

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	9 March 2009

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Performance Management Report	Finance and Resources	Susan Guinness Garry Barclay	5

SUMMARY AND LINK TO CORPORATE PRIORITIES

This is the first performance management report for the Finance and Assurance Shared Services Partnership. The partnership is now live and is currently undergoing a period of detailed implementation to ensure that the services are established effectively. This includes setting up the governance and performance management arrangements which are co-ordinated through the Shared Services Joint Committee.

The purpose of the report is to establish the format for recording progress against the key actions and performance indicators in the Partnership Business Improvement Plan for 2009/10.

This project is a high priority to both Councils.

Chorley Council's Corporate Strategy for 2008/09 to 2009/10 sets out the Council's main corporate priorities. Within these priorities areas this project specifically supports the strategic objective of ensuring that Chorley Borough Council is a performing organisation. Implementing Shared Finance Services is named as a key project by the Council in support of the long-term objective of being a provider and procurer of high quality priority services. The project is seen as an important contributor to raising staff satisfaction levels to 90% by March 2010.

South Ribble Council's Corporate Plan 2008-2011 also lists the main corporate priorities. This project specifically supports the priority of being an efficient, effective and exceptional council. For 2008-2009 implementing the partnership with Chorley Borough Council for financial services has been set as a key project.

RECOMMENDATIONS

1. That the format of the performance management report be approved.
2. That the progress on overall performance to date be noted.

DETAILS AND REASONING

At the first meeting of the Joint Committee on 19th January 2009 Members approved the overall performance management arrangements for the partnership. This report is the first performance report and it establishes the format for future reports which will be presented on a quarterly basis. It records performance against the targets and priorities set out in the partnership Business Improvement Plan which is presented for approval elsewhere on the agenda.

The role of the Shared Services Joint Committee (under S101(5) and S102 of the Local Government Act 1972 and S19 and S20 of the Local Government Act 2000 and all other enabling powers) is to discharge the Chorley and South Ribble Councils' functions of providing the services

detailed in the Shared Services Agreement. To ensure that it carries out its functions effectively the Shared Services Joint Committee requires robust reporting and performance management arrangements that meet its own requirements and those of the partner authorities, including the following:

1. To monitor, review and make recommendations to both councils on the administrative arrangements and performance of those council services the subject of the Financial and Assurance Shared Services Agreement.
2. To determine a Resource Plan not less than 60 'business' days before the start of the next financial year subject to (3) below
3. (i) To receive from the councils' their proposed contributions to the Continuing Costs and to approve or not these within 15 'business' days of receipt
(ii) To provide no later than 30 'business' days before the start of the next financial year written notice of the recommended contribution to each council to be paid by both councils, should this not have been approved in (3(i)) above

KEY SERVICE DEVELOPMENTS

There are 25 key tasks/projects included in the Partnership Business Improvement Plan which represent service developments for 2009/2010. Using a traffic light system progress against these will be reported to the Joint Committee on a quarterly basis in the table format shown below.

Detail	Partnership Level	Assurance Services	Financial Services
Projects Green on track	Number	Number	Number
Project Amber	Number	Number	Number
Project Red	Number	Number	Number
Total	4	14	8

Each report will contain a narrative description of general progress and any issues relating to the green and amber projects. There will be a more detailed discussion of the red projects together with proposed actions designed to bring the project back on track.

The Partnership is in the early stages of development following going live in January 2009. Since that time the focus of attention has been on bedding down the services and ensuring that business as usual continues with as little disruption as possible to customers and users of the services. In these circumstances performance to date is based upon delivering against targets and plans for 2008/09 previously agreed by both councils separately. For 2009/10 the new performance arrangements and targets in the approved Business Improvement Plan will take effect and Members of the Joint Committee will receive an update against these at the next meeting.

Currently the following key activities are being twin tracked for each Council:

- Finalising the 2009/10 revenue and capital budgets
- Preparing for an orderly close down of the year-end accounts of each authority in accordance with all statutory requirements.
- Ensuring that all Exchequer functions including supplier payments and payroll continue to operate effectively
- Maintenance and management of all financial systems

A key objective of the partnership is to merge and harmonise systems of work and a degree of process mergers have already taken place in respect of audit planning, risk management and procurement.

PERFORMANCE TARGETS

Progress against the targets in the Business Improvement Plan for 2009/2010 will be monitored closely and reported on to the Joint Committee at each quarterly meeting using a traffic light system in the format shown below.

The Business Improvement Plan contains 44 performance indicators which are all local indicators, many of which are new for 2009/2010 and draw on the work of the National Audit Office (Value for Money in Public Sector Corporate Services 2007). The table below will be used to summarise the positions at the end of each quarter of 2009/2010.

Detail	Assurance Services	Financial Services
Green on target	Number	Number
Amber – within 5% of target	Number	Number
Red – more than 5% off target	Number	Number
Not measured	Number	Number
Total	11	32

In addition to the above there will be a detailed breakdown of those not achieving targets (red) in the following format.

Measure	Target	Actual to date
Key Measure 1	Number	Number
Key Measure 2	Number	Number
Key Measure 3	Number	Number

A narrative will be provided of the reasons for the measure being off target together with any proposed actions to bring it back on track.

BUDGET MONITORING

At the end of each quarter a budget monitoring statement will be presented showing performance to date against the approved Partnership budget. Any variations will be highlighted together with any proposals for either reducing or increasing spending.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of the Shared Services performance management arrangements, and the table shows any implications in respect of each of these.

FINANCIAL	<p>The Shared Services Arrangement represents a significant change in the way that financial and assurance services are provided for both Councils. It is essential that sound performance management arrangements are in place to ensure that a high standard of service continues to be provided that enables each Council to meet its statutory, corporate and strategic requirements.</p> <p>In addition it is important that proper procedures are in place to ensure that the partnership itself meets all of its own budgetary and audit requirements.</p>
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LEGAL	<p>The partnership has been established with an informal structure which has low complexity and a low cost set up. The Shared Services Joint Committee, established under Section 101 of the Local Government Act 1972, provides the overall governance for this with its terms being set out in an Administrative Collaborative Agreement which has been signed by both Councils. Sound performance management arrangements are required to enable the Shared Services Joint Committee to effectively fulfil its obligations.</p> <p>Schedule 1 to this Agreement sets out the Service Level Agreements which form a key part of the performance management arrangements.</p>
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RISK	<p>Any new service delivery approach involves a significant element of risk, both in relation to the new arrangement itself and in making the transition to that new service delivery vehicle. The development of the partnership will increase the risk to each of the councils and this has been recognised and is being managed, individually and collectively.</p> <p>A full risk assessment is set out in the Partnership Business Improvement Plan for 2009/2010.</p>
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OTHER (see below)	
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

1. Partnership Business Improvement Plan 2009/2010.