

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	24/01/11

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Business Improvement Plan & Budget 2011-12	N/A	G Barclay & S Guinness	

## 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 third 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 resources required to deliver the Shared Services Partnership in 2011/12

That the Committee agrees to delegate the ability to incorporate any residual information or amendments to the BIP and Budget to the Chief Executive (SRBC) and Director of Transformation (CBC) 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 2011/12. These are shown in the tables at **Appendices 2 and 3** of the BIP.

## Other Purposes

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

- Highlighting the **main achievements in 2011** 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 2011/12;
- 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 2011/12;
- An outline of the main **cashable savings** and **non-cashable efficiencies** which are anticipated in year 3;
- An outline of the **business opportunities** which it is intended to exploit in 2011/12.

## WIDER IMPLICATIONS

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

<b>FINANCIAL</b>	The Partnership budget incorporates significant savings for 2011/12, the basis of which have been reported separately to members.		
<b>LEGAL</b>	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.		
<b>RISK</b>	A dedicated Risk Register has been produced in order to identify and mitigate the risks associated with the ongoing development of the Partnership and the latest version is incorporated within the Business Improvement Plan appended to this report.		
<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>

# **FINANCIAL & ASSURANCE SHARED SERVICES PARTNERSHIP**

## **BUSINESS IMPROVEMENT PLAN 2011/12**

**January 2011**

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## KEY ACHIEVEMENTS IN 2010

2010 represented a challenging year as the Partnership continued to embed combined and new ways of working whilst seeking to improve the delivery of its services.

The first half of the year was a particularly successful period during which three separate Statements of Account were again prepared for the two Councils plus the Joint Committee and each received unqualified audit opinions.

During the summer we undertook a detailed survey of our key customers and received extremely positive feedback across all service areas. Some improvement opportunities did however emerge from the survey and we are now actively working on them.

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

Against a background of a deteriorating financial climate nationally we achieved significant savings during the year. Perhaps more importantly we have also identified ways of reorganising the services from 2011/12 onwards which will deliver even greater efficiency improvements and consequential savings going forward.

A summary of the main service level successes in 2010 are as follows:-

### Shared Assurance Services

The establishment of a Customer Charter at SRBC  
Supporting the Annual Governance Statement reviews for SRBC, CBC and the Joint Committee  
Retention of the ISO 9001 quality standard  
Joint tender for insurance broker services delivering savings  
Positive endorsement by the Audit Commission of the effectiveness of the risk management & internal control arrangements at both host authorities

### Shared Financial Services

Closure of Accounts and production of three statutory Statement of Accounts to most earliest timescales

Full assessment of Comprehensive Spending Review and significantly earlier production of Council details budgets including challenging and extensive budget efficiency plans

Further successful development of the Financial Management Information System and significant progress made with implementing joint FMIS across the Partnership

Full review and re-drafting of Contract Standing Orders at both authorities leading to new standard draft with local requirements

Publication of Selling to the Council Guide at SRBC, Review and update at CBC

Implementation and development of the regional e-procurement portal for initial pilot within the Procurement Team

Significant procurement savings achieved exceeding set targets

## NEW RISKS & OPPORTUNITIES FOR 2011/12

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.

Although the majority of the original risk issues have now been mitigated, the updated risk register at **Appendix 1** contains a list of the original risks where action is still in progress to address them together with some new and emerging risks and opportunities as the Partnership enters its third full year of operation.

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

- Delivering sustainable, quality services in the light of public sector funding cuts;
- Delivering quality services to customers within the newly restructured Partnership;
- Providing a customer centred and responsive service;
- Workforce succession planning and developing managers and staff;
- Embedding new financial systems at both host authorities;
- Developing the Management Accounting function at both host authorities to increase added value;
- Implementing the requirements of a significant changes for the Statutory Accounts in addition to restructuring the partnership and the implementation of a new Financial Management Information System;
- Further developing the Procurement function at South Ribble;
- Seeking out viable opportunities to grow the service (see section on Business Opportunities below).

## PARTNERSHIP BUDGET 2011/12

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

Budget	2010/11 £000	2011/12 £000	Variation £000	Explanation
<b>Employees</b>				
Salaries Costs	1.682	1.412	(0.270)	Savings from Budget Reviews plus additional costs for Pensions and increments
Car leasing	0.027	0.027	-	
Employee Related Insurance	0.010	0.010	-	
<b>Lancashire County Council Audit Budget</b>	0.009	0.010	1	Revised budget provision to provide for Computer Audits
<b>Transport</b>	0.014	0.014	-	
<b>Supplies and Services</b>	0.042	0.040	(2)	Reduction in Audit Commission Fees
<b>SUB TOTAL</b>	<b>1.784</b>	<b>1.513</b>	<b>(271)</b>	
Budget Saving Target	(0.050)			
<b>TOTAL BUDGET</b>	<b>1.734</b>			

The main variation to the budget for 2011/12 is the Budget Review process of both Shared Financial and Shared Assurance Services. This equates to a 15% reduction in budget overall and realising significant budgetary savings for both Councils to assist in meeting the funding reductions announced in the recent Comprehensive Spending Review (CSR) 2010.

Please note that the £50k target set in 2010/11 was achieved by predominantly vacancy savings in year. Recurring savings have also been achieved in each Council's budgets with regard to FMIS and Emergency Planning.

# KEY SERVICE DEVELOPMENTS & TARGETS 2011/12

## 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 2011/12.

## Service Developments 2011/12

A table showing the annual objectives and key projects for 2011/12 is shown at **Appendix 2**. It should be noted that the Budget Review process for Shared Financial Services and subsequent restructure included the recommendation that the service undertakes core business functions. There is also greater sharing of roles and responsibilities. Therefore is now reflected in the project programme proposed for 2011/12.

## 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 previous measures used at South Ribble and Chorley.

## 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 2011 is contained in the table at Appendix 4.

The service will be involved in the key areas of procurement relating to payroll services in 2011/12.



## DELIVERING EFFICIENCIES

### Cashable Savings

The partnership is working towards the assisting both Councils make significant cashable savings in order to close budgetary funding gaps resulting from the recent Governments Comprehensive Spending Review. The table below provides an estimate of the cashable savings that are anticipated in 2011/12:

SAVINGS OPPORTUNITIES	ESTIMATED VALUE (£000)
Provision of Shared Assurance Services	90
Provision of Shared Financial Services	150
Procurement Strategies (£100k for each Council)	200

Members should note that the savings proposals in respect of the provision of Shared Assurance Services and Shared Financial Services have already been reported to the Joint Committee and are still subject to formal approval by the Executive Cabinets at the two host authorities in February 2011.

With regards to the Procurement Strategy savings a target of £200,000 per Council was set over the three year period 2009/10 to 2011/12 with targets set at £100,000 for the first two years and the remaining balance in 2011/12. Present indications are that actual savings expected to be achieved by the end of 2010/11 will be ahead of schedule across the three year target.

These also represent recurring annual savings.

### Non-Cashable Efficiencies

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

- **A further 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;

## BUSINESS OPPORTUNITIES

### Shared Assurance Services

A feasibility study into creating a larger shared Internal Audit service involving a number of other district authorities in Lancashire has been undertaken and this is currently being developed by the authorities involved.

Work is also in progress to evaluate insurance procurement options which could deliver significant savings in insurance premiums when the Long Term Agreements (LTA's) of the host authorities terminate in 2011.

### Shared Financial Services

The service will seek to expand the new and innovative way of delivering financial management systems to more than one organisation within one Financial Management Information System to a third, external organisation. This will not only raise the profile of the Partnership but be a source of additional income providing for further cashable budget savings.

## APPENDIX 1 - RISK REGISTER 2011/12

RISK	MITIGATION	H/M/L	FURTHER ACTION	BY WHOM	BY WHEN
Failure to deliver sustainable, quality services in the light of public sector funding cuts	<ul style="list-style-type: none"> <li>Efficiency reviews and restructure proposals for 2011/12</li> </ul>	H	<ul style="list-style-type: none"> <li>Seek out growth opportunities in both Shared Assurance Services and Shared Financial Services</li> </ul>	HOS	Ongoing
Failure to deliver quality services to customers within the newly restructured Partnership	<ul style="list-style-type: none"> <li>Planned implementation of new structure within Project regime to ensure minimal service disruption and continuity of service standard to customers</li> </ul>	H	<ul style="list-style-type: none"> <li>Cross reference work to smooth transition to Customer Satisfaction Improvement Programme and Communications Plan</li> <li>Eliminate non-added value activities in existing processes</li> <li>Continual review of processes to free up capacity to enable greater focus on change</li> <li></li> </ul>	HOS / Managers  HOS / Managers HOS / Managers	ASAP  ASAP ASAP
Failure to provide a customer centred / responsive service	<ul style="list-style-type: none"> <li>Customer Survey in 2010</li> <li>Regular meetings with Chief Officers and DMT's</li> </ul>	H	<ul style="list-style-type: none"> <li>Customer care action plan for implementation in 2011</li> </ul>	HOS / Managers	As per action plan
Failure to develop managers & staff and plan for succession	<ul style="list-style-type: none"> <li>Workforce Development Plan approved by members</li> </ul>	H	<ul style="list-style-type: none"> <li>Ongoing implementation of the agreed actions within the WDP</li> </ul>	HOS / Managers / Staff	Ongoing
Failure to embed the new financial systems at both authorities	<ul style="list-style-type: none"> <li>Project plan nearing completion</li> </ul>	H	<ul style="list-style-type: none"> <li>Implementation of user training programme</li> <li>Implementation of Finance staff training programme</li> <li>Internal Audit Plan 2011/12 focus on new financials</li> </ul>	HOS / Managers HOS / Managers Internal Audit	TBA TBA Ongoing

<b>RISK</b>	<b>MITIGATION</b>	<b>H/M/L</b>	<b>FURTHER ACTION</b>	<b>BY WHOM</b>	<b>BY WHEN</b>
Development of the Management Accounting function at both host authorities to increase added value	<ul style="list-style-type: none"> <li>• Introduction of new FMIS</li> <li>• Workforce Development Plan</li> <li>• Customer Improvement Plan</li> </ul>	M	<ul style="list-style-type: none"> <li>• Further integration of staff into Departmental Management Team meetings or Budget Holder 1-2-1 sessions</li> </ul>	HOS/Managers/Accountants	Ongoing
Implementing the requirements of a significant changes for the Statutory Accounts in addition to restructuring the partnership and the implementation of a new Financial Management Information System	<ul style="list-style-type: none"> <li>• Planned transitional arrangements and constant review of resources allocation</li> <li>• Detailed project management arrangements</li> <li>• High priority monitoring within Management Team</li> </ul>	H	<ul style="list-style-type: none"> <li>• Increased flexibility of staff facilitated with new structure of the Team</li> </ul>	HOS/Managers	ASAP
Further development of the Procurement function at South Ribble	<ul style="list-style-type: none"> <li>• Implementation and monitoring of workplan and resources allocation</li> </ul>	M	<ul style="list-style-type: none"> <li>• Recruitment into vacant post</li> </ul>	HOS/Procurement Manager	ASAP
Seeking out viable opportunities to grow the service	See Section on Business Opportunities	H	See Section on Business Opportunities	Partnership	2011/12

## APPENDIX 2 - SERVICE DEVELOPMENTS 2011/12

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<b>Partnership Level</b>					
Ongoing Implementation of the Workforce Development Plan	SG/GB	April 2011	March 2012	As arranged with the respective departments at each authority	Positive feedback in the appraisal interviews of the individuals involved
Implementation of Customer Survey Actions	SG/GB	April 2011	March 2012	As per agreed action plan	Improved results in the next survey
Participate in CBC & SRBC staff surveys	SG/GB	November 2011	January 2012	Timetable to be agreed	Maintenance or improvement of scores on survey undertaken in 2009
<b>Assurance As A Whole</b>					
Feed into new member inductions at SRBC & CBC	GB	April 2011	June 2011	To cover risk, audit and ethical Governance	Positive feedback in the post training questionnaires
Arrange (joint) training for the Governance & Audit Committees following the May elections	GB	April 2011	June 2011	Appoint external provider April 2011	Positive feedback in the post training questionnaires
Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships	GB	April 2011	June 2011	Establish Partnership Governance Assurance Statements to support the Annual Governance Statement	Endorsement by Audit Commission that the arrangements are effective
Facilitate control & risk self assessments in services at CBC & SRBC	CW/AA	April 2011	September 2011	Timetable to be agreed	Establishment of up-to-date Service Risk Registers

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<b>Internal Audit</b>					
Update of the Quality System & retention of ISO 9001 standard	CW	Ongoing	February 2012	Regular review of IA processes & updates to the Quality System as necessary.	Re-accreditation by ISOQAR in February 2012.
Further develop the use of the IDEA system interrogation package to encompass more applications	CW	April 2011	March 2012	Add to repertoire of reports run for key financial & business systems (ongoing)	Increased detection of data anomalies & detection / identification of potential fraudulent activities
<b>Risk Management</b>					
Review tree risk management arrangements at CBC	AA	April 2011	October 2011	<p>Review systems, policies and procedures using SRBC report as control matrix.</p> <p>Produce written report and improvement action plan (July 2011)</p> <p>Conduct end of year follow up review of actions implemented (October 2011)</p>	<p>Review activity completed and report produced</p> <p>Actions agreed by management</p> <p>Effective implementation of all recommendations</p>
<b>Emergency / Business Continuity Planning</b>					
Update Business Continuity Plans (BCPs) following restructures at both Councils & arrange simulation exercises	AA	April 2011	June 2011	To be agreed	Implementation of robust business continuity strategies at each authority
Prepare & implement an action plan to address new developments in Civil Contingencies	AA	To be agreed	To be agreed	To be agreed	Ongoing compliance with legislative provisions & best practice

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Implement a program of activity to enhance the Councils' duty under the Civil Contingencies Act (CCA) to promote BCP within the local business community within CBC and SRBC	AA	July 2011	December 2011	Review of Web site content  Undertake publicity campaign to raise awareness  Facilitate an awareness seminar in conjunction with other agencies	Assurance that key businesses have embedded BCP arrangements
Develop District Level Risk Registers for CBC and SRBC	AA	April 2011	October 2011	Explore the development of risk registers using GRACE software as part of a collaborative pilot arrangement  Undertake risk assessment using system profiles and develop a risk register	Enhancement of the Risk Management frameworks at each Council  Evidence of application of CCA duty to assess EP risks
Develop and facilitate a Rest Centre test exercise in conjunction with LCC Emergency Planning / Emergency Response Group	AA	September 2011	December 2011	Participate in Planning Team meetings to develop the exercise and undertake preparation.  Undertake exercise and provide necessary support and resources	Exercise developed and completed on schedule
<b>Insurance</b>					
Update & distribute Insurance Manuals at both host authorities as a means of publicising the Insurance Service	AA	April 2011	September 2011	To be agreed	Intranet based update of insurance procedures
Complete a nine month extension of current Long Term Agreements (LTAs) for CBC's insurance Portfolio	AA	January 2011	April 2011	Agree extension with Director of Transformation  Obtain necessary Member approvals and exemption of CPRs	Agreement obtained  Approval and exemption obtained  Extended LTAs in place until 31/12/2011

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	April 2011	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>	<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
<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.	Susan Guinness	April 2011	September 2011	<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>	<ul style="list-style-type: none"> <li>Delegate feedback</li> <li>Reduction of errors within processes e.g. coding errors corrected</li> </ul>
Ensure compliance with Service Reporting Code of Practice for Local Authorities including process improvement to facilitate the most efficient and effective data collection and publication processes	Susan Guinness	April 2011	June 2011	<ul style="list-style-type: none"> <li>Consult customers and communications staff</li> <li>Set up templates for publication</li> <li>Identify issues and re-currant issues problems/problem solving approach</li> <li>Conduct training to solve problems</li> </ul>	<ul style="list-style-type: none"> <li>Issue of guidance notes and timetable on the LOOP</li> <li>Production and publication of accurate and timely data</li> </ul>
<b>Accountancy Services</b>					
<p>Provide a common partnership platform for Management Accounting processes, Budget Monitoring and Budget Preparation – Revenue and Capital</p> <p>Review of monthly/quarterly close down procedures with reference to new requirement Enhanced Local Government Accrual Reporting (ELGAR) programme.</p> <p>Extension of 2010/11 project to develop maximise the functionality of the new and developed FMIS at SRBC and CBC respectively.</p>	Michael Jackson and Jane Blundell	April 2011	June 2011	<ul style="list-style-type: none"> <li>Identification of processes that do not add value</li> <li>Establish most efficiency and effective processes</li> <li>Consult with customers and stake holders</li> <li>Implement</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of processes</li> <li>Common approach to delivering service</li> <li>Customer satisfied with service</li> </ul>



Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Close down the accounts of both Councils in accordance with International Financial Reporting Standards (IFRS)	Gordon Whitehead	April 2011	June 2011	<ul style="list-style-type: none"> <li>• Consultation with External Auditors</li> <li>• Comply with the Code of Practice for Local Authority Accounting</li> <li>• Comply with Closure of Accounts timetable</li> </ul>	<ul style="list-style-type: none"> <li>• No errors on Statement of Accounts</li> <li>• No negative comments from External Auditors</li> </ul>
Preliminary Joint Bank Tender preparation (Contact effective from April 2013)	Gordon Whitehead	January 2012	March 2012	<ul style="list-style-type: none"> <li>• Agree strategy for Tender preparation</li> <li>• Collect data</li> <li>• Assess implications for both Councils</li> </ul>	<ul style="list-style-type: none"> <li>• Set out implications and proposals for optimum way forward for both Councils with regard to future Banking Tender process</li> </ul>
<b>System Development &amp; Exchequer Services</b>					
Explore the feasibility of extending the new platform for delivering the Financial Management Information System to other parties outside of the Partnership	Lee Hurst	April 2011	September 2011	<ul style="list-style-type: none"> <li>• Assess resources implications with regard to implementation and sustainability</li> <li>• Further test multi company system operations and responsibilities e.g. Disaster recovery outside the Partnership</li> <li>• Soft Market testing</li> </ul>	<ul style="list-style-type: none"> <li>• Set out implications and proposals for the optimum way forward for with regard to providing FMIS to an organisation outside the Partnership</li> </ul>
Implementation and development of the Asset Accounting, Budget and Payroll Budgeting Modules within CIVICA	Lee Hurst	April 2011	September 2011	<ul style="list-style-type: none"> <li>• Consult Partnership internal and external customers</li> <li>• Process re-engineering</li> <li>• Test systems</li> <li>• Implement including training</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the effectiveness and efficiency of accounting processes by maximising the functionality of FMIS</li> <li>• Increase customer satisfaction</li> </ul>
Set up Joint Financial Management Information User groups to enhance customer training and satisfaction	Lee Hurst	September 2011	March 2012	<ul style="list-style-type: none"> <li>• Consult customers</li> <li>• Set up group terms of reference and timetable</li> </ul>	<ul style="list-style-type: none"> <li>• Respond to user requests for system amendments and training</li> <li>• Increase customer satisfaction</li> </ul>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<b>Procurement Services</b>					
The Chest E-tendering systems – the Chest is in place however the process needs to be developed and embedded into core business	Janet Hinds	April 2011	March 2012	<ul style="list-style-type: none"> <li>• Complete <b>pilot period within procurement</b></li> <li>• <b>Raise awareness, training and roll-out if, and as, appropriate</b></li> </ul>	<ul style="list-style-type: none"> <li>• Successful use of the Chest for all appropriate procurement activity in accordance with refreshed Standing Orders</li> </ul>
Develop and implement Model Templates for Pre-Qualification, Request for Quotation and Tender documents	Janet Hinds	April 2011	March 2012	<ul style="list-style-type: none"> <li>• Research best practice</li> <li>• Develop template docs</li> <li>• Publish and promote</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation and use of template documentation, simplifying the procurement process for officers across the Council</li> </ul>
Evaluate, implement and publish a range of Model Conditions of Contract	Janet Hinds	April 2011	March 2012	<ul style="list-style-type: none"> <li>• Research best practice including consideration of NWIEP standard docs</li> <li>• Consult with Legal</li> <li>• Develop template docs</li> <li>• Publish and promote</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation and use of template documentation, simplifying the procurement process for officers across the Council.</li> </ul>

## APPENDIX 3 - PERFORMANCE INFORMATION 2011/12

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 2010/11	Target 2011/12
<b>Internal Audit Services</b>					
% of Planned Time Used	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee & Audit / Governance Committees	90%	90%
% Audit Plan Completed	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee & Audit / Governance Committees	92%	92%
% of Management Actions Agreed	EI	Quarterly Audit Plan Update Report & Annual Audit Report	Joint Committee & Audit / Governance Committees	98%	98%
% of Agreed Management Actions Implemented	EI	Quarterly Audit Plan Update Report & Audit Annual Report	Joint Committee & Audit / Governance 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 / Governance 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 / Governance 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 / Governance Committees	30%	30%
<b>Risk Management Services</b>					

Key Measures	Type	Timescale	Member Reporting	Target 2010/11	Target 2011/12
Total Cost of the Risk Management Function as a % of Organisational Running Costs / Expenditure) (VFM Primary 1)	E	Annual	Joint Committee & Audit / Governance Committees	4.12%	4.12%
Average customer satisfaction score per insurance claim (max 5.0)	ES	Quarterly	Joint Committee & Audit / Governance Committees	4.7	4.7
<b>Financial Services – Overall</b>					
Customer Satisfaction	ES	Annual Questionnaire	Joint Committee	85%	90%
Financial Services Staff satisfaction	ES	Annual Staff Surveys within each Councils	Joint Committee	95%	95%
% of professionally qualified finance staff (FTEs) as a % of total finance staff (FTEs) (vfm Secondary 1)	EI	Annual	Joint Committee	15%	18%
<b>Accountancy Services</b>					
Over/Underspend 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	5.0%	5.0%
15 working days from period-end closure to the distribution of financial reports (vfm Primary 2)	EI	Monthly	Joint Committee	100%	100%

Key Measures	Type	Timescale	Member Reporting	Target 2010/11	Target 2011/12
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	100%	100%
Achievement of Industry Investment Benchmarks	EI	Half Yearly and at Year End	Joint Committee Executive Cabinets	Out perform London Inter Bank Offered Rate (LIBOR) by 10%	Out perform London Inter Bank Offered Rate (LIBOR) by 10%
<b>Systems Development &amp; Exchequer Services</b>					
Supplier Payment within 30 days (local indicator)(linked to vfm Secondary 10)	EI	Monthly	Joint Committee	97.75%	98%
Supplier Payment within 22 days (local indicator)	EI	Monthly	Joint Committee	85.0%	85.0%
Supplier Payment within 10 days (local indicator)	EI	Monthly	Joint Committee	50.0%	50%
% of supplier payments by electronic means (vfm Secondary 7)	EM	Monthly	Joint Committee	90.0%	92%

Key Measures	Type	Timescale	Member Reporting	Target 2010/11	Target 2011/12
% of remittances to suppliers by electronic means	EM	Monthly	Joint Committee	85.0%	87.0%
% of Financial Systems availability	E	Monthly	Joint Committee	99.25%	99.5%
<b>Procurement Services</b>					
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	85%	87%
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%

## APPENDIX 4 – CONTRACTS REGISTER

Company / Provider	Services Provided	End Date
<b>TREASURY</b>		
Sector ( Joint SRBC & CBC)	Treasury Management Consultancy Service	31/03/2013
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	31/03/2013
<b>INSURANCE</b>		
Jardine Lloyd Thompson ( Joint SRBC & CBC)	Insurance Broker and tender services	31/12/2013
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
Dual Corporate Risks	Professional Indemnity Insurance	December 2011



<b>Company / Provider</b>	<b>Services Provided</b>	<b>End Date</b>
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
<b>PAYROLL</b>		
Blackpool Borough Council (CBC)	Payroll Service	Rolling SLA
Lancashire Employment Services (SRBC)	Payroll	Extended for 2yrs to 31/03/2011 as per contract
<b>SYSTEMS</b>		
Civica (SRBC)	Powersolve FMIS system (including creditors, debtors, bank Rec)	Terminates on Go Live date of FMIS project and is then incorporated within the CIVICA contract below
Intelco (SRBC)	Powersolve -licences	Terminates on Go Live date of FMIS project and is then incorporated within the CIVICA contract below
Bottomline Technolgy (SRBC)	Paybase (BACS payments/receipts for creditors, debtors)	Annually 1 <sup>st</sup> April
Bottomline Technolgy (SRBC)	Printers, toner, cheques	Annually 1 <sup>st</sup> April
Civica (Partnersip)	Financials Debtors & Creditors	30/07/2014

Company / Provider	Services Provided	End Date
	GL Purchasing Intelligent Imaging e-Modules (Cr, Dr, Pr) Budget Preparation	
Civica (CBC)	ICON Cash Receipting ICON Bank Reconciliation	19/02/2013
<b>EXCHEQUER</b>		
Lancashire Procurement Hub/Northern Housing Consortium - Allpay (CBC)	Payments Service	February 2015
LAMAC (SRBC)	Mortgage Administration	Rolling Agreement.
CYGNUS (CBC)	Mortgage Administration	Annual
<b>AUDIT</b>		
LCC (CBC)	Internal audit services	31/03/2011