

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Shared Services Joint Committee	18 October 2010

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Performance Management Report	N/A	Susan Guinness Garry Barclay	

## **SUMMARY AND LINK TO CORPORATE PRIORITIES**

This report illustrates the progress made so far against the key service developments and performance indicators in the 2010/11 Business Improvement Plan (BIP).

The report shows progress as at the end of August 2010 and therefore covers the first 5 months of the year.

The report also illustrates the Partnership's projected out-turn financial position to the end of this financial year.

**The Shared Services Partnership is a high corporate priority for both Councils.**

## **RECOMMENDATIONS**

That members note the progress on overall performance and comment as appropriate on the report

## **DETAILS AND REASONING**

The Joint Committee has previously approved the 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 Business Improvement Plan translates these outputs and measures into specific deliverables and targets which need to be achieved during 2010/11.

Full statements of the progress made on the key projects and the performance targets as at the end of August 2010 are shown at **Appendices 1 and 2**. The highlights from these statements are expanded on in the body of the report.

## EXECUTIVE SUMMARY

27 of the 34 key projects for this year have been completed or are on track and plans are in place to address the remaining 7.

Similarly only 9 of the 42 performance measures are at “red” status and there are mitigating circumstances in each case.

The Partnership is also operating well within its approved budget and is expected to achieve a small under-spend against its budget by the end of the financial year. An analysis of variations between budget heads is shown later in the report. Please note the original budget for the Partnership already includes a budget reduction target of £50k.

## KEY SERVICE DEVELOPMENTS

There are 34 key projects included in the BIP which represent service developments for 2010/11. Using a traffic light system, the progress is summarised in the table below.

Detail	Partnership Level	Assurance Services	Financial Services
Green Projects - on track	2	14	11
Amber Projects	2	0	3
Red Projects	0	0	2
Total	4	14	16

The following paragraphs provide commentaries on an exception basis for projects that are considered to have an Amber or Red status.

## PARTNERSHIP LEVEL PROJECTS

### *Amber Projects*

#### ***Workforce Development Plan (WDP)***

The Partnership WDP has now been drafted and is attached to this report at **Appendix 3**. The WDP incorporates a range of development activities some of which have already been undertaken by staff, some in progress and others which are being arranged. The core elements of the WDP are as follows:

#### *Participation in Host Authorities’ Organisational Development Programmes*

Each council has a structured OD programme including a range of activities aimed at supporting the transformation agenda and changes in organisational behaviour, culture and knowledge. Both of these programmes have been extended to managers within the Shared Services Partnership.

#### *Dedicated Sessions for Senior Managers*

Focusing on the customer, leadership, teamwork and effective communication have been identified as the 4 core management skills that are essential to the Partnership’s success. We are currently arranging dedicated workshops for the Partnership’s senior managers around these core themes.

### *Technical Skills*

As a key element of the annual performance appraisal process each member of staff is required to agree a Personal Development Plan with their manager and these are submitted to HR. These are then analysed by HR who then seek to arrange or fund the necessary development activities.

### *Professional Training*

In appropriate cases members of staff will be supported to undertake professional studies.

**Members of the Joint Committee will be updated of progress against the WDP at future meetings.**

### *Customer Survey*

We have now undertaken a customer survey of all the senior managers at South Ribble and Chorley Councils. 26 managers completed and submitted questionnaires which have provided a sound baseline assessment of all our services since the formation of the Partnership.

The overall results are extremely encouraging and these are summarised at **Appendix 4A** together with several improvement actions emerging from the exercise which are shown at **Appendix 4B**.

The majority of the comments made by managers were very positive and those which were in any way critical related mainly to individual, isolated issues rather than presenting any underlying trends or issues for consideration.

In areas where the scores were relatively low we understand the reasons involved and are already taking steps to address them, for example:

### *Internal Audit*

The disparity between the CBC and SRBC scores reflects the fact that at the former Audit Plans have tended to have a corporate risk focus whereas as the latter there has tended to be more service level consultation and input to Audit Plans. We will aim to address this when consulting upon 2011/12 Audit Plans, as far as resources will allow.

### *Business Continuity & Emergency Planning*

The relatively low scores here are due to delays in updating and testing BCP's and EP's due to organisational changes at both Councils. Diary dates have now been programmed to bring these back on track.

### *Accountancy Services*

The need to develop a more inclusive approach to supporting services, particularly at South Ribble is acknowledged and is being addressed.

## **ASSURANCE SERVICES PROJECTS**

*All projects currently have a green status*

## **FINANCIAL SERVICES PROJECTS**

### ***Amber Projects***

#### ***Financial Training Packages***

This project has been delayed in order to incorporate feedback from the Customer Survey to enable any points raised with regard to training to be incorporated into the packages. This project will now be completed in October.

#### ***Review of Procure to Pay Processes at South Ribble***

Procure to pay processes at SRBC are closely linked to the implementation of the Financial Management Information System as the functionality of the new system will determine what efficiency improvements can be made and the extent that manual systems can be replaced with electronic and automated systems. Now that the FMIS project is making steady progress this project will be completed in October.

#### ***Common Core Financial Management Information System***

The status of the project to implement a common Financial Management Information System (FMIS) for both authorities is currently classed as AMBER. The original Business Case and Project Initiation Document (PID) identified a go-live date of 1st October 2010 but, as outlined in the previous report to the SSJC, as part of managing risk members of the Project Board raised concerns about the hosting of the system on the existing hardware outlining the advantages of utilising a virtualised environment which is currently in use at South Ribble. As moving to a virtualised environment would be a change to the original proposed solution for the project and would result in additional work to transfer the existing system from Chorley to South Ribble it was decided that an additional appraisal should take place to investigate all options to address the concerns about current hardware capacity and resilience. This appraisal has now been completed and the report was submitted to the Project Board who approved the recommendation that the FMIS would be implemented on Chorley's virtualised environment which itself is currently being implemented.

All the options considered added complexity and additional tasks to the project and it was decided that this additional work would push the go live date into the critical budget setting period, with this years round expected to be a particularly challenging time. Therefore the Project Board proposed a new go-live date of 1st April 2011. This would not only allow time to deal with the hardware risk outlined above but also the outcomes of the Partnership ICT Network Infrastructure review. Additionally, as this change would result in a year end implementation, it provides other opportunities in terms of cleaner cut-off points, fewer data conversion requirements and less impact on accountants as they can continue to close down the accounts on the old financial system.

Project documentation, particularly the PID and Project Plan, have been updated to reflect the change in go-live date and the additional tasks to be undertaken to achieve virtualisation. The financial systems at Chorley have been upgraded to the latest release in preparation for the implementation and a test virtual server has been created. Project kick-off meetings with both the supplier and the implementation team have taken place and the South Ribble prototype company has been created for testing. Project communications are well underway at both Chorley and South Ribble, including a presentation to South Ribble Managers Forum which took place on 14<sup>th</sup> September.

The activities scheduled to be undertaken over the next month include:

- Project team training
- Begin writing testing strategy
- Create/Compile draft Chart of Accounts
- Review Business Process Transformation potential and map and baseline the current state in conjunction with the project to review the procure-to-pay process at South Ribble
- Specify data extract & load formats and carry out extract & conversion/migration for Test Load

### **Red Projects**

#### ***Review Resources Allocation to Establish a Single Point of Contact for the Management Accountancy Function***

This project has slipped to later in the year due as priority has been given to the closure of account process and production of budgetary information so an early position can be assessed in advance of the Governments Comprehensive Spending Review (CSR) to maximise the time available to the Council to address its affect on the Medium term Financial Strategy. The project will be given priority when the budget setting has been completed.

#### ***Review of Option to Apply VAT to Land and Property Transactions***

Additional supervision will be allocated to this project in order to get it completed as a matter of urgency.

### **PERFORMANCE TARGETS**

The BIP contains 42 performance indicators which are all local indicators and draw on the work of the National Audit Office (Value for Money in Public Sector Corporate Services 2007).

Again using a traffic light system, the progress against these indicators as at the end of August 2010 is shown in the table below.

<b>Detail</b>	<b>Assurance Services</b>	<b>Financial Services</b>
Green on target	7	14
Amber – within 5% of target	2	0
Red – more than 5% off target	4	5
Not measured (*)	2	8
<b>Total</b>	<b>15</b>	<b>27</b>

(\*) These indicators are reported on a half-yearly or annual basis and as such the performance information of some of these measures are not within this document.

**A detailed breakdown of the red and amber targets is shown below:**

## ASSURANCE SERVICES

### *Red & Amber Targets*

These relate mainly to two areas at both Councils:

- The number of management actions implemented / on time below target;
- Audit assignment customer satisfaction scores slightly below target.

Revised dates have been agreed for the implementation of the outstanding actions. The Head of Assurance has also reminded Senior Officers of the importance of acting upon audit recommendations on a timely basis

No significant trends have emerged in relation to the customer surveys and the situation will be closely monitored.

## FINANCIAL SERVICES

Measure	Target	Actual to date
Statutory Grant Claims and Returns to be submitted on time	100%	82%
Over/Underspend within 1% of manageable/cash revenue budget	<1.0%	CBC (0.96)% SRBC (1.21)%
Credit notes as % of total customer invoices raised	6%	7.28%
Proportion of outstanding debt that is more than 90 days old from date of invoice	14%	15.74%

### *Red Targets*

The Statutory Grant Claims and Returns indicator is stands at 82% against a target of 100%. This is calculated from a total of 38 returns submitted to date, 31 of which were submitted either early or on time. The main reason for not achieving this target is the focus on the critical activities of producing the statutory accounts early and the early start on the budget setting process due to the difficulties envisaged with this year's challenging budget round.

The indicator for Over/Underspend Within 1% of Manageable/Cash Budget stands at (1.21) % for South Ribble as at the end of July. At the time of calculation it was still relatively early in the budget monitoring cycle and Accountants are already working with Budget Holders to address these issues.

The Credit Notes Indicator (Chorley only) is off target due increased attention on enforcement to recover garage rent arrears. As a result, a number of garage leases have been terminated. Therefore credit notes for the remaining proportion of the year have been issues as the original invoice covered the whole of the financial year. Exchequer staff are now meeting with key users and budget holders on a regular basis to provide training and support to improve billing methods ensuring credit notes are minimised. Actions to improve the indicator below are also being addressed in this way.

The Outstanding Debt Indicator (Chorley only) is mainly due to invoices that have been disputed or put 'On Hold' by the department issuing the invoice. The majority of these disputed debts are long-standing issues which require careful management to ensure the best chance of recovery. These

long-standing issues account for an underlying percentage of around 11% of the debt over 90 days. The indicator is then pushed just over the 14% target to 15.74% by the normal cycle of annual bills raised in April some of which are now over 90 days old. These debts are being actively pursued with a high likelihood of collection. Payment status is being monitored closely and revised procedures have been introduced to strengthen the process by which disputed debtor invoices are managed. Due to the increased level of report writing skills gained through joint working on the financial systems project it has been possible to develop the Debtors reporting so that we can now exclude from our reports debt over 90 days which is being paid by an agreed instalment schedule. Other local authorities had been excluding this type of debt from their calculations because an instalment plan had been arranged for the debt even though the original invoice was reported as overdue. This improvement allows us to focus on the true outstanding debt over 90 days.

The Average Spend per Supplier indicator will be monitored closely as no clear trend is identifiable as yet.

## BUDGET PERFORMANCE STATEMENTS

At each Joint Committee meeting up-to-date budget performance statements will be presented showing actual performance against the approved original 2010/11 partnership budget. Any variations will be highlighted together with any proposals for either reducing or increasing expenditure. The following statement presents the projected out-turn position as at 31<sup>st</sup> March 2011. The original budget for the Partnership was £1.784m with a savings target to be achieved of £0.050m bringing the total annual budget for 2010/11 to £1.734m.

<b>Cost Category</b>	<b>Annual Budget £000</b>	<b>Projected Out-turn as at 31<sup>st</sup> March 2011 £000</b>	<b>(Under)/Over Spend £000</b>
Salary Costs	1,641	1,596	(45)
Other Staff Costs	10	9	(1)
Lancashire CC Audit Budget	9	54	45
Transport	14	11	(3)
Supplies and Services	60	60	-
<b>TOTAL</b>	<b>1,734</b>	<b>1,730</b>	<b>(4)</b>

### ***Significant Variations***

There is an under-spend against employee costs which has been achieved through vacancies. These savings have been re-invested in buying in audit days from Lancashire County Council but overall the budget remains on target.

## 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.

<b>FINANCIAL</b>	The wider implication of the financial performance of the Partnership is the full year impact on both Councils' Medium Term Financial Strategies. Any under-spend achieved at year end against the Partnership's budget will be passed on in total to both Councils by means of a reduced recharge.		
<b>LEGAL</b>	<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>		
<b>RISK</b>	<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 2010/11.</p>		
<b>OTHER (see below)</b>			
<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 2010/11.



## APPENDIX 1 – KEY SERVICE DEVELOPMENTS 2010/11

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
<b>Partnership Level</b>						
Implementation of the Workforce Development Plan	SG & GB	January 2010	March 2011	<ul style="list-style-type: none"> <li>To be agreed with OD/HR</li> </ul>	AMBER	In progress
Undertake the Customer Survey	SG & GB	April 2010	March 2011	<ul style="list-style-type: none"> <li>Agree improvement actions within 2011/12 BIP</li> </ul>	AMBER	Survey results now analysed
Review intranet content at both Councils	SG & GB	April 2010	Sept 2010	<ul style="list-style-type: none"> <li>Action Plan to be agreed</li> </ul>	GREEN	In progress
Development of the Communications Strategy	SG & GB	April 2010	March 2011	<ul style="list-style-type: none"> <li>Members</li> <li>Corporate Management Groups</li> <li>Management meetings</li> <li>Performance Appraisal</li> </ul>	GREEN	In progress
<b>Assurance As A Whole</b>						
Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships (SRBC)	GB	April 2010	October 2010	Develop an action plan for improving the oversight and reporting on partnership governance arrangements.	GREEN	In progress

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
<b>Internal Audit</b>						
Update the Internal Audit Charter in respect of the new shared audit service	CW	April 2010	December 2010	Report to Audit & Governance Committees  Issue to all IA staff & communicate to all officers of both councils	GREEN	In progress
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.	GREEN	In progress
Review the effectiveness of the system of Internal Audit in accordance with new regulatory requirements	CW	January 2010	July 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)	GREEN	Achieved
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.	GREEN	In progress

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
Update the skills assessment for Internal Audit Staff in respect of the "Effective Internal Auditor" and the new core competencies	CW	April 2010	Sept 2010	Evaluate skills assessments during all appraisals for all IA officers (June 2010)	GREEN	Now actioned and integrated into April 2010 appraisals.
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)	GREEN	In progress
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)	GREEN	In progress
<b>Risk Management</b>						
Review & update all risk management policies & procedures in place at both councils	AA	April 2010	Dec 2010	Review & update policies, etc on Websites & Intranets (July 2010)  Brief members & officers of revised policies (Dec 2010)	GREEN	Policies updated where necessary on intranets
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)	GREEN	In progress

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
<b>EP &amp; BCP</b>						
Develop and implement an agreed protocol for providing Emergency Planning (EP) & Business Continuity Planning (BCP) support to both councils	AA	April 2010	September 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)	GREEN	In progress
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)	GREEN	EP's updated & contacts tests undertaken  Full EP tests being planned  BCP reviews & tests in progress
<b>Insurance</b>						
Arrange the procurement of a single insurance broker under a combined agreement covering both Councils	AA	June 2010	1 <sup>st</sup> January 2011	Finalise procurement process & documentation & notify potential suppliers (September 2010) Appoint successful candidate (November 2010)	GREEN	In progress

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
Oversee the exercise for the procurement of new long-term insurance agreements by both councils	AA	January 2010	1 <sup>st</sup> January 2012 (based on advice from broker)	<p>Working alongside the broker and assuming a start date of 1<sup>st</sup> January 2012:</p> <p>Produce a project / procurement plan (April 2011)</p> <p>Agree selection criteria (May 2011)</p> <p>Finalise proposal documentation &amp; arrange OJEC publication (June 2011)</p> <p>Send documentation to interested parties (August 2011)</p> <p>Tender deadline (end September 2011)</p> <p>Submit summary of tenders to members including an appointment recommendation for approval (November 2011)</p> <p>Appoint successful insurers (end November 2011)</p> <p>New insurance starts 1<sup>st</sup> January 2012.</p>	GREEN	In progress

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
<b>Financial Services As A Whole</b>						
Construct and deliver financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques.	SG	April 2010	September 2010	<ul style="list-style-type: none"> <li>Consult customers</li> <li>Identify priority issues for customers and Shared Services</li> <li>Produce packages</li> <li>Deliver training</li> </ul>	AMBER	Packages have been collated are now being Quality Assured and cross referenced to the Customer Survey to make sure they have addressed all requests for additional financial training support requested. This project is due to be completed in October.
Accounting for Sustainability	SG	January 2010	March 2011	<ul style="list-style-type: none"> <li>Establish the requirements of the relevant accounting requirements</li> <li>Seek advice and guidance from with External Auditor</li> </ul>	GREEN	On Target
Review of Procure to Pay processes at South Ribble	SG	April 2010	September 2010	<ul style="list-style-type: none"> <li>Establish current procedures</li> <li>Consult with customers</li> <li>Identify service and efficiency improvements</li> </ul>	AMBER	Some delay has been experienced due to staff resources being directed at bring the Financial Management Information System back on track. This project is now due to be concluded in October.
Review Resources Allocation of Shared Financial Services to provide single point of contact for Directors and Budget Holders for Revenue and Capital budget management	SG	January 2010	May 2010	<ul style="list-style-type: none"> <li>Directors assigned single point of contact</li> <li>Hand over of capital budget monitoring responsibilities including training</li> </ul>	RED	This project is being reviewed in conjunction with the response to the new Senior Management Structure at SRBC and arrangements to respond to subsequent new customer requirements for support. This project is now due to be completed by December 2010.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
<b>Accountancy Services</b>						
Provide a common partnership platform for Management Accounting processes, Budget Monitoring and Budget Preparation.	MJ&JB	April 2010	December 2010	<ul style="list-style-type: none"> <li>• Identification of processes that do not add value</li> <li>• Establish most efficiency and effective processes in conjunction with Systems Implementation Project within this document</li> <li>• Consult with customers &amp; stake holders &amp; implement</li> </ul>	GREEN	On Target
Seek Tenders for Chorley Banking Services	JM	April 2010	March 2011	<ul style="list-style-type: none"> <li>• Produce a project / procurement plan</li> <li>• Agree selection criteria</li> <li>• Finalise proposal documentation &amp; arrange publication</li> <li>• Send documentation to interested parties</li> <li>• Tender deadline</li> <li>• Submit summary of tenders to members including an appointment recommendation for approval</li> <li>• Appoint successful bankers</li> </ul>	GREEN	COMPLETED - Contract has been re-negotiated and extended with existing service provider

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
Review the option to apply VAT to Land and Property transactions	JM	April 2010	April 2010	<ul style="list-style-type: none"> <li>Review Option to Tax Legislation</li> <li>Consult with stakeholders</li> <li>Establish most beneficial tax treatment of Land &amp; Property transactions</li> <li>Implement appropriate tax treatment</li> </ul>	RED	The project is now due to be completed in October 2010 after it has been quality assured by Price Waterhouse Coopers
Preparation and comply with International Financial Reporting Standards (IFRS)	GW	April 2010	March 2011	<ul style="list-style-type: none"> <li>Consultation with External Auditors</li> <li>Restate 01/04/09 Balance Sheet</li> <li>Revised Chart of accounts</li> <li>Restate 2009/10 Final Accountants</li> </ul>	GREEN	On Target
<b>System Development &amp; Exchequer Services</b>						
Common core financial information system across the partnership	LH	Started	December 2010	<ul style="list-style-type: none"> <li>Produce business case, agree solution and produce cabinet report (Jan 2010)</li> <li>Produce project documentation and plan (Jan 2010)</li> <li>Consultation and execute project communication plan (Feb 2010)</li> <li>Complete business process transformation</li> </ul>	AMBER	Please note this project is now on track to be implemented with effect from 1 <sup>st</sup> April 2011



Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
				<ul style="list-style-type: none"> <li>exercise and publish report (Mar 2010)</li> <li>• Agree terms and sign contracts (April 2010)</li> <li>• Implement common financial system (Jul – Sep 2010) incl. design, build, test, training, review and roll out.</li> </ul>		
Allocation of VAT Liability in purchasing system	LH	April 2010	December 2010	<ul style="list-style-type: none"> <li>• Review product and requisition class structure</li> <li>• Agree purchasing tolerance checks with CFO.</li> <li>• Assign VAT liability</li> <li>• Test</li> <li>• Turn on automatic invoice matching</li> </ul>	GREEN	On Target
Increase number of purchase orders delivered electronically	LH	April 2010	December 2010	<ul style="list-style-type: none"> <li>• Contact creditors to acquire appropriate details (Mar 2010)</li> <li>• Update system (May 2010)</li> <li>• Train staff (May 2010)</li> </ul>	GREEN	On Target
Integrate Sundry Debtor debt management into corporate debt management procedures and corporate monitoring – Chorley Council	LH	April 2010	December 2010	<ul style="list-style-type: none"> <li>• Agree procedure with CFO</li> <li>• Review and update Financial Regulations</li> <li>• Communicate new procedures and train staff</li> <li>• Roll out new procedures and implement monthly reporting (Dec 2010)</li> </ul>	GREEN	On Target

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
<b>Procurement Services</b>						
Investigate and evaluate the regional e-tendering solution The Chest and implement if beneficial taking advantage of any available NWIEP part funding and support	JH	January 2010	September 2010	<ul style="list-style-type: none"> <li>• Arrange user demonstration</li> <li>• Consultation with ICT departments and audit</li> <li>• Evaluate systems</li> <li>• Manage implications for standing orders, user guides, user training and system management</li> </ul>	GREEN	On Target
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.	JH	April 2010	September 2010	<ul style="list-style-type: none"> <li>• Identify major expenditure scheme such as capital programme activity</li> <li>• Evaluate and identify spend options</li> </ul>	GREEN	On Target
Develop and implement action plan working towards achievement of Level 3 of the flexible Framework for Sustainable Procurement	JH	April 2010	March 2011	<ul style="list-style-type: none"> <li>• Identify qualification requirements</li> <li>• Seek additional resource contributions e.g. Lancashire Procurement Hub</li> <li>• Develop and implement action plan</li> </ul>	GREEN	On Target
Develop and implement Selling to the Council Guide at each Authority	JH	April 2010	December 2010	<ul style="list-style-type: none"> <li>• Research requiring</li> <li>• Complete Guide</li> <li>• Raise awareness</li> <li>• Publish on internet</li> </ul>	GREEN	On Target

## APPENDIX 2 – PERFORMANCE TARGETS 2010/11

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
<b>Assurance As A Whole</b>							
Assurance Staff Satisfaction	GB	N/A	N/A	N/A	N/A	NM	Annual Indicator
<b>Internal Audit – CBC</b>							
% Planned Time Utilised	CW	81%	90%	37.5%	48.1%	GREEN	Target exceeded
% Audit Plan Completed	CW	76%	92%	38%	33%	AMBER	Plan slightly off target due to seasonality factors, including annual leave
Percentage of Management Actions Agreed	CW	100%	97%	97%	98.5%	GREEN	Target exceeded
% of Agreed Management Actions Implemented	CW	P1 – 76% P2 – 60%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 68% P2 – 79%	RED GREEN	P1 - Revised dates set for 17/54 MA's P2 – On target
Of the Agreed Management Actions Implemented - % Implemented On Time	CW	P1 – 95% P2 – 100%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 59% P2 – 81%	RED GREEN	P1 – 22/37 MA's implemented on time P2 – Target achieved
% customer satisfaction rating – assignment level	CW	86%	96%	96%	91%	AMBER	Based on 9 surveys. No trends emerging.

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
<b>Internal Audit – SRBC</b>							
% Planned Time Utilised	CW	83%	90%	37.5%	44.6%	GREEN	Target exceeded
% Audit Plan Completed	CW	94%	92%	26%	27%	GREEN	Target exceeded
Percentage of Management Actions Agreed	CW	99%	97%	97%	100%	GREEN	Target exceeded
% of Agreed Management Actions Implemented	CW	P1 – 94% P2 – 94%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 80% P2 – 84%	RED GREEN	P1 – Revised dates set for 10/50 MA's P2 – Target exceeded
Of the Agreed Management Actions Implemented - % Implemented On Time	CW	P1 – 88% P2 – 88%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 67% P2 – 67%	RED RED	P1 – 27/40 MA's implemented on time P2 – 14/21 MA's implemented on time
% customer satisfaction rating – assignment level	CW	93%	96%	96%	88%	RED	Based on 7 surveys. No trends emerging
<b>Risk Management</b>							
Average customer satisfaction score per insurance claim (max 5.0)	AA	4.7	4.7	4.7	4.7	GREEN	On target

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
<b>Finance As A Whole</b>							
Financial Services Staff Satisfaction	SG	95%	95%	N/A	N/A	N/A	Annual Indicator – to be measured by each Council corporately
% of professionally qualified finance staff as % of total finance staff (vfm Secondary 1)	SG	25%	15%	15%	25%	GREEN	Achieved
<b>Accountancy</b>							
Over/Underspends within 1% of manageable/cash revenue budget	SG	CBC = (0.6%) SRBC = (0.03%)	<1.0%	<1.0%	CBC (0.96%) SRBC (1.21%)	GREEN RED	Red overall Minor variance to be addressed in budget monitoring
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (VFM Primary 3)	SG	CBC = 4.4%	5%	N/A	N/A	N/A	Annual Indicator - to be measured at year end
10 working days from period-end closure to the distribution of financial reports (VFM Primary 2)	SG	90%	100%	100%	100%	GREEN	Target achieved
Year end statutory accounts to contain no material errors and have an unqualified audit opinion.	SG	0	0	0	0	GREEN	All three Statement of Accounts delivered on time with no errors and in SRBC case by mid June
Statutory Grant Claims and Returns to be submitted on time	SG	New measure for 2010/11	100%	100%	82%	RED	31 out of the 38 returns submitted to date this year have been early or on time. 7 have been submitted late, this is mainly due to the focus on Statutory Accounts and an early start on the budget setting process
Achievement of Prudential Indicators.	SG	100% compliance with Prudential Indicators	100% compliance with Prudential Indicators	100% compliance with Prudential Indicators	100% compliance with Prudential Indicators	GREEN	Reported to each Council's relevant committee on Treasury Management

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
Achievement of industry investment benchmarks	SG	SRBC 1.91% CBC 0.57%	Out perform London Inter Bank Offered Rate (LIBOR) by 10%	N/A	N/A	N/A	Half yearly indicator – to be measured and reported to Joint Committee in January 2011
<b>Systems Development &amp; Exchequer Services</b>							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	97%	97.75%	97.75%	98.06%	GREEN	Target exceeded
Supplier Payment within 22 days (local indicator)	LH	85.88%	85%	85%	91.31%	GREEN	Target exceeded
Supplier Payment within 10 days (local indicator)	LH	31.66%	50%	50%	55.39%	GREEN	Target exceeded
% of supplier payments by electronic means (VFM Secondary 7)	LH	90.79%	90%	90%	93.73%	GREEN	Target exceeded
% of remittances to suppliers by electronic means	LH	87.84%	85%	85%	91.88%	GREEN	Target exceeded
% of Financial Systems availability	LH	96.23%	99.25%	99.25%	99.98%	GREEN	Target exceeded
% of debtor income received (before bailiff referral)	LH	98.68%	90%	90%	97.45%	GREEN	Target exceeded
Number of debtor days (VFM Secondary 4) (measured at year end only)	LH	76.5 days	85 days	85 days	49 days	GREEN	Target exceeded
Cost of customer invoicing function per customer invoices processed (VFM Secondary 3)	LH	£7.47	£20.00	Annual	Annual	GREEN	Measured Annually

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
Credit notes as a % of total customer invoices raised (VFM Secondary 5)	LH	16.84%	6%	6%	7.28%	RED	Increased attention to recover garage rent arrears has resulted in a number of terminations. Therefore credit notes for the remaining proportion of year have been raised as the original invoice was raised to the end of the year.
Proportion of outstanding debt that is more than 90 days old from date of invoice (VFM Secondary 8)	LH	60.40%	14%	14%	15.74%	RED	Deviation due to disputed 'On Hold' invoices where recovery has been suspended. Instalments have now been from the reporting.
<b>Procurement Services</b>							
Professionally qualified staff as % of total procurement employees (vfm Secondary 1)	JH	67%	33%	33%	67%	GREEN	Achieved
LIB/P12 Satisfaction with the corporate procurement function	JH	94%	85%	N/A	N/A	N/A	Annual indicator – to be measured by year end Customer Survey
Sustainable Procurement – Attain level 3 of the National Action Plan Framework by 2009 (Level 5 by 2011)	JH	Progress towards achieving Level 2 was made	Achieve Level 3 by March 2011	N/A	N/A	N/A	Half Yearly Indicator – progress to be reported to January Joint Committee
Number of Council's Top 10 suppliers (by spend value) who have formal partnership/framework agreements with the authorities	JH	90%	100%	N/A	N/A	N/A	Annual Indicator – to be reported in the annual report
LIB/P22 Average invoice value	JH	CBC £1,253 SRBC £1,630	£1,200	£1,200	CBC £1,655 SRBC £1,355	GREEN	Target exceeded
LIB/P24 Average Spend per Supplier	JH	CBC £9,306 SRBC £12,214	£9,600	£9,600	CBC £8,356 SRBC £7,506	RED	Position to be closely monitored

## **NOTES**

**(1) The annual report clarified that the following Key Performance Indicators (KPI) were deleted as the input required to collect the data is disproportionate to the value of the data output:-**

- **% of corporate spend placed with Small to medium Enterprises (SMEs)**
- **% of corporate spend aggregated through collaboration with other public sector authorities**
- **% of corporate spend including grants placed with the third sector i.e. voluntary, community and social enterprise sectors**

**(2) The Use of Resources KPI has been deleted due to the changes to the audit and inspection regime**



### APPENDIX 3 – PARTNERSHIP WORKFORCE DEVELOPMENT PLAN

ACTIVITY	SKILLS	AUDIENCE	TIMESCALE
<b>MANAGEMENT SKILLS</b>			
Participation in Chorley's Organisational Development Programme	Circle of Service	Senior Managers & Team Leaders	May 2010
	Working in a Political Environment & Performance Management		May 2010
	Improving Your Team's Performance		May 2010
	Change Management		July 2010
	Benchmarking & Target Setting		Sept 2010
	Leading People to Perform		Oct/Dec 2010
	Measuring Customer Satisfaction		Nov 2010
Participation in South Ribble's Organisational Development Programme – training days plus supporting assignments	Develop Personal Leadership	Senior Managers	Autumn 2010
	Building Trust and Strengthen relationships / Understand Ourselves and Others		&
	Enhance Relationships and gain Cooperation / Stay positive in challenging times		Spring 2011
	Lead through Change / Influence Others		
	Delegation		
	Coach for Performance Improvement		
	Avoid Conflict / Handle Mistakes		

	Build Others through Recognition / Celebrate Achievements and Renew Our Vision		
Dedicated session(s) covering key management skills	Focusing on customers to identify and meet their needs Leading and motivating teams to deliver quality services Working as a team within the partnership Communicating effectively with customers and staff	Senior Managers	Autumn 2010
<b>TECHNICAL SKILLS</b>			
SRBC's core IT skills training programme (MS Outlook / Excel / Word, etc)	More efficient, maximum application of tools.	All staff on an "as needs" basis	Ongoing
Council financial information system	More efficient, maximum application of tools.	All	Spring 2011
Treasury Management	Improve understanding and apply best practice	Accountancy	To arrange
Money Laundering Regulations	Improve understanding of monitoring and reporting responsibilities	Accountancy	To arrange
Accounting for Sustainability	Improve understanding and apply best practice	Accountancy	To arrange
Procurement	Develop expertise in e-procurement, benchmarking & contract law	Procurement	To arrange

Partnerships & VFM	Investigation & reporting on partnerships & value for money	Internal Audit	September 2010
Risk Management	Establish performance standards, monitoring & reporting	Risk Management	To arrange
Health & Safety (in-house)	Improve understanding of responsibilities and apply corporate policies in the workplace	All	Ongoing
<b>PROFESSIONAL TRAINING</b>			
CIPFA	Acquisition of professional knowledge & skills	Accountancy	Ongoing
AAT	Acquisition of professional knowledge & skills	Accountancy	Ongoing
PIIA	Acquisition of professional knowledge & skills	Internal Audit	Ongoing

### APPENDIX 4A – CUSTOMER SURVEY RESULTS 2010

<b>SERVICE</b>	<b>Total Items Responded To (CBC)</b>	<b>CBC % Satisfied</b>	<b>Total Items Responded To (SRBC)</b>	<b>SRBC % Satisfied</b>	<b>Overall % Satisfied</b>	<b>CBC % Dissatisfied</b>	<b>SRBC % Dissatisfied</b>	<b>Overall % Dissatisfied</b>
<b>Internal Audit</b>	<b>114</b>	<b>77%</b>	<b>94</b>	<b>98%</b>	<b>87%</b>	<b>23%</b>	<b>2%</b>	<b>13%</b>
<b>Risk Management &amp; Insurance</b>	<b>121</b>	<b>85%</b>	<b>77</b>	<b>78%</b>	<b>82%</b>	<b>15%</b>	<b>22%</b>	<b>18%</b>
<b>Business Continuity Planning</b>	<b>65</b>	<b>66%</b>	<b>43</b>	<b>81%</b>	<b>72%</b>	<b>34%</b>	<b>19%</b>	<b>28%</b>
<b>Emergency Planning</b>	<b>65</b>	<b>72%</b>	<b>43</b>	<b>74%</b>	<b>73%</b>	<b>28%</b>	<b>26%</b>	<b>27%</b>
<b>Accountancy Services</b>	<b>116</b>	<b>86%</b>	<b>83</b>	<b>72%</b>	<b>80%</b>	<b>14%</b>	<b>28%</b>	<b>20%</b>
<b>Systems Development &amp; Exchequer</b>	<b>131</b>	<b>82%</b>	<b>90</b>	<b>87%</b>	<b>84%</b>	<b>18%</b>	<b>13%</b>	<b>16%</b>
<b>Procurement</b>	<b>48</b>	<b>90%</b>	<b>38</b>	<b>100%</b>	<b>94%</b>	<b>10%</b>	<b>0%</b>	<b>6%</b>

## **APPENDIX 4B – CUSTOMER SURVEY – KEY IMPROVEMENT ACTIONS**

### **Internal Audit**

- **Greater focus on reviewing service specific risks**

### **Risk Management & Insurance**

- **Greater awareness of risk management procedures**
- **Publicise the insurance service**

### **Business Continuity Planning**

- **Better communication of the service & the arrangements**

### **Emergency Planning**

- **Better communication of the service & the arrangements**

### **Accountancy Services**

- **More continuity of service accountants**
- **Provide a more inclusive approach to supporting services**

### **Systems Development & Exchequer**

- **Provide more user training on the financial information system**