

EAST RENFREWSHIRE COUNCILCABINET7 September 2023Report by Chief ExecutiveCHIEF EXECUTIVE'S OFFICE END YEAR PERFORMANCE REPORT 2022/23**PURPOSE OF REPORT**

1. The purpose of this report is to present a summary of performance of the Chief Executive's Office for 2022/23. This is presented at Appendix 1.

RECOMMENDATION

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 2022/23 (Appendix 1).

BACKGROUND

3. The Chief Executive's Office, led during 2022/23 by Lorraine McMillan, comprises the following governance functions:

- Accountancy Services - Margaret McCrossan (Head of Accountancy and Chief Financial Officer)
- Legal Services - Gerry Mahon (Chief Officer - Legal)
- Internal Audit - Michelle Blair (Chief Auditor)
- Corporate Procurement - Debbie Hill (Chief Procurement Officer)
- Chief Executive's Business Unit - Gill Darbyshire (Chief Executive's Business Manager)

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

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 Health and Social Care Partnership (HSCP).

6. It has been another challenging year across the Council and services within the Chief Executive's Office have been no exception. Teams have adapted to new hybrid ways of working and as a result services across the Chief Executive's Office are now operating in a different way than before Covid-19 but provide the same high quality and professional support with all services resumed.

7. 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.

8. The annual accounts were produced within statutory timescale, with staff having adapted well to hybrid working during the year. The accounts are still subject to external audit but at year end (2022/23) the draft accounts confirm that overall net expenditure was kept within budget as management action and strike savings helped to cover the severe inflationary pressures experienced. The overall General Fund surplus was £51.997m (2021/22)

£46.189m), however, this includes £8.562m (2021/22 £14.085m) of Covid Grant funding to be carried forward to meet Covid-19 pressures in 2023/24.

9. The non-earmarked general fund reserve balance (which does not include the COVID grants mentioned above, or other earmarked funds) was £6.541m as at 31 March 2023 (2021/22 £11.777m). This represents 2.3% (2021/22 4.4%) of the annual budgeted revenue expenditure with the normal recommended range lying between 2 and 4%.

10. 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, in addition to compiling 3 year budget and savings figures in advance of setting the 2023/24 budget in March 2023.

11. Legal Services continued to experience high workload demands and despite the loss of two staff members (one long terms absence and the other a departure to a promoted post elsewhere) concluded approx. £952,500 worth of legal work during the reporting period, based on comparable private sector charging rates. Pressure of work again remained high given the reactive nature of much of the team's business and the staff shortages experienced at various points in the year (mentioned above). The service again saw a consistent workload arising from social work legislation including guardianships and interventions under the Adults with Incapacity (Scotland) Act and permanence processes relating to looked after children. The team were also involved in a number of planning appeals, employment tribunal proceedings and legal actions to remove land from the Common Good and to terminate leases in order to recover property for educational use. General advice work across all client services again took up a significant portion of staff time while long term involvement in a number of contractual processes (such as Neilston Campus and Aurs Road developments) continued. The Chief Officer also handled 31 FOI reviews and 2 appeals during the period and oversaw the preparations for the positive inspection of the Council's surveillance activities by the Investigatory Powers Commissioners.

12. Procurement continues to experience high workload demands whilst delivering a strategic service across the Council making well informed, evidence-based decisions about the most appropriate options for change, and then supporting the effective implementation of that change to ensure the required benefits are achieved. We have increased the visibility of procurement, reviewing and refreshing our existing engagement with key stakeholders internally and externally, mitigating risks, exploiting opportunities and working collaboratively across the business and the public sector. Procurement continue to closely monitor the impact of global events ensuring stakeholders are informed on the supply chain impact, market pricing and supplier sustainability to provide best and added value for the organisation.

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. The Council dealt with 1364 requests under the Freedom of Information Act and associated Environmental Information Regulations, responding to 93% within the statutory period. The Chief Executive's Office dealt directly with 69 requests and with 81 cross-departmental requests. In addition, the Business Unit administered 72 Subject Access Requests under the Data Protection Act.

PUBLICATION OF END YEAR PERFORMANCE INFORMATION

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

FINANCE AND EFFICIENCY

16. There are no financial implications arising from this report.

PARTNERSHIP WORKING

17. 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

18. As this report is primarily a progress and performance update, there are no 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

19. This report provides an overview of the Chief Executive's Office's performance at year end 2022/23.

RECOMMENDATIONS

20. 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 2022/23 (Appendix 1).

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CHIEF EXECUTIVE'S OFFICE
YEAR END SUMMARY
2022-2023

Contents:

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

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Chief Executive's Office – Internal Audit 2022/23

Summary	<p>Budget £285,000 4.7 FTE (2 FTE posts vacant throughout most of 2022/23)</p> <p>19 reports and memos issued to date. Six audits were deferred to the 2023/24 audit plan. Seven audits are still currently in progress. Several pieces of unplanned work carried out resulting in 47% of contingency time being used in 2022/2023.</p>
Outcomes	
Efficiencies	<ul style="list-style-type: none"> • 483 audit days completed which was 71% of planned direct audit days. • Internal self- assessment of compliance with PSIAS was carried out and presented to Audit and Scrutiny Committee in August 2021 which concluded that internal audit service is fully compliant with 95% of the standards and partly compliance with a further 4%. An external assessment of PSIAS compliance which is required every 5 years is currently in progress. • 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 2021/22, the cost of audit per £million of net expenditure is £992 (2020/21 £908) and the productive days achieved as % productive days as per the audit plan is 81.1% (2020/21 71.2%). The figures for 2022/23 are not yet available. • 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
Customers	<ul style="list-style-type: none"> • Internal audit completed two audits for East Renfrewshire Culture and Leisure Trust during 2022/23 which delivered the days as specified in the SLA. • Internal audit attended the Integration Joint Board Performance and Audit Committee and audit recommendations relating to IJB and HSCP were submitted. An Annual report for IJB was submitted in November 2022. • 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	<ul style="list-style-type: none"> • Reduced audit days available due to two vacant posts and significant recruitment challenges remain.

Chief Executive's Office – Legal Services 2022/23

Summary	<p>Budget £477,000 7.8 FTE</p> <p>The period saw an increase in the volume and scope of instructions from client services. While the team worked on a hybrid basis, court and tribunal practice returned to in person hearings and physical attendance following on-line processes during the Covid period. Significant contract and conveyancing work was conducted in relation to the Aurs Road and Neilston Leisure Campus developments amongst others and officers were also heavily involved in the development of management rules for various Council and Trust premises and the handback preparations for the schools PFI contracts. Workload remained high (approx. 900 separate instructions from client services) and demands on staff increased due to the long term absence of one team member throughout the period and the departure of another to a promoted post in December 2022. Further steps were taken to enhance online resources in light of the corporate move to hybrid working. FOI work continued to take up a significant portion of time of the Chief Officer (31 review cases and 2 appeals addressed in the last year). As in previous years, there has been continued involvement of staff in the public protection agenda whilst the Chief Officer has also undertaken an ongoing role in connection with the Child Abuse Inquiry as well as facilitating the successful inspection of the Council's surveillance practice by the Investigatory Powers Commissioners.</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"> • Assisted in 9 permanency planning processes undertaken leading to permanent care solutions for children (6 last year) • Legal attendance, advice and assistance provided to monthly adoption and fostering panel in respect of permanency decision <p><u>Outcome 2</u></p> <ul style="list-style-type: none"> • 5 placing request litigations undertaken on behalf of Education (2 last year) <p><u>Outcome 3</u></p> <ul style="list-style-type: none"> • 4 Section 75's completed to secure affordable housing and financial contributions from developers (4 last year) • Settlement in relation to 7 affordable houses at Maidenhill with preparatory work concluded for a further 15 (due to settle in July 22); <p><u>Outcome 4</u></p> <ul style="list-style-type: none"> • 4 properties successfully recovered on anti-social /drug / conviction grounds (compared to 3 last year) <p><u>Outcome 5</u></p> <ul style="list-style-type: none"> • 14 Orders obtained under the Adult's with Incapacity legislation (19 last year)
Efficiency	<ul style="list-style-type: none"> • Work to the value of £925,000 undertaken by in house team (based on comparable private sector rates (£950,000 last year) • 18 charging orders recorded to ensure recovery of care home interim funding (22 last year) • New rent recovery cases initiated following the lift on eviction ban
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) • Safeguarding Children training events run for HSCP staff • Data Protection training provided to HSCP staff – health and SW • Participation in monthly mental health officers forum • Continuing support to HSCP in responding to and meeting obligations in respect of historical Child Abuse Inquiry • Production and dissemination of guidance on legal interpretation and implications of changing Coronavirus legislation • Conducted 31 statutory Fol reviews and 2 appeals (27 and 3 respectively last year) • Training to elected members on Education Appeals Committees, Code of Conduct, Civic and Liquor licensing and signing duties
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 • All employees actively involved in networking opportunities via the Society of Local Authority Lawyers & Administrators in Scotland (SOLAR)

Chief Executive's Office – Corporate Procurement 2022/23

Summary	<p>Budget £311,000 6 FTE</p> <p>The Procurement team operate strategically across the Council and are committed to supporting local suppliers and partner providers by following the Government's procurement guidance by supporting supply chain resilience and working proactively with suppliers and key partners such as Scotland Excel, Scottish Government, NHS and COSLA to closely monitor the impact of Covid-19 recovery and other global events including conflict in Russia and Ukraine. Work has continued across the Council to understand project pipelines ensuring contingency and preparedness for immediate response with stakeholder engagement undertaken for all contracts to understand if the requirement is essential, and that the marketplace is able to submit a response which is sustainable A number of work packages have been successfully implemented, including: Standard Operating Procedures, Online Contracts Register, Training on new Corporate Contract and Supplier Management process, P2P Group, Grow Local, Housing portfolio review delivering improved procurement practice and savings.</p>																	
Outcomes	<p><u>Outcome 1 & 2</u></p> <ul style="list-style-type: none"> Education Frameworks – working with officers in Education to review tendering pipeline, core products and catalogue accessibility. (Framework = an agreement between one or more contracting authorities and one or more suppliers, the purpose of which is to establish the terms governing contracts to be awarded during a given period) <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 Wealth Building– working with Economic Development and Scotland Excel to support local supplier development Climate Change – Supporting the Councils agenda by including screening questions in contract documentation to influence the emerging climate change emergency such as plastic reduction, circular economy, carbon accounting and improvement plans. Sustainable Procurement – The use of the single procurement self-declaration document to ensure suppliers and their supply chain are compliant with the Human Trafficking and Exploitation Act 2015, Modern Slavery Act 2015, Prompt Payment and they not have breached any obligations in the fields of environmental, social or labour law. <p><u>Outcome 4 & 5</u></p> <p>Social Care contract portfolio - working with officers in Health & Social Care Partnership to deliver strategic contracts that include the views of service users.</p>																	
Efficiency	<ul style="list-style-type: none"> Harnessing the functionality of procurement advertising systems Public Contracts Scotland, Public Contracts Scotland Tender, spend intelligence tool - SPIKES and Council core systems. Improved business intelligence including implementation of online contracts register 																	
Customers	<ul style="list-style-type: none"> A summary of the contracts arranged in the financial year 2022/23 is provided in the table below: <table border="1" data-bbox="275 1058 1944 1257"> <thead> <tr> <th></th> <th>2021/22</th> <th>2022/23</th> </tr> </thead> <tbody> <tr> <td>Number of contracts via route 2 - £50,000 to £189,329 (Goods and Services), £500,000 - £4,733,251 (Works) or Route 3 - values above the noted thresholds</td> <td>30</td> <td>24</td> </tr> <tr> <td>Number of Quick Quotes (contracts £10k-£50k Goods & Services, £20k-£500k Works)</td> <td>57</td> <td>28</td> </tr> <tr> <td>Number of Mini-Competition (contracts placed via a Framework Agreement where best value supplier is identified)</td> <td>15</td> <td>19</td> </tr> <tr> <td>Number of Direct Award (contracts agreed without competition via approved Framework)</td> <td>24</td> <td>43</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Increased use of Direct Award under Framework agreements giving greater cost certainty, early supplier engagement, time and cost savings. Participation in Supplier Development Programme including “Meet the Buyer” and “Twitter Takeover” Improved communications with internal and external customers, including building effective relationships & evaluation training supported by the Supplier Development Programme. Procurement Intranet content updated to support officers with Specification Writing, Framework Guidance and Tendering Procedures Integra Super User network in place and Purchase to Pay working group & newsletter to support knowledge sharing and lessons learned Online procurement training sessions delivered including Introduction to Procurement, Quick Quote – (£10k-£50k Goods & Services, £20k-£500k Works), Tendering (>£50k Goods & Services, >£500k Works) and Standing Orders Relating to Contracts 				2021/22	2022/23	Number of contracts via route 2 - £50,000 to £189,329 (Goods and Services), £500,000 - £4,733,251 (Works) or Route 3 - values above the noted thresholds	30	24	Number of Quick Quotes (contracts £10k-£50k Goods & Services, £20k-£500k Works)	57	28	Number of Mini-Competition (contracts placed via a Framework Agreement where best value supplier is identified)	15	19	Number of Direct Award (contracts agreed without competition via approved Framework)	24	43
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Chief Executive's Office – Accountancy Services 2022/23

Summary	<p>Budget £1,463,000 25.5 FTE</p> <p>Staff moved successfully to hybrid working during the year. Statutory accounting requirements were met, budget set, further progress made on updating systems and processes as Accountancy's part of the Council's Digital Transformation, and all additional demands of COVID reporting met. Annual accounts for 2021/22 were completed within schedule and awarded an unqualified audit certificate. Progress on 2022/23 accounts is on schedule.</p>
Outcomes	<p>In addition to addressing COVID related financial information demands, Accountancy project support was provided 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 and leisure facilities <p>governance of East Renfrewshire Culture and Leisure Trust</p> <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"> • Closed 2021/22 accounts on time and reported to Audit & Scrutiny Committee before 30 June 2022. • External audit completed on time, confirming unqualified annual accounts for 2021/22 with no unadjusted errors. • Overall Council spend for 2022/23 within budget with all pressures covered by management action and COVID Government grant. • Draft 2022/23 accounts production on schedule. • Close control of budgets in year with reporting to Councillors, COSLA and Scottish Government throughout. Management action taken to assist in meeting severe inflationary pressures. • 2023/24 budget balanced despite significant financial challenges, late settlement & COVID uncertainties. 3 year savings plan published. • Long term financial planning – Outline Financial Plan 2023-2029 produced and Capital Investment Strategy updated. • Ongoing enhancements to new financial system progressed, including improvement to reports, processes and Trust information. • Director of Finance (DoF) Indicator: Uncommitted General Fund as % of revenue budget 2.3% (2021/22 4.4%) • DoF Indicator: Outturn as % of budget 93.7% (2021/22 99.46%) • Service restructure completed December 2022, delivering increased resilience and some staff savings.
Customers	<ul style="list-style-type: none"> • Tailored support for a range of internal and external COVID related demands as well as various service initiatives. • Ongoing senior level support for Audit & Scrutiny Committee & Trust Board.
People	<ul style="list-style-type: none"> • Frequent regular online communications established for all Accountancy teams • Staff consulted and actively involved in change and self-evaluation projects.

Chief Executive's Office 2022/23 Year End Report: Other indicators

Absence:

Absence data for 2022/23 is not yet available.

Purchasing:

Following a review of the PI methodology the 2022/23 PI (previously communicated as 87.3%) has been revised to 89.3%. The new PI methodology measures the number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid. Procurement card transactions are excluded. This methodology is in line with the Local Government Benchmarking Framework (LGBF) guidance, and brings ERC into line with other Scottish Councils. The following table provides the updated PI for 2022/23:

Department	Volume of Accounts Payable Invoices Paid	Volume Paid within 30 days	Reported PI
Chief Executive's Office	211	207	98.1%

ePay cards - A total of 237 ePay card requests were received and dealt with by the Team. The Department of Education is the most frequent user of ePay card purchases. A discussion has recently taken place with the Business Process and Systems Team to seek to create an eform on Integra to request an ePay card. This improvement would streamline the authorisation process at both initial stage and with secondary authorisation by the Category Managers.

Procurement cards - The team continue to manage the administration of the council's procurement cards including raising a further 37 new cards in 2022/23. A new contract for this work has been put in place to support this area of work.

Complaints:

A total of 2 complaints were received by Chief Executive's Office in 2022/23 (5 in 2021/22).

Information Provision:

	Fol requests (Council)	Fol requests (Chief Executive's Office)	Fol requests (Cross-dept. requests)
Volume	1364 (1140 in 21/22)	69 (72 in 21/22)	81 (54 in 21/22)
Proportion answered within statutory timescale	93% (83% in 21/22)	94% (86% in 21/22)	98% (100% in 21/22)

The Chief Executive's Business Unit administered 72 Subject Access Requests (SARs) under the Data Protection Act and a further 25 requests for personal data which were not identified as SARs but had still to be dealt with in a sensitive and appropriate manner.