 days were lost per employee which met the target. There were several long term absences in accountancy (4 in the final quarter). |
| % Performance Review and Development carried out within October timescale | 90% | 100% | N/A |  | All staff with the exception of 2 teams in Accountancy received a PRD by the October deadline for the 2014/15 period. For 2015/16, PRD's have already commenced and all managers have been reminded of the importance of completing all PRD's by the August 2015 deadline. |
| Corporate staff survey- chief executive's office: 'I would recommend the Council as a good place to work' - Percentage of employees who agreed or strongly agreed. | 66% | | N/A |  | The Chief Executive's Office was only formed in 2014, therefore the results cannot be compared with previous years. An action plan is in place to address the staff survey results. |
| Corporate staff survey- chief executive's office: 'I know my job contributes to the Council's objectives' - Percentage of employees who agreed or strongly agreed. | 80% | | N/A |  | The Chief Executive's Office was only formed in 2014, therefore the results cannot be compared with previous years. . An action plan is in place to address the staff survey results. |

| Financial Performance | | | |
|---|-------------|---|---|
| Description | Due Date | Progress Bar | Latest Note |
| An overview of revenue and capital expenditure, reporting by exception on any budgetary or project over or underspends. In addition there should be a brief statement on the overall budgetary position for the department. | 31-Mar-2015 |  | Final figures showed all departments have been managed within their operational budgets. Before transfers to reserves the year end surplus position improved to £4.36m. The Chief Executive's Office made up £0.1m of that balance. |