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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 November 2013</b>
<b>Report By:</b>	<b>Acting Corporate Director, Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>2013/PR/AP01</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>712038</b>
<b>Subject:</b>	<b>Annual Update in respect of Governance of External Organisations</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide the annual update in respect of the governance of external organisations and to propose changes to the scoring matrix.

## **2.0 SUMMARY**

- 2.1 In May 2011, the Council approved a risk based approach to the governance of those external organisations with whom the Council had a significant financial relationship.
- 2.2 As part of the approved framework, reports are to be presented to the relevant Service Committee throughout the year giving updates and assurances in terms of performance and governance whilst an annual report is presented to the Policy & Resources Committee summarising progress and highlighting any areas of concern.
- 2.3 After two years of operation, it is appropriate that a review is taken of the framework and recommendations in this regard are included in the report.
- 2.4 Overall, the Council's approach to the governance of external organisations is progressing well with Service Committees commenting positively on the information provided. In addition, the Council's External Auditors also recognise the value in this exercise and will be carrying audit follow-up work in this area during the next year.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the 2013 performance in respect of the governance of external organisations as show in Appendix 1.
- 3.2 It is recommended that the Committee approve the amended scoring matrix shown in Appendix 2.
- 3.3 It is recommended that the Committee approve the list of external organisations that will form part of this framework for 2014 as shown in Appendix 3.

## **4.0 BACKGROUND**

- 4.1 In May 2011, the Committee approved a framework for monitoring the governance of key external organisations with whom which the Council has a significant financial relationship.
- 4.2 The purpose of this framework was to provide a formal mechanism for feeding back to the relevant Committee on the organisations' performance and to highlight any issues in respect of governance, financial stability or overall performance. This approach was recognised by the Council's External Auditors at the time as being an example of good practice.
- 4.3 After almost two years, the process has become embedded in most areas of the Council and the Corporate Management Team have been keeping an overview of compliance with the framework.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows the position of the 2013 organisations from where it can be seen that for the vast majority of organisations the framework has been fully adhered to. In a small number of cases, meetings and reporting are yet to take place but commitments have been given that this will happen prior to the end of January 2014.
- 5.2 It is appropriate that after almost two years of operation, the framework and process be reviewed and this has been done by the Procurement Board including clarification on the type of operation monitored under this arrangement.
- 5.3 The main areas of change have been to simplify the scoring matrix by clarifying the procurement route and to simplify the scoring in respect of member/officer representation or attendance at Board meetings. The net result of these discussions is shown at Appendix 2 and it is proposed that subject to Committee approval, that the amended scoring matrix be used from 2014.
- 5.4 On the basis that the scoring matrix is approved, then Appendix 3 gives the list of the organisations and lead Directorates for 2014.

## **6.0 CONCLUSIONS**

- 6.1 The Council's approach to the governance of external organisations is working well and in the small number of areas where implementation has been slower then action has been taken to catch up in 2013.
- 6.2 In order to provide greater transparency, the scoring matrix has been reviewed.
- 6.3 External Audit have indicated that they will be looking at this area as part of their 2013/14 audit.

## **7.0 IMPLICATIONS**

- 7.1 Finance – No comments.
- 7.2 Legal – No comments.
- 7.3 Repopulation – whilst there are no direct impacts in respect of repopulation, the Council's approach to the governance of external organisations should provide early warnings of organisations in distress and therefore provide greater stability to these organisations with a resultant impact on job security.

<u>Organisation Name</u>	<u>11/12 Spend</u>	<u>Service</u>	<u>Last Governance Monitoring Date</u>	<u>Nature of Payment</u>	<u>Total</u>
ICDT LTD	£2,331,450.46	CHCP	Quarterly meetings being reported	Commissioning Informal	27
CARE CONCERN LIMITED	£692,343.00	CHCP	08/10/2013	Commissioning Informal	27
MILLPORT CARE CENTRE	£324,859.00	CHCP	29/10/2012	Commissioning Informal	27
INVERCLYDE CARERS CENTRE LTD	£140,280.00	CHCP	04/06/2013	Grant	27
PARKLEA ASSOCIATION	£136,432.00	CHCP	31/10/2012	Grant	27
INVERCLYDE LEISURE	£2,175,142.33	E&C	26/10/2013	Grant	26
RIVERSIDE INVERCLYDE	£2,026,482.59	E&R	13/09/2013	Grant	26
INVERCLYDE ASS FOR MENTAL HEALTH	£520,122.54	CHCP	29/01/2013	Grant/ Commissioning Formal/Informal	26
BALCLUTHA COURT	£1,461,691.00	CHCP	26/08/2013	Commissioning national rates	25
FLAGSHIP TOWER (GREENOCK) LIMITED	£1,129,217.00	CHCP	03/09/2013	Commissioning national rates	25
GREENOCK MEDICAL AID SOCIETY	£1,020,992.00	CHCP	13/09/2013	Commissioning National rates	25
MEALLMORE LODGE LIMITED	£948,362.00	CHCP	19/09/2013	Commissioning national rates	25
ALT-NA-CRAIG LIMITED	£674,718.00	CHCP	13/09/2013	Commissioning National rates	25
RIVENDELL CARE HOMES LIMITED	£276,249.00	CHCP	Now in administration - last meeting 07/02/2013	Commissioning national rates	25
CALADH HOUSE ASSOCIATION	£225,748.70	CHCP	postponed until new provider is in place	Commissioning Informal	25
ICCF	£183,315.00	CHCP	16/09/2013	Commissioning Informal	25
EVERGREEN HOME SUPPORT	£151,686.00	CHCP	03/10/2013	Commissioning Formal/ Informal	25
INVERCLYDE WOMENS AID	£131,220.00	CHCP	12/09/2013	Commissioning Informal	25
SIR GABRIEL WOOD'S MARINERS HOME	£562,385.00	CHCP	14/10/2013	Commissioning Formal/Informal	24
IVCSS	£128,356.40	CHCP	Meetings not taking place but will be scheduled	Grant	24
THE KILMACOLM NEW COMMUNITY CENTRE COMPANY LTD	£127,816.06	E&C	Meetings not taking place but will be scheduled	Grant/ Commissioning informal	24
QUARRIERS	£3,353,255.81	CHCP	03/09/2013	Commissioning Formal/Informal	22

RIVER CLYDE HOMES	£1,568,746.06	CHCP	07/11/2013	Grant	22
MARGARET BLACKWOOD HOUSING ASS	£456,735.00	CHCP	03/09/2013	Commissioning Informal	22
CLOCH HOUSING ASSOCIATION LTD	£310,894.69	CHCP	01/08/2013	Commissioning Informal	22
STEPWELL CONSULTANCY LTD	£94,240.29	E&R	Quarterly meetings being reported	Commissioning Informal	22
TREE TOPS COMMUNITY NURSERY	£79,417.72	E&C	27/08/2013	Grant	22
KINCAID HOUSE	£1,527,987.00	CHCP	19/09/2013	Commissioning national rates	20
ALLIED HEALTHCARE GROUP LIMITED	£917,068.00	CHCP	03/10/2013	Commissioning Informal	20
BARNARDOS SCOTLAND WEST OFFICE	£346,983.25	CHCP	09/03/2014	Commissioning Informal	20
SPARK OF GENIUS	£306,905.00	CHCP	Was under education and hence no CHCP info	Commissioning Informal	20
MUIRSHIEL	£277,602.00	CHCP	23/01/2013	Grant	20
CAPABILITY SCOTLAND	£251,879.78	CHCP	28/10/2013	Commissioning Informal	20
SOLAS INSULATION LTD	£217,335.00	E&C	Now in liquidation	Grant	20
CONFIDENT CARE LTD	£209,591.09	CHCP	03/10/2013	Commissioning Informal	20
YOUTH CONNECTIONS	£130,305.40	E&C	04/10/2013	Commissioning Informal	20
ALZHEIMER SCOTLAND	£116,970.00	CHCP	16/09/2013	Grant	20
UNITY ENTERPRISE	£102,407.86	CHCP	01/08/2013	Grant	20
KEY HOUSING ASSOCIATION LTD	£1,197,727.00	CHCP	05/09/2013	Commissioning Formal	18
HC One (took over from Southern Cross)	£1,055,385.06	CHCP	23/09/2013	Commissioning national rates	18
KARMA HEALTHCARE	£523,170.93	CHCP	03/10/2013	Commissioning Informal	18
LITTLE SISTERS OF THE POOR	£398,945.00	CHCP	14/10/2013	Commissioning national rates/Informal	18
ERSKINE HOSPITAL	£271,015.85	CHCP	out of area placement not normally monitored	Commissioning national rates	18
CAREWATCH (INVER & NTH AYRSH)	£195,737.00	CHCP	03/10/2013	Commissioning Informal	18
TRUST HOUSING ASSOCIATION LTD	£192,382.11	CHCP	11/10/2013	Commissioning Informal	18
CRAEGMOOR HEALTHCARE	£147,982.00	CHCP	decommissioned service	Commissioning Informal	18
CASTLEBECK CARE (TEESDALE) LTD	£121,011.00	CHCP	22/10/2013	Commissioning Informal	18
HANSEL ALLIANCE	£98,036.21	CHCP	01/12/2013	Commissioning Informal	18
BIELD HOUSING ASSOCIATION	£58,081.78	CHCP	02/10/2013	Commissioning Informal	18
THORNTOUN LTD	£53,535.26	CHCP	11/09/2013	Commissioning Informal	18
JAMES WATT COLLEGE NURSERY	£21,664.80	E&C	27/08/2013	Grant	18

THE RICHMOND FELLOWSHIP SCTLND	£1,281,111.62	CHCP	12/09/2013	Commissioning Formal	16
SCOTT ASSOC FOR MENTAL HEALTH	£751,266.06	CHCP	06/12/2013	Commissioning Formal	16
TURNING POINT SCOTLAND	£723,446.26	CHCP	16/09/2013	Commissioning Formal	16
THE GRAND LODGE OF SCOTLAND	£184,816.00	CHCP	07/10/2013	Commissioning national rates	16
ARDFERN LEARNING CENTRE	£117,175.00	E&C	21/05/2013	Commissioning Informal	16
THE ABBEYFIELD STRATHGRYFFE SOC LTD	£92,233.00	CHCP	12/09/2013	Commissioning National Rates	16
INVERCLYDE COUNCIL ON DISABILITY	£74,251.83	CHCP	18/09/2013	Commissioning Informal	16
NAS SERVICES LIMITED	£67,177.67	CHCP	no longer in use	Commissioning Informal	16
MADEIRA NURSERY	£38,588.64	E&C	27/08/2013	Grant	16
CORNERSTONE COMMUNITY CARE	£37,046.49	CHCP	18/09/2013	Commissioning Informal	16
MCFARLANE HOMES	£35,068.81	CHCP	01/09/2013	Commissioning Informal	16
CORBENIC CAMPHILL COMMUNITY	£34,954.14	CHCP	17/09/2013	Commissioning Informal	16
WRVS	£30,272.50	CHCP	18/08/2013	Grant	16
GLENCAIRN NURSERY	£25,581.60	E&C	27/08/2013	Grant	16
WELLINGTON PRE-FIVE NURSERY	£25,302.55	E&C	27/08/2013	Grant	16
TODHILL FARM TRAINING HOME LTD	£24,685.96	CHCP	01/08/2013	Commissioning Informal	16

External Organisations Governance

Matrix

1/	<u>Annual Payment to the Organisation (Ex-Vat)</u>	<u>Points</u>
	Payment over £250,000	6
	Payment £50,000 to £250,000	4
	Payment £20,000 to £49,999	2
	Payment £19,999 and below	Exclude
2/	<u>Proportion of turnover funded by Council</u>	<u>Points</u>
	51% to 100%	8
	26% to 50%	6
	10% to 25%	4
	Below 10%	2
3/	<u>Nature of Payment to Organisation</u>	<u>Points</u>
	Grant – No SLA	8
	Grant – With SLA	6
	Commissioned – No Tender	6
	Tendered	4
4/	<u>Council Representation at Meetings</u>	<u>Points</u>
	No Council Presence	6
	Member on Board	4
	Officers attendance allowed	2

Governance Oversight

Points

- |             |   |
|-------------|---|
| 20 plus     | <ul style="list-style-type: none"> <li>a) Annual Accounts received by Service and reviewed by Finance.</li> <li>b) Briefing prepared where appropriate for Council Board Member in advance of any Board Meetings.</li> <li>c) Post Board meeting briefing notes prepared by attendee for Corporate Director, Head of Service, Finance and Procurement.</li> <li>d) Half yearly documented Governance meetings with organisations.</li> <li>e) Annual Committee report covering performance and quality issues.</li> </ul> |
| 19 - 16     | <ul style="list-style-type: none"> <li>a) As above</li> <li>b) Optional</li> <li>c) Optional</li> <li>d) Annual documented Governance meetings</li> <li>e) As above</li> </ul>  |
| 15 or Under | <ul style="list-style-type: none"> <li>a) No action</li> </ul>  |

Note: The above are the minimum requirements however Services may decide on more frequent meetings / reporting based on specific risks / intelligence.

<u>Organisation Name</u>	<u>2012/13 Spend</u>	<u>Service</u>	<u>Governance Monitoring Date</u>	<u>Nature of Payment</u>	<u>Total</u>
CARE CONCERN LIMITED	£617,878.00	CHCP	08/10/2013	Commissioned No Tender	26
INVERCLYDE CARERS CENTRE LTD	£127,070.00	CHCP	04/06/2013	Grant	26
MILLPORT CARE CENTRE	£301,453.00	CHCP	29/10/2012	Commissioned No Tender	26
MUIRSHIEL	£212,449.35	CHCP	23/01/2013	Grant	26
PARKLEA ASSOCIATION	£85,817.00	CHCP	31/10/2012	Grant	26
ALT-NA-CRAIG LIMITED	£663,619.00	CHCP	02/11/2012	Tendered (National rates)	24
BALCLUTHA COURT	£1,246,045.37	CHCP	15/01/2013	Tendered	24
CALADH HOUSE ASSOCIATION	£168,213.96	CHCP	Postponed until new provider is in place	Commissioned No Tender	24
EVERGREEN HOME SUPPORT	£171,347.36	CHCP	03/10/2013	Commissioned No Tender	24
FLAGSHIP TOWER (GREENOCK) LIMITED	£986,584.29	CHCP	26/10/2012	Tendered (National rates)	24
GREENOCK MEDICAL AID SOCIETY	£874,891.37	CHCP	13/09/2013	Tendered (National rates)	24
ICCF	£135,994.00	CHCP	22/02/2013	Commissioned No Tender	24
INVERCLYDE ASS FOR MENTAL HEALTH	£513,879.39	CHCP	29/01/2013	Grant/Commissioned - No Tender	24
INVERCLYDE WOMENS AID	£101,087.60	CHCP	12/09/2013	Commissioned No Tender	24
ICDT LTD	£1,827,120.00	E&R	1/4 meetings reported to committee	Tendered	22
INVERCLYDE LEISURE	£2,208,945.25	E&C	26/10/2013	Grant	22
MARGARET BLACKWOOD HOUSING ASS	£476,370.63	CHCP	19/10/2012	Commissioned No Tender	22
MEALLMORE LODGE LIMITED	£906,604.67	CHCP	19/09/2013	Tendered (National rates)	22
QUARRIERS	£3,236,610.09	CHCP	25/09/2012	Tendered/Commissioned No Tender	22
RIVERSIDE INVERCLYDE	£2,086,881.01	E&R	13/06/2013	Grant/ Commissioning	22
SCOTT ASSOC FOR MENTAL HEALTH	£815,154.21	CHCP	06/12/2012	Tendered/ Grant	22
STEPWELL CONSULTANCY LTD	£111,705.87	E&R	1/4 meetings reported to committee	Commissioned No Tender	22
ALLIED HEALTHCARE GROUP LIMITED	£678,572.25	CHCP	03/10/2013	Commissioned No Tender	20
ALZHEIMER SCOTLAND	£236,315.35	CHCP	16/09/2013	Grant	20
CLOCH HOUSING ASSOCIATION LTD	£218,496.00	CHCP	01/08/2013	Commissioned No Tender	20
CONFIDENT CARE LTD	£189,616.80	CHCP	03/10/2013	Commissioned No Tender	20
ICDT LTD	£214,806.00	CHCP	07/03/2013	Commissioned No Tender	20
LITTLE SISTERS OF THE POOR	£387,150.88	CHCP	14/10/2013	Tendered (National rates)/ Commissioned No Tender	20
RIVER CLYDE HOMES	£1,155,771.13	CHCP	TBA	Grant	20
SIR GABRIEL WOOD'S MARINERS HOME	£435,810.10	CHCP	14/10/2013	Tendered (National rates)	20
THE KILMACOLM NEW COMMUNITY CENTRE	£78,813.84	E&C	TBA	Grant/ Commissioned No Tender	20
UNITY ENTERPRISE	£83,288.28	CHCP	01/08/2013	Grant	20
YOUTH CONNECTIONS	£117,682.11	E&C	TBA	Commissioned No Tender	20
BARNARDOS SCOTLAND WEST OFFICE	£164,395.84	CHCP	09/09/2013	Commissioned No Tender	18
BIELD HOUSING ASSOCIATION	£103,316.92	CHCP	02/10/2013	Commissioned No Tender	18
CAPABILITY SCOTLAND	£219,565.99	CHCP	28/10/2013	Commissioned No Tender	18
CAREWATCH (INVER & NTH AYRSH)	£215,997.04	CHCP	03/10/2013	Commissioned No Tender	18
CASTLEBECK CARE (TEESDALE) LTD	£100,296.83	CHCP	22/10/2013	Commissioned No Tender	18
CRAEGMOOR HEALTHCARE	£69,519.50	CHCP	30/1/2013	Commissioned No Tender	18
ERSKINE HOSPITAL	£253,437.95	CHCP	TBA	Tendered (National rates)	18
HANSEL ALLIANCE	£84,480.12	CHCP	01/12/2013	Commissioned No Tender	18
HC One (took over from Southern Cross)	£733,693.00	CHCP	03/12/2012	Tendered (National rates)	18
IVCSS	£98,648.20	CHCP	TBA	Grant	18
KARMA HEALTHCARE	£607,579.63	CHCP	03/10/2013	Commissioned No Tender	18
KEY HOUSING ASSOCIATION LTD	£919,663.49	CHCP	03/12/2012	Tendered	18
KINCAID HOUSE	£1,124,251.00	CHCP	19/09/2013	Tendered (National rates)	18
MADEIRA NURSERY	£24,014.88	E&C	28/08/2013	Commissioned No Tender	18
SPARK OF GENIUS	£219,740.00	CHCP	TBA	Commissioned No Tender	18
THE RICHMOND FELLOWSHIP SCTLND	£1,090,065.15	CHCP	06/12/2012	Tendered	18
THORNTOUN LTD	£61,182.18	CHCP	08/03/2013	Commissioned No Tender	18
TRUST HOUSING ASSOCIATION LTD	£148,518.95	CHCP	11/10/2013	Commissioned No Tender	18
TURNING POINT SCOTLAND	£539,043.03	CHCP	06/12/2013	Tendered	18
WELLINGTON PRE-FIVE NURSERY	£22,602.60	E&C	28/09/2013	Commissioned No Tender	18
ARDFERN LEARNING CENTRE	£55,590.00	E&C	21/05/2013	Tendered (National rates)	16



CORBENIC CAMPHILL COMMUNITY	£32,918.55	CHCP	TBA	Commissioned No Tender	16
CORNERSTONE COMMUNITY CARE	£27,817.07	CHCP	18/09/2013	Commissioned No Tender	16
JAMES WATT COLLEGE NURSERY	£39,576.47	E&C	28/08/2013	Commissioned No Tender	16
MCFARLANE HOMES	£29,511.40	CHCP	01/09/2013	Commissioned No Tender	16
RIVER CLYDE HOMES	£172,692.00	CHCP	TBA	Commissioned No Tender	16
SALVATION ARMY TERRITORIAL HEADQUARTERS	£88,554.88	CHCP	21/01/2013	Tendered	16
THE ABBEYFIELD STRATHGRYFFE SOC LTD	£77,700.78	CHCP	12/02/2013	Tendered (National rates)	16
THE BEACON	£50,000.00	E&C	14/11/2013	Grant	16
TODHILL FARM TRAINING HOME LTD	£20,888.12	CHCP	01/08/2013	Commissioned No Tender	16