

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	18/01/10

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Business Improvement Plan & Budget 2010-11	N/A	G Barclay & S Guinness	9

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report summarises and explains the content of the attached Business Improvement Plan (BIP) and budget for the Finance and Assurance Shared Services Partnership which covers the second complete financial year of its operation.

The Committee will receive regular update reports during the course of the year highlighting the actions taken to deliver the service improvements and performance targets specified in the BIP, including a budget update, culminating in a detailed Annual Report at year-end.

The Partnership is seen as a key project by both Chorley and South Ribble Councils and makes a direct and extensive contribution to the following strategic objectives:

“Ensuring that **Chorley** Council is a consistently top performing organisation”.

“**South Ribble** is an efficient, effective and exceptional council”

RECOMMENDATIONS

That the Joint Committee recommends to the Executives the adoption of the draft BIP and Budget for implementation by the Shared Services Partnership in 2010/11

That the Committee agrees to delegate the ability to incorporate any residual information or amendments to the BIP and Budget to the Corporate Director (Resources) and Director of Transformation in consultation with the Chair and Vice-Chair of the Committee.

DETAILS AND REASONING

Performance Management

The Committee has previously received and approved the formal Partnership Agreement incorporating a Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged.

The main aim of the attached BIP is to translate these outputs and measures into specific projects and targets which need to be achieved during 2010/11. These are shown in the tables at **Appendices 2 and 3** of the BIP.

Two of the key service improvement tasks next year will be to implement the **Workforce Development Plan** and introduce a **common financial information system** for both Councils.

Other Purposes

As well as underpinning performance management the BIP fulfils the following purposes:-

- Highlighting the **main achievements in 2009** at the Partnership level and within Shared Financial & Shared Assurance Services;
- A **Risk Register (Appendix 1)** for identifying and acting upon the key risks and opportunities facing the Partnership in 2010/11;
- A **Financial Plan (Budget)** to facilitate the effective financial management of the Partnership;
- A **Contracts Register (Appendix 4)** to acknowledge that many of the Partnership's main services are delivered through or in association with other organisations;
- An outline of the main areas of **procurement activity** during 2010/11;
- An outline of the main **cashable savings** and **non-cashable efficiencies** which are anticipated in year 2;
- An outline of the **business opportunities** which it is intended to exploit in 2010/11.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of the following:

FINANCIAL	The Partnership budget savings target equates to a no growth budgetary position for 2010/2001 whilst providing an additional service for Emergency Planning and absorbing service cost increases and inflation. As a consequence of providing for Emergency Planning both Councils will realise budgetary savings.		
LEGAL	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 business planning and performance management arrangements are required to enable the Shared Services Joint Committee to effectively fulfil its obligations.		
RISK	Any new service delivery approach involves a significant element of risk. A dedicated Risk Register has been produced in order to identify and mitigate the risks associated with the development of the Partnership and the latest version is incorporated within the Business Improvement Plan appended to this report.		
OTHER (see below)			
<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>

FINANCIAL & ASSURANCE SHARED SERVICES PARTNERSHIP

BUSINESS IMPROVEMENT PLAN 2010/11

January 2010

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KEY ACHIEVEMENTS IN 2009

After 2 years of planning and detailed implementation the Financial & Assurance Shared Services Partnership went live during the first week of January 2009. This came about with the signing of the legal agreement between South Ribble and Chorley which marked a step change in partnership working between the two Councils.

Although 2009 was a transitional year there has been a relatively seamless change from independent to joint working. Moreover several significant service improvements (summarised below) have taken place, which is reflected in very positive feedback from the Audit Commission.

A recent staff satisfaction survey has also been carried out and whilst more analysis is needed the initial indications are that staff also feel positive about the changes that have taken place.

The immediate task was to produce a detailed Business Improvement Plan (BIP) setting out the key projects and performance targets for 2009/10 and this was completed for approval by the Partnership Joint Committee in March. The Joint Committee comprises of members from both Councils and progress against the BIP is monitored by the Committee at regular meetings during the year.

At the AGM in June the Joint Committee received an “End of Project” report which demonstrated the successful implementation of the partnership. The report concluded that the project objectives have been achieved, costs kept within budget and everything has been delivered within the timescales set.

The report also acknowledged the importance of impetus and support provided by the members from both authorities, the senior officers and in particular the staff employed within the Partnership.

2009/10 became a challenging year as the Partnership aimed to embed combined and new ways of working whilst improving the delivery of its services. A key aspect of this would be the implementation of a Workforce Development Plan to agree a core purpose and guiding principles for the Partnership in line with those of each Council and to identify and address any important staff development needs.

The first stage in this process took place on 9th July 2009 when all the staff attended a planning workshop where they agreed the purpose and guiding principles and on the way forward to develop skills.

The Partnership’s Core Purpose

“To provide an exceptional service that is valued by our customers to make a difference together.”

The Partnership’s Guiding Principles

*We will work as a **united team** across both councils.*

*We will **focus on the customer** to ensure that we deliver the right services in the right way.*

*We will continuously seek to be **excellent and efficient** in everything we do.*

*We will achieve the **highest standards of ethical behaviour** and maintain trust and confidentiality throughout.*

*We will create **learning & development** needs and opportunities for everyone involved.*

The first half of 2009/10 was a successful period during which three separate Statement of Accounts were prepared for the two Councils plus the Joint Committee and each received unqualified audit opinions.

Officers also contributed extensively to the successful Use of Resources outcomes of both authorities.

At the October meeting of the Joint Committee members were informed that the vast majority of the service development projects for the year had been completed or were on track and almost all the key performance targets were on course to be achieved.

Some of the improvements that South Ribble and Chorley Councils have already experienced from the new shared service include a Joint Procurement Strategy and the appointment of a single insurance broker, both of which have financial savings implications.

In order to take the Partnership forward and further improve the quality of services to its customers, a Workforce Development Plan will be presented to the Joint Committee in January for Members' approval and implementation in the new year.

This Business Improvement Plan for 2010/11 will again raise the bar as more challenging service improvements are set.

A summary of the service level successes in 2009 are as follows:-

Shared Assurance Services

The creation of a dedicated Assurance Services Strategy

Supporting the establishment of the new Governance Committee at SRBC

Supporting the Annual Governance Statement reviews for SRBC, CBC and the Joint Committee

The merger of Internal Audit processes & documentation & the retention of the ISO 9001 quality standard

The introduction of more efficient strategic risk management processes for both Councils

The completion of fraud risk management reviews at both Councils and the establishment of a dedicated Fraud Risk Register at SRBC

The appointment of a single insurance broker for both councils, generating financial savings

The introduction of a common insurance administration process across both councils to create resilience

Undertaking new emergency planning responsibilities for both Councils and business continuity planning at CBC

Shared Financial Services

Closure of Accounts for Chorley and South Ribble to Statutory Timetable with Unqualified Audit Opinion

Development of Civica ICON system to integrate with Corporate CRM, on-line leisure booking system, and pilot integration with Electronic Licence Management System to assist departments achieve their objective and comply with EU Service Directives

Increase of South Ribble BACS payments from 64% to 90%

Implemented 3D secure at Chorley, the extra level of security for CIVICA ICON internet card payments required by banks and the payment card industry. This has also been carried out in preparation for upgrading systems at South Ribble.

Implementation of a new Joint Procurement Strategy across both Councils

Implementation of a Sustainable Procurement Policy at South Ribble Borough Council

Programme of procurement training to 88 staff plus representatives from some key partners

Procurement awareness sessions for Members at both Councils

Contribution to the achievement of Level 3 Equality Assessment at South Ribble and Chorley Councils

NEW RISKS & OPPORTUNITIES FOR 2010/11

At the outset of the shared services partnership, the risks associated with its successful implementation were recorded in a risk register together with the proposed actions to mitigate them.

The risk register (**Appendix 1**) has now been updated to reflect the mitigating action that has now been taken to address the original risks that were identified and to take account of any new and emerging risks and opportunities for 2010/11.

The key risks and opportunities facing the Partnership at this stage of its development are considered to be:

- Continuing to developing a common culture & identity and improving communication with our customers and amongst our staff;
- Overcoming some residual morale and staff isolation issues following the establishment of the Partnership;
- Seeking out viable opportunities to grow the service (see section on Business Opportunities below);
- Providing a sustainable service.

PARTNERSHIP BUDGET 2010/11

A financial summary of the main budget areas is as follows:-

Budget	2009/10 £000	2010/11 £000	Variation £000	Explanation
Employees				
Salaries	1.295	1.327	0.032	Net effect of revised structure, pay award, increments and allowances.
National Insurance	0.104	0.106	0.002	As above
Superannuation	0.225	0.249	0.024	Changes to salary budget above and increase in rate
Car leasing	0.027	0.027	0.00	Inflationary increases to be met from within existing budget
Employee Related Insurance	0.007	0.010	0.003	Cost of Life Insurance Policy
Lancashire County Council Audit Budget	0.030	0.009	(0.021)	Budget converted to new Emergency Planning post
Transport	0.014	0.014	0.000	Inflationary increases to be met from within existing budget
Supplies and Services	0.034	0.042	0.008	External Audit Fees
SUB TOTAL	1.736	1.784	0.048	
Budget Saving Target		(0.050)	(0.050)	2009/10 budget included savings target
TOTAL BUDGET	1.736	1.734	(0.002)	

The Workforce Development Plan project has identified the need to provide coaching and training to staff and the Partnership will need to identify resources to meet this requirement.

The main variations to the budget can be explained as follows:-

- In 2009/10 a £30,000 budget was made available to buy in additional audit capacity from Lancashire County Council during the transitional first year. It is proposed that from 2010/11 onwards this budget is utilised to fund extra resource within the Risk Section of Shared Assurance Services to provide the Emergency Planning service to both Councils. This will bring about consequential budgetary savings within both Councils budgets of approximately £25,000 per authority. This is a tangible benefit of the new partnership as we are able to provide a joined-up service at a lower overall cost based on economies of scale.
- There has been an increase in the employers contribution rate to Superannuation
- The partnership has received notification from the Audit Commission of the external audit requirements and subsequent fees of the Joint Committee.

KEY SERVICE DEVELOPMENTS & TARGETS 2010/11

Service Level Agreement

The Shared Services Joint Committee has approved a Service Level Agreement (SLA) which sets out the key performance outputs and measures for the Partnership.

These outputs and measures have been translated into specific service developments and targets which need to be achieved during 2010/11.

Service Developments 2010/11

A table showing the annual objectives and key projects for 2010/11 is shown at **Appendix 2**.

Two of the key service improvement tasks next year will be to implement the **Workforce Development Plan** and introduce a **common financial system** for both Councils.

Performance Information

In order to secure continuous improvement in the way that the Partnership delivers its core services it is essential that appropriate performance measures are identified against which challenging targets can be set and regularly monitored. The table at **Appendix 3** includes a performance indicator set that is based on the work of the National Audit Office (Value For Money in Public Sector Corporate Services – A Joint Project by the UK Public Sector Audit Agencies (2007)). The indicator set was also put together following service user and staff consultation and draws upon existing measures used at South Ribble and Chorley. It should be noted that the targets set for Supplier Payments within 22 days and 10 days are new and important targets for the Partnership.

Performance Reporting

Using standard templates, regular reports on progress against the required outputs, service developments and performance targets will be presented to the Chief Finance Officers, Joint Committee and other relevant committees at each council at the appropriate intervals.

Data Quality

It is also important to stress that the data quality and collection standards appertaining to each Council will be rigorously applied.

CONTRACTS & PARTNERSHIPS

A list of the contractual and partnering arrangements involving Shared Financial and Assurance Services as at January 2010 is contained in the table at **Appendix 5**.

The key areas of procurement expected in 2010/11 are as follows:

- Provision of the Financial Information System to provide a common platform to facilitate the harmonisation of processes
- Review of Banking Services
- Joint procurement of insurance brokerage and cover

DELIVERING EFFICIENCIES

Cashable Savings

The partnership is working towards the Government's target of achieving a minimum of 3% cashable savings year on year from its operations. It is expected that the procurement of the new financial information system will provide opportunities to make efficiency gains. The table below provides an estimate of the cashable savings that are anticipated in 2010/11 and beyond:

YEAR	SAVINGS TARGETS	ESTIMATED VALUE (£000)
2010/11	Provision of Financial and Assurance Shared Services	50
2010/11	Procurement Strategies (£50k for each Council)	100

Non-Cashable Efficiencies

In addition to these anticipated cashable savings the following are examples of service developments and process improvements which will deliver further efficiencies for both councils:

- **A review of the non-chargeable allocations in the Internal Audit Plans** – to identify ways of minimising the amount of time not spent directly on audit assignments and thereby increase the productivity and cost-effectiveness of the Service;
- **A review of the monthly reporting / recharging processes in Accountancy** – to identify and remove any activities which may be resource intensive but add minimal value.
- **A review of the Procure to Pay processes at South Ribble** – to identify and remove any activities which may be resource intensive but add minimal value.

BUSINESS OPPORTUNITIES

The Partnership has already identified a number of significant business opportunities which it intends to exploit in 2010/11. These include:

- Looking for growth opportunities. For example Shared Assurance Services have recently submitted a tender to provide Internal Audit Services to the Lancashire Fire & Rescue Service and have been short listed for interview in January 2010. If we are successful we intend to utilise the contract income to recruit an additional senior officer in Internal Audit to build capacity and enable us to serve a wider client base;
- Procurement of Financial Information which will facilitate to harmonisation of process for financial services at both councils;
- Preparing for the joint procurement of insurance brokerage and insurance covers for both Councils;
- Evaluation and Implementation, if considered to be beneficial, of the regional e-tendering solution “ The Chest “

These are included in the schedule of Service Developments at Appendix 2, progress against which will be systematically monitored and reported on during the course of the year.

APPENDIX 1 - RISK REGISTER 2010/11

RISK	MITIGATION	H/M/L	FURTHER ACTION	BY WHOM	BY WHEN
Failure to develop a common culture & identity	<ul style="list-style-type: none"> Implementation of Work Force Development Plan Core Purpose & Values Branding developed 	H	<ul style="list-style-type: none"> Reinforce the core purpose & values Give clarity over use of the branding bar, the term "Synergy" & responding to written correspondence & phone calls 	HOS / Managers HOS / Managers	Ongoing ASAP
Resistance to change / low staff morale / isolation issues where staff working across different locations	<ul style="list-style-type: none"> Communications Plan Staff away days Team building exercise Share knowledge between staff and teams 	H	<ul style="list-style-type: none"> Form inclusive teams for key projects in BIP Joint meetings Management Accounts More frequent Senior Management Team Meetings for Assurance and Financial Services 	HOS / Managers HOSFS	March 10 ASAP
Communication (members, officers, colleagues, external)	<ul style="list-style-type: none"> Communications Plan – many actions already implemented 	H	<ul style="list-style-type: none"> Improved cross-authority team briefing Interim news bulletins on key developments Arrange regular meetings with Chief Officers to keep in touch Introduce working group to establish & maintain intranet content Revisit the ICT Action Plan to resolve residual connectivity issues 	HOS HOS Managers HOS HOS	ASAP Quarterly Quarterly ASAP ASAP

RISK	MITIGATION	H/M/L	FURTHER ACTION	BY WHOM	BY WHEN
			<ul style="list-style-type: none"> Introduce a more efficient mail transfer system 	HOS	ASAP
Failure to deliver changes to processes & systems	<ul style="list-style-type: none"> Allocated as a project to formalise the process and ensure progress is monitored and action planned where necessary Project management to address blockages to achieving improved processes and systems 	H	<ul style="list-style-type: none"> Eliminate non-added value activities in existing processes (e.g. recharges) Free up capacity to enable greater focus on change 	HOS / Managers HOS / Managers	ASAP ASAP
Inability to fill vacancies	<ul style="list-style-type: none"> Review remuneration levels Review key messages in advertising 	H	<ul style="list-style-type: none"> Workforce Development Plan 	HOS	January 10
Providing a sustainable service	<ul style="list-style-type: none"> CBC & SRBC sustainability strategies in place 	H	<ul style="list-style-type: none"> Possible environmental audit 	HOS	March 2011
Growing the service	<ul style="list-style-type: none"> Greater “critical mass” now assembled to provide a stronger foundation for growth. 	H	<ul style="list-style-type: none"> Seek out appropriate opportunities 	HOS	Ongoing

APPENDIX 2 - SERVICE DEVELOPMENTS 2010/11

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Partnership Level					
Implementation of the Workforce Development Plan	Susan Guinness and Garry Barclay	January 2010	March 2011	<ul style="list-style-type: none"> To be agreed with OD/HR 	<ul style="list-style-type: none"> Positive feedback in the appraisal interviews of the individuals involved
Review intranet content at both Councils	Susan Guinness and Garry Barclay	April 2010	June 2010	<ul style="list-style-type: none"> Action Plan to be agreed 	<ul style="list-style-type: none"> Users satisfied with service
Development of the Communications Strategy	Susan Guinness and Garry Barclay	April 2010	March 2010	<ul style="list-style-type: none"> Members Corporate Management Groups Management meetings Quarterly Newsletters Performance Appraisal Intranet Sites 	<ul style="list-style-type: none"> Customer satisfied with service Improved staff satisfaction results
Assurance As A Whole					
Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships (SRBC)	AA	April 2010	October 2010	<p>In conjunction with the Policy & Performance Team to develop an action plan & allocate responsibilities for improving the oversight and reporting on partnership governance arrangements.</p> <p>Produce Plan for Approval: May 10 Produce Policy: May 10 Train Client Officers: June 10 Reporting Process: September 10</p>	<p>Endorsement by Audit Commission that the arrangements are effective</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Internal Audit					
Update the Internal Audit Charter in respect of the new shared audit service	CW	April 2010	September 2010	Report to Audit & Governance Committees (2 nd quarter) Issue to all IA staff & communicate to all officers of both councils (October 2010)	External Auditors report to both Councils on Internal Audit's compliance with all Standards within the CIPFA Code of Practice for Internal Audit in Local Government.
Update of the Quality System & retention of ISO 9001 standard	CW	Ongoing	January 2011	Regular review of IA processes & updates to the Quality System as necessary.	Re-accreditation by ISOQAR in January 2011.
Review the effectiveness of the system of Internal Audit in accordance with new regulatory requirements	CW	January 2010	June 2010	Undertake the review (March 2010) Insert conclusions in the Annual Reports to each council (June 2010) Feed into the Annual Governance Statements for each council (June 2010)	External Auditors reports on the completeness and adequacy of the AGS
Support the governance policy awareness programmes at both councils	CW	April 2010	March 2011	Review and revise policies which fall under the 'governance' umbrella, as appropriate for each council. Raise awareness of the revised policies with all officers and members.	Revision of policies & provision of awareness training.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Update the skills assessment for Internal Audit Staff in respect of the "Effective Internal Auditor" and the new core competencies	CW	April 2010	June 2010	Evaluate skills assessments during all appraisals for all IA officers (June 2010)	Training programme including on the job training and development.
Adapt the Meritec corporate fraud awareness package and issue to members & staff at both councils	CW	April 2010	March 2011	Trial Meritec within Assurance (September 2010) Roll out to all officers and members (December 2010)	Fraud awareness raised for all officers and members who complete the module.
Further develop the IDEA system interrogation package to encompass more applications	CW	April 2010	March 2011	Add to repertoire of reports run reports for key financial & business systems (Ongoing)	Increased detection of irregularities
Risk Management					
Review & update all risk management policies & procedures in place at both councils	AA	April 2010	July 2010	Review & update policies, etc on Websites & Intranets (July 2010) Brief members & officers of revised policies (September 2010)	Increased awareness of the policies by officers and members
Oversee compliance with the latest anti-fraud guidance in Protecting the Public Purse (Audit Commission)	AA	April 2010	March 2011	Produce Action Plans & obtain member approvals (March 2010) Conduct half-yearly review of actions implemented (October 2010) Conduct end of year review of actions implemented (March 2011)	Effective implementation of all recommendations

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Emergency / Business Continuity Planning					
Develop and implement an agreed protocol for providing Emergency Planning (EP) & Business Continuity Planning (BCP) support to both councils	AA	April 2010	July 2010	Produce written protocol & obtain officer approvals (February 2010) Update the Partnership SLA re EP and BCP and obtain Joint Committee approval (March 2010) Arrange liaison meetings with the Responding Officers at both Councils to monitor effectiveness of the arrangements (monthly)	Effective separation and establishment of responder and support function. Improved customer satisfaction scores from baseline.
Oversee and implement the EP/BCP Development Plans for both Councils	AA	April 2010	March 2011	Review & update existing plans including key actions, timescales & officers responsible (January 2010) Agree the program of activity and prioritise work flow with the Responding Officers (January 2010) Deliver the detailed actions set out in the Development Plans (ongoing)	Achieve the detailed targets set in the Development Plans
Insurance					
Arrange the procurement of a single insurance broker under a combined agreement covering both Councils	AA	June 2010	1 st January 2011	Finalise procurement process & documentation & notify potential suppliers (September 2010) Appoint successful candidate (November 2010)	Appointment of a suitable preferred insurance broker

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Oversee the exercise for the procurement of new long-term insurance agreements by both councils	AA	January 2010	1 st April 2011 or 1 st January 2012 (based on advice from broker)	<p>Working alongside the broker and assuming an earliest start date of 1st April 2011:</p> <p>Produce a project / procurement plan (May 2010)</p> <p>Agree selection criteria (August 2010)</p> <p>Finalise proposal documentation & arrange OJEC publication (August 2010)</p> <p>Send documentation to interested parties (November 2010)</p> <p>Tender deadline (December 2010)</p> <p>Submit summary of tenders to members including an appointment recommendation for approval (January 2011)</p> <p>Appoint successful insurers (February 2011)</p>	<p>Appointment of suitable insurance providers</p> <p>Achievement of savings in premium costs by combining the 2 councils' insurance requirements</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Financial Services As A Whole					
Construct and deliver financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques.	Susan Guinness	April 2010	September 2010	<ul style="list-style-type: none"> • Consult customers • Identify priority issues for customers and Shared Services • Produce packages • Deliver training 	<ul style="list-style-type: none"> • Delegate feedback • Reduction of errors within processes e.g. coding errors corrected
Accounting for Sustainability	Susan Guinness	January 2010	March 2011	<ul style="list-style-type: none"> • Establish the requirements of the relevant accounting requirements • Seek advice and guidance from with External Auditor 	<ul style="list-style-type: none"> • Systems and processes in place to enable Sustainability to be corrected accounted for within Statement of Accounts
Review of Procure to Pay processes at South Ribble	Susan Guinness	April 2010	September 2010	<ul style="list-style-type: none"> • Establish current procedures • Consult with customers • Identify service and efficiency improvements 	<ul style="list-style-type: none"> • Improve the efficiency of the procure to pay processes at South Ribble to improve customer satisfaction
Review Resources Allocation of Shared Financial Services to provide single point of contact for Directors and Budget Holders for Revenue and Capital budget management	Susan Guinness	January 2010	May 2010	<ul style="list-style-type: none"> • Directors assigned single point of contact • Hand over of capital budget monitoring responsibilities including training 	<ul style="list-style-type: none"> • Customer satisfied with service
Accountancy Services					
Provide a common partnership platform for Management Accounting processes, Budget Monitoring and Budget Preparation.	Michael Jackson and Jane Blundell	April 2010	December 2010	<ul style="list-style-type: none"> • Identification of processes that do not add value • Establish most efficiency and effective processes in conjunction with Systems Implementation Project within 	<ul style="list-style-type: none"> • Alignment of processes • Common approach to delivering service • Customer satisfied with service

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
				this document <ul style="list-style-type: none"> • Consult with customers and stake holders • Implement 	
Seek Tenders for Chorley Banking Services	Gordon Whitehead	April 2010	March 2011	<ul style="list-style-type: none"> • Produce a project / procurement plan • Agree selection criteria • Finalise proposal documentation & arrange publication • Send documentation to interested parties • Tender deadline • Submit summary of tenders to members including an appointment recommendation for approval • Appoint successful bankers 	<ul style="list-style-type: none"> • Banking tender awarded
Review the option to apply VAT to Land and Property transactions	Gordon Whitehead	April 2010	April 2010	<ul style="list-style-type: none"> • Review Option to Tax Legislation • Consult with stakeholders • Establish most beneficial tax treatment of Land & Property transactions • Implement appropriate tax treatment 	<ul style="list-style-type: none"> • More beneficial VAT position for both the authority and it's customers

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Preparation and comply with International Financial Reporting Standards (IFRS)	Gordon Whitehead	April 2010	March 2011	<ul style="list-style-type: none"> • Consultation with External Auditors • Restate 01/04/09 Balance Sheet • Revised Chart of accounts • Restate 2009/10 Final Accountants 	<ul style="list-style-type: none"> • No errors on Statement of Accounts • No negative comments from External Auditors
System Development & Exchequer Services					
Common core financial information system across the partnership	Lee Hurst	Started	December 2010	<ul style="list-style-type: none"> • Produce business case, agree solution and produce cabinet report (Jan 2010) • Produce project documentation and plan (Jan 2010) • Consultation and execute project communication plan (Feb 2010) • Complete business process transformation exercise and publish report (Mar 2010) • Agree terms and sign contracts (April 2010) • Implement common financial system (Jul – Sep 2010) incl. design, build, test, training, review and roll out. 	<ul style="list-style-type: none"> • Effective live common financial management information systems
Allocation of VAT Liability in purchasing system	Lee Hurst	April 2010	December 2010	<ul style="list-style-type: none"> • Review product and requisition class structure • Agree purchasing tolerance checks with CFO. • Assign VAT liability • Test 	<ul style="list-style-type: none"> • Reduction on the number of invoices requiring payment authorisation • Improvement in automated invoice matching

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
				<ul style="list-style-type: none"> • Turn on automatic invoice matching (Dec 2010) 	
Increase number of purchase orders delivered electronically	Lee Hurst	April 2010	December 2010	<ul style="list-style-type: none"> • Contact creditors to acquire appropriate details (Mar 2010) • Update system (May 2010) • Train staff (May 2010) 	<ul style="list-style-type: none"> • Reduction in printed and posted purchase orders
Integrate Sundry Debtor debt management into corporate debt management procedures and corporate monitoring – Chorley Council	Lee Hurst	April 2010	December 2010	<ul style="list-style-type: none"> • Agree procedure with CFO • Review and update Financial Regulations • Communicate new procedures and train staff • Roll out new procedures and implement monthly reporting (Dec 2010) 	<ul style="list-style-type: none"> • Reduction in debtor days • Reduction in % of outstanding debt over 90 days • Increase in % of income received before bailiff referral
Procurement Services					
Investigate and evaluate the regional e-tendering solution The Chest and implement if beneficial taking advantage of any available NWIEP part funding and support	Janet Hinds	January 2010	September 2010	<ul style="list-style-type: none"> • Arrange user demonstration • Consultation with ICT departments and audit • Evaluate systems • Manage implications for standing orders, user guides, user training and system management 	<ul style="list-style-type: none"> • Informed decision in consultation with stakeholders • Implementation of System • Improved efficiency
Be involved in procurement activities with particular regard to major areas of expenditure and achieve procurement savings targets of £50,000 at both Chorley and South Ribble Councils.	Janet Hinds	April 2010	September 2010	<ul style="list-style-type: none"> • Identify major expenditure scheme such as capital programme activity • Evaluate and identify spend options 	<ul style="list-style-type: none"> • Successful procurement of fit for purpose items/contracts • Achievement of savings

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Develop and implement action plan working towards achievement of Level 3 of the flexible Framework for Sustainable Procurement	Janet Hinds	April 2010	March 2011	<ul style="list-style-type: none"> • Identify qualification requirements • Seek additional resource contributions e.g. Lancashire Procurement Hub • Develop and implement action plan 	<ul style="list-style-type: none"> • Level 3 obtained
Develop and implement Selling to the Council Guide at each Authority	Janet Hinds	April 2010	December 2010	<ul style="list-style-type: none"> • Research requiring • Complete Guide • Raise awareness • Publish on internet 	<ul style="list-style-type: none"> • Production and publication of Guide

APPENDIX 3 - PERFORMANCE INFORMATION 2010/11

The table below includes a performance indicator set that has been put together:

- following service user and staff consultation;
- drawing upon existing measures at South Ribble and Chorley; and,
- based on the work of the National Audit Office (Value For Money in Public Sector Corporate Services – A Joint Project by the UK Public Sector Audit Agencies (2007)).

The NAO model develops an amended scorecard approach that, in addition to an efficiency dimension, defines three separate facets of effectiveness that can be measured:

- **Impact**, in terms of how the output from each of the services contributes to or influences corporate performance as a whole;
- **Satisfaction** of users and senior managers;
- **Modernisation**, in terms of the extent to which management practices have been adopted that are innovative and forward thinking.

The following table identifies each type of measure being used by the following references:

- E = Efficiency
- EI = Effectiveness Impact
- ES = Effectiveness Satisfaction
- EM = Effectiveness Modernisation

Note also that the data quality and collection standards appertaining to each Council will be rigorously applied.

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
Assurance Services					
Customer Satisfaction	ES	Annual questionnaire returned by end of May - relating to the previous financial year.	Joint Committee	80%	85%
Assurance Services Staff Satisfaction	ES	Annual SRBC staff survey results published by January each year	Joint Committee	90%	92%
Use of Resources Score (UoR) (relevant KLOE)	EI	Annual by November	Joint Committee Audit / P&SR Scrutiny Committees	Level 3	Level 3
Internal Audit Services					
% of Audit Time Utilised	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	100%	100%
% of Planned Time Used	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	90%	90%
% Audit Plan Completed	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	92%	92%
Percentage of Management Actions Agreed	EI	Quarterly Audit Plan Update Report & Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	97%	98%

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
% of Agreed Management Actions Implemented	EI	Quarterly Audit Plan Update Report & Audit Annual Report	Joint Committee Audit / P&SR Scrutiny Committees	100% Priority 1 Actions 80% Priority 2 Actions	100% Priority 1 Actions 80% Priority 2 Actions
Of the Agreed Management Actions Implemented - % Implemented On Time	EI	Quarterly Audit Plan Update Report & Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	100% Priority 1 Actions 80% Priority 2 Actions	100% Priority 1 Actions 80% Priority 2 Actions
Total Cost of Internal Audit Function as a % of Organisational Running Costs / Expenditure (VFM Primary 1)	E	Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	8.28%	8.28%
% Professionally Qualified Internal Audit Staff as a % of Total Internal Audit Staff (FTEs) (VFM Secondary 1)	EI	Annual Audit Report	Joint Committee Audit / P&SR Scrutiny Committees	30%	30%
Risk Management Services					
Total Cost of the Risk Management Function as a % of Organisational Running Costs / Expenditure) (VFM Primary 1)	E	Annual	Joint Committee	4.12%	4.12%
Average customer satisfaction score per insurance claim (max 5.0)	ES	Quarterly	Joint Committee	4.6	4.7

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
Financial Services – Overall					
Customer Satisfaction	ES	Annual questionnaire returned by end of May - relating to the previous financial year.	Joint Committee	80%	85%
Financial Services Staff Satisfaction	ES	Annual CBC staff survey results published by January each year	Joint Committee	90%	95%
Use of Resources Score (UoR) Managing Resources 1.1 Financial Planning and Financial Health 1.2 Understanding Costs and Performance 1.3 Financial Monitoring and Reporting	EI	Annual by November	Executive Cabinets & Joint Committee	Level 3	1.1 Level 3 1.2 Level 4 1.3 Level 3
% of professionally qualified finance staff (FTEs) as a % of total finance staff (FTEs) (vfm Secondary 1)	EI	Annual	Joint Committee	15%	15%
Accountancy Services					
Over/Underspends within 1% of manageable/cash revenue budget at year end	EI	Monthly to directorates Quarterly to Members Monthly to the Chief Finance Officer	Executive Cabinets & Joint Committee	<1.0%	<1.0%
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (Vfm Primary 3)	EI	Annual	Executive Cabinets & Joint Committee	30.0%	5.0%

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
10 working days from period-end closure to the distribution of financial reports (vfm Primary 2)	EI	Monthly	Joint Committee	100%	100%
Year end statutory accounts to contain no material errors and have an unqualified audit opinion	EI	Annual	Joint Committee Accounts Committees	0	0
Achievement of Prudential Indicators	E	Half Yearly and at Year End	Joint Committee Executive Cabinets	100% compliance with Prudential Indicators	100% compliance with Prudential Indicators
Statutory Grant Claims and Returns to be submitted on time	ES	Half Yearly and at Year End	Joint Committee	New measure for 2010/2011	100%
Achievement of Industry Investment Benchmarks	EI	Half Yearly and at Year End	Joint Committee Executive Cabinets	London Inter Bank Offered Rate (LIBOR)	Out perform London Inter Bank Offered Rate (LIBOR) by 10%
Systems Development & Exchequer Services					
Supplier Payment within 30 days (local indicator)(linked to vfm Secondary 10)	EI	Monthly	Joint Committee	97.5%	97.75%
Supplier Payment within 22 days (local indicator)	EI	Monthly	Joint Committee	New measure for 2010/2011	85.0%
Supplier Payment within 10 days (local indicator)	EI	Monthly	Joint Committee	New measure for 2010/2011	50.0%

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
% of supplier payments by electronic means (vfm Secondary 7)	EM	Monthly	Joint Committee	89.0%	90.0%
% of remittances to suppliers by electronic means	EM	Monthly	Joint Committee	83.0%	85.0%
% of Financial Systems availability	E	Monthly	Joint Committee	99%	99.25%
% of Debtor income received (before bailiff referral)	E	Monthly	Joint Committee	75%	90.0%
Number of Debtor days (vfm Secondary 4) (measured at year end only)	E	Annual at year end	Joint Committee	90 days	85 days
Cost of customer invoicing function per customer invoice processed (vfm Secondary 3)	E	Quarterly	Joint Committee	£25.00	£20.00
Credit notes as a % of total customer invoices raised (vfm Secondary 5)	E	Monthly	Joint Committee	6%	6%
Proportion of outstanding debt that is more than 90 days old from date of invoice (vfm Secondary 8)	EI	Monthly	Joint Committee	14.0%	14.0%

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
Procurement Services					
Professionally qualified procurement employees (FTEs) as a % of total procurement employees (vfm Secondary 1)	EI	Annual	Joint Committee	33%	33%
LIB/P12 Satisfaction with the corporate procurement function	ES	Annual	Joint Committee	80%	85%
Sustainable Procurement - Attain level 3 of the National Action Plan Framework by 2009 (Level 5 by 2011)	EI	Half-yearly	Joint Committee	Achieve Level 2 by December 2009	Achieve Level 3 by March 2011
Number of the Council's top 10 suppliers (by spend value) who have formal partnership/ framework agreements with the authorities (vfm Secondary 3)	EI	Half - yearly	Joint Committee	100%	100%
LIB/P9 Percentage of corporate spend placed with Small to Medium Enterprises (SME's)	EI	Half-yearly and annual review of progress against the Strategy	Joint Committee	Recording methodology to be set up in 2009/10 to provide benchmark position	Recording methodology to be set up in 2009/10 to provide benchmark position
LIB/P5 Percentage of corporate spend aggregated through collaboration with other public sector authorities.	E	Half-yearly and annual review of progress against the Strategy	Joint Committee	30%	30%

Key Measures	Type	Timescale	Member Reporting	Target 2009/10	Target 2010/11
LIB/P10 Percentage of corporate spend including grants placed with the third sector i.e. suppliers in the voluntary, community and social enterprise sectors.	EI	Half-yearly and annual review of progress against the Strategy	Joint Committee	10%	10%
LIB/P22 Average invoice value	E	Half yearly	Joint Committee	£1,068	£1,200
LIB/P24 Average Spend per Supplier	E	Quarterly	Joint Committee	£8,782	£9,600

APPENDIX 4 – CONTRACTS REGISTER

Company / Provider	Services Provided	End Date
TREASURY		
Butlers (SRBC)	Treasury Management Consultancy Service	31/03/2010
Sector (CBC)	Treasury Management Consultancy Service	No Contract
Chrystal Consulting Limited (SRBC)	Leasing advice/renewals	31/03/2012
Chrystal Consulting Limited (CBC)	Leasing advice/renewals	31/03/2012
HSBC (SRBC)	Banking Services	31/03/2013
NatWest (CBC)	Banking Services	To be decided
INSURANCE		
Willis (SRBC & CBC)	Insurance Broker and tender services	31/12/2010
Royal & Sun Alliance / St. Pauls Travellers / Zurich Municipal (SRBC)	Insurance Policies	31/12/2011
Zurich Municipal (CBC)	Insurance Policies	31/03/2011
R.M.P. (AIG)	Personal Accident	December 2011
R.M.P. (AIG)	Computer Insurance	December 2011
Allianz	Engineering Inspections	December 2011

Company / Provider	Services Provided	End Date
Dual Corporate Risks	Professional Indemnity Insurance	December 2011
Dual Corporate Risks	Fidelity Guarantee Insurance	December 2011
AIG Europe c/o Marsh broker (CBC)	Environmental warranty Insurance	31/03/2019
Chubb Insurance c/o Marsh broker (CBC)	Employment practices Insurance	31/03/2010
PAYROLL		
Blackpool Borough Council (CBC)	Payroll Service	Rolling SLA
Lancashire Employment Services (SRBC)	Payroll	Extended for 2yrs to 31/03/2011 as per contract
SYSTEMS		
Civica (SRBC)	Powersolve FMS system (including creditors, debtors, bank Rec)	Extended an annual basis from 1 st April
Intelco (SRBC)	Powersolve -licences	Extended an annual basis form 1 st April
Bottomline Technolgy (SRBC)	Paybase (BACS payments/receipts for creditors, debtors)	Annually 1 st April
Bottomline Technolgy (SRBC)	Printers, toner, cheques	Annually 1 st April
Civica (CBC)	Financials Debtors & Creditors GL	30/07/2014

Company / Provider	Services Provided	End Date
	Purchasing Intelligent Imaging e-Modules (Cr, Dr, Pr) Budget Preparation	
Civica (CBC)	ICON Cash Receipting ICON Bank Reconciliation	19/02/2013
EXCHEQUER		
Allpay (CBC)	Payments Service	Nov 2007 Currently on a contract extension
LAMAC (SRBC)	Mortgage Administration	31/03/2010
CYGNUS (CBC)	Mortgage Administration	Annual
AUDIT		
LCC (CBC)	Internal audit services	31/03/2010