

REPORT TO	DATE OF MEETING
Joint Committee	24 January 2011

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
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) and the Customer Satisfaction Improvement Programme as per the last Joint Committee action 18th October 2010.

The report shows progress as at the end of November 2010 and therefore covers the first 8 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 November 2010 are shown at **Appendices 1 and 2**. The highlights from these statements are expanded on in the body of the report.

EXECUTIVE SUMMARY

25 of the 34 key projects for this year have been completed or are on track and plans are in place to address the remaining 9.

8 of the 40 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 an under-spend against its budget by the end of the financial year of £10k. 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	3	14	8
Amber Projects	1	0	4
Red Projects	0	0	4
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)

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.

At the last meeting we informed members that all the partnership managers are taking part in the organisational development programmes at each of the host authorities which are aimed at supporting the transformation agenda and changes in organisational behaviour, culture and knowledge. We are confident that these will go a long way towards developing the above core skills which will underpin the success of the partnership.

We have also discussed with our managers what is expected regarding the core skills and there is a growing understanding amongst them of how this should manifest itself in terms of behaviour. For example a number of managers are now presenting reports to members and therefore taking greater ownership of their work rather than this being the sole responsibility of the Heads of Service.

Moreover we also anticipate that the personnel changes resulting from the restructures will have a positive impact in this area.

Customer Survey

At the last meeting we advised members of the results of a customer survey which although very encouraging did highlight some areas for improvement. As per the committee meeting action **Appendix 3** contains a table showing the actions taken and still in progress to implement the improvements identified.

ASSURANCE SERVICES PROJECTS

Amber Project

The implementation of Partnership Assurance Statements to feed into the 2011 Annual Governance Statement processes is on course at CBC but off course at SRBC as the Policy Unit has yet to implement a Partnership Governance Framework

FINANCIAL SERVICES PROJECTS

Shared Financial Services project performance has seen a negative shift since the last report with two projects changing from Amber to Red and three projects turning from Green to Amber. This is due to additional work being undertaken during the course of this year that was not planned when the timescales for the projects was originally assessed. For instance, the additional demands of assessing the implications of the Comprehensive Spending Review 2010 and the implementation of a comprehensive budget review and subsequent fundamental restructure of the service. The high profile and far reaching implications of the CSR and its delayed announcement also required an earlier budget setting process to enable Senior Officers and Budget Holders to carry out fundamental budget reviews to formulate robust budget savings proposal for Members. Despite these events the projects are remain well underway to being achieved with just the Financial Training Packages and Single Point of Contact being carried over to be expanded upon and completed respectively in 2011/12.

Red Projects

Training Packages (Amber to Red) – Training packages have been designed, delivery will take place as part of the Business Improvement Plan for 2011/12.

Review of the Procure to Pay process at South Ribble (Amber to Red) - The review of the Procure to pay processes at SRBC is 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. The project has moved from Amber to Red due to the delay in baselining and evaluating current processes. This has now been completed and the project is being brought back on track.

Single Point of Contact for Directors and Budget Holders – This matter is interlinked with the restructure of Shared Financial Services and the Customer Satisfaction Improvement Plan.

Review Option to Tax on Land and Property at Chorley Council – This project will be completed as part of the Budget Setting process at Chorley and is currently being quality assured by Price Waterhouse Coopers.

Amber Projects

Common Platform for Management Accounting Processes (Green to Amber) – This project is interlinked to the Financial Management Information System and is currently being progressed. The project will only be completed when the new systems goes live on 1st April 2011.

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. Significant progress has been made since the last performance report. The additional work identified in the last report, to transfer the system to a virtualised environment, is almost complete. The test server and database server have been transferred and the live server has been created and tested. Discussions are underway with both the supplier and end user to establish a suitable date to transfer the live server. The South Ribble prototype company is complete, a new coding structure has been finalised and the test data transfer was successful.

With a significant amount of the technical work now undertaken, focus has shifted to the process review and communications phase of the project with South Ribble staff now engaged in consultation to ensure the new financial system meets their needs.

January and February will see the finalisation of much of the technical work while March will be dedicated to training.

Allocation of VAT liability in Purchasing System (Green to Amber) - This project status has moved from GREEN to AMBER as it is closely linked to the project to implement a common FMIS and the review of the Procure to Pay process and therefore had an original implementation date of December 2010. As the 'go live' of the FMIS project has moved then this project should also now have an implementation date of April 2011. Additionally, the Procure to Pay review may determine that this is not a requirement depending on the invoice authorisation method adopted in the new financial system.

Increase Number of Purchase Orders delivered electronically (Green to Amber) - This project status has also moved from GREEN to AMBER as it is closely linked to the project to implement a common FMIS and therefore its implementation date must also be realigned. That said, the technical limitations of the old South Ribble financial system only prevent work on this project for South Ribble and partnership staff have made significant headway on this project in relation to Chorley. Electronic purchase orders have increased from 33.08% in April 2010 to 70.32% in November 2010. The same methodology will be applied to South Ribble systems as the new FMIS is implemented which should result in comparable improvements

PERFORMANCE TARGETS

The BIP contains 40 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 November 2010 is shown in the table below.

Detail	Assurance Services	Financial Services
Green on target	8	16
Amber – within 5% of target	2	0
Red – more than 5% off target	3	5
Not measured (*)	1	5

Total	14	26
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(*) These indicators are not reported on an 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
Over/(Underspend) within 1% of manageable/cash revenue budget	>1.0%	CBC (2.3%) SRBC (3.0%)
10 working days from period-end closure to the distribution of financial reports	100%	75%
Statutory Grant Claims & Returns to be submitted on time	100%	86%
Credit notes as a % of total customer invoices raised	6%	21.32%
Proportion of outstanding debt that is more than 90 days old from date of invoice	14%	25.94%

Red Targets

Over/(Underspend) within 1% of manageable/cash revenue budget – Both Councils are gearing themselves up to meet challenging reductions in Central Government funding as contained within the recent Comprehensive Spending Review (CSR) 2010. Although this results in a red marker the budget variation is due to efficiency savings and one –off items and not due to erroneous budget setting. Therefore no remedial action is recommended.

10 working days from period-end closure to the distribution of financial reports – Since the last performance report there have been short delays in issuing reports due to the following:-

1. priority work being undertaken on the assessment of the budgetary implications of CSR and an early budget setting process;
2. accrual accounting on a monthly basis is more dependent on the timely receipt of actual data at month end in addition to estimating projection to year end;

- the reporting process within the system at SRBC is interdependent and therefore a delay within just one area delays the whole process. This will be addressed as part of the FMIS implementation.

Statutory Grant Claims & Returns to be submitted on time – some delay has been experienced due to priority work being given to the closure of accounts and budget setting processes. This issue has been addressed within the Budget Review report and subsequent restructure where the sharing and flexibility of posts has been increased to respond to peak period of demand.

Credit notes as a % of total customer invoices raised (Chorley Only) – some customers have returned their allotment invoice as they have applied for a reduced rate due to reaching pensionable age.

Proportion of outstanding debt that is more than 90 days old from date of invoice (Chorley Only) – The variation from the target is caused by disputed invoices. The majority of these disputed debts are long-standing issues which require careful management to ensure the best chance of recovery. Action is being taken to collect the outstanding income prior to the end of the year.

BUDGET PERFORMANCE STATEMENTS

At each Joint Committee meeting up-to-date budget performance statements are 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 31st 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.

Cost Category	Annual Budget £000	Projected Out-turn as at 31st March 2011 £000	(Under)/Over Spend £000
Salary Costs	1,641	1,593	(48)
Other Staff Costs	10	10	-
Lancashire CC Audit Budget	9	54	45
Transport	14	6	(8)
Supplies and Services	60	61	1
TOTAL	1,734	1,724	(10)

Significant Variations

There is a projected under-spend at year end against employee costs which has been achieved through vacancies. These savings have been re-invested, where applicable, in buying in audit days from Lancashire County Council. Travel costs are also expected to be less than previously anticipated and therefore the service is due to deliver a further small budget saving at the end of the year in addition to the £50k savings target set at the beginning of the year.

WIDER IMPLICATIONS

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

FINANCIAL	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.		
LEGAL	<p>The partnership has been established with an informal structure which has low complexity and a low cost set up. The Shared Services Joint Committee, established under Section 101 of the Local Government Act 1972, provides the overall governance for this with its terms being set out in an Administrative Collaborative Agreement which has been signed by both Councils. Sound performance management arrangements are required to enable the Shared Services Joint Committee to effectively fulfil its obligations.</p> <p>Schedule 1 to this Agreement sets out the Service Level Agreements which form a key part of the performance management arrangements.</p>		
RISK	<p>Any new service delivery approach involves a significant element of risk, both in relation to the new arrangement itself and in making the transition to that new service delivery vehicle. The development of the partnership will increase the risk to each of the councils and this has been recognised and is being managed, individually and collectively.</p> <p>A full risk assessment is set out in the Partnership Business Improvement Plan for 2010/11.</p>		
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>

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
Partnership Level						
Implementation of the Workforce Development Plan	SG & GB	January 2010	March 2011	<ul style="list-style-type: none"> Noted in host authority OD programmes 	AMBER	In progress
Undertake the Customer Survey	SG & GB	April 2010	Jan 2011	<ul style="list-style-type: none"> Complete survey 06/10 Analyse results 09/10 Agree actions 12/10 	GREEN	Survey complete, results analysed & action plan in progress
Review intranet content at both Councils	SG & GB	April 2010	March 2011	<ul style="list-style-type: none"> Action Plan to be agreed 	GREEN	Update the Loop & CONNECT following restructure implementations
Development of the Communications Strategy	SG & GB	April 2010	March 2011	<ul style="list-style-type: none"> Members Corporate Management Groups Management meetings Performance Appraisal 	GREEN	In progress
Assurance As A Whole						
Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships (SRBC)	GB	April 2010	March 2011	Develop an action plan for improving the oversight and reporting on partnership governance arrangements.	GREEN	To implement Partnership Assurance Statements to feed into the 2011 Annual Governance Statement processes. On course at CBC but off course at SRBC as Policy Unit has yet to implement a Partnership Governance Framework

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
Internal Audit						
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	Done & going to February Governance Committee at SRBC Possible implementation as part of a wider Charter for support services at CBC
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	CBC – Inventories done / AF&CS in progress / insurance see AA / ML to Chris Moister SRBC – AF&CS / Fraud Response Plan / WB Policy – all almost done All to be uploaded on Loop & Connect & use internet prompts – only minor changes

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 Also review sheet after each audit introduced – used to identify trends
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	Being rolled out at SRBC & CBC
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 – used on SRBC & CBC Council Tax & reduced number of matches on SPD requiring investigation
Risk Management						
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	Done at SRBC & posted on officers & members CONNECT. Refresh – no significant changes WIP at CBC Project in 2011/12 BIP to facilitate service level risk assessments (customer survey)
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) & end of year review of actions implemented (March 2011)	GREEN	Done WIP

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
EP & BCP						
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) Arrange liaison meetings with the Responding Officers at both Councils to monitor effectiveness of the arrangements (monthly)	GREEN	EP - Implemented at CBC EP - WIP at SRBC BCP scheduled for last quarter
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 awareness training & simulation exercises organised
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)	GREEN	Broker appointed

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 st January 2012 (based on advice from broker)	<p>Working alongside the broker and assuming a start date of 1st January 2012:</p> <p>Produce a project / procurement plan (April 2011)</p> <p>Agree selection criteria (May 2011)</p> <p>Finalise proposal documentation & 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 1st January 2012.</p>	GREEN	In progress

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
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.	SG	April 2010	September 2010	<ul style="list-style-type: none"> Consult customers Identify priority issues for customers and Shared Services Produce packages Deliver training 	RED	Packages have been collated, however final approval by the Management Team has been delayed due to other priority corporate workload demands. This project will be largely completed in 2010/11 and rolled forward for delivery into 2011/12 when new system is in place.
Accounting for Sustainability	SG	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 	GREEN	On Target
Review of Procure to Pay processes at South Ribble	SG	April 2010	September 2010	<ul style="list-style-type: none"> Establish current procedures Consult with customers Identify service and efficiency improvements 	RED	Some delay has been experienced due to staff resources being directed at bringing the Financial Management Information System back on track and end user availability for workshops. This project is now due to be concluded in January as part of the FMIS project.
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"> Directors assigned single point of contact Hand over of capital budget monitoring responsibilities including training 	RED	This project is being reviewed and completed as part of the Budget Review of Shared Financial Services and the subsequent restructuring arrangements currently being implemented.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
Accountancy Services						
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"> • Identification of processes that do not add value • Establish most efficiency and effective processes in conjunction with Systems Implementation Project within this document • Consult with customers & stake holders & implement 	AMBER	This project forms part of the review of the FMIS and will be largely completed by the end of the financial year. Further development and improvement of processes for both Revenue and Capital and compliance with the new Enhanced Local Authority Accrual Reporting (ELGAR) programme will be carried into 2011/12.
Seek Tenders for Chorley Banking Services	JM	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 	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"> Review Option to Tax Legislation Consult with stakeholders Establish most beneficial tax treatment of Land & Property transactions Implement appropriate tax treatment 	RED	The project is now due to be completed in January 2011 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"> Consultation with External Auditors Restate 01/04/09 Balance Sheet Revised Chart of accounts Restate 2009/10 Final Accountants 	GREEN	On Target
System Development & Exchequer Services						
Common core financial information system across the partnership	LH	April 2010	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) 	AMBER	Please note this project is now on track to be implemented with effect from 1 st April 2011

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
				<ul style="list-style-type: none"> • Agree terms and sign contracts (April 2010) • Implement common financial system (Jul – Sep 2010) incl. design, build, test, training, review and roll out. 		
Allocation of VAT Liability in purchasing system	LH	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 • Turn on automatic invoice matching 	AMBER	To be delivered as part of the FMIS project
Increase number of purchase orders delivered electronically	LH	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) 	AMBER	To be delivered as part of the FMIS project
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"> • 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) 	GREEN	On Target

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status (RAG)	Update
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	JH	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 	GREEN	On Target – The process is in place and will be utilised at the next opportunity
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"> • Identify major expenditure scheme such as capital programme activity • Evaluate and identify spend options 	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"> • Identify qualification requirements • Seek additional resource contributions e.g. Lancashire Procurement Hub • Develop and implement action plan 	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"> • Research requiring • Complete Guide • Raise awareness • Publish on internet 	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
Assurance As A Whole							
Assurance Staff Satisfaction	GB	N/A	N/A	N/A	N/A	NM	Annual Indicator
Internal Audit – CBC							
% Planned Time Utilised	CW	81%	90%	60%	66%	GREEN	Target exceeded
% Audit Plan Completed	CW	76%	92%	62%	56%	AMBER	Slightly off target due to draft reports in progress
Percentage of Management Actions Agreed	CW	100%	97%	97%	99%	GREEN	Target exceeded
% of Agreed Management Actions Implemented	CW	P1 – 76% P2 – 60%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 78% P2 – 84%	RED GREEN	P1 – Revised dates set for 14/62 MA's P2 – Target exceeded
Of the Agreed Management Actions Implemented - % Implemented On Time	CW	P1 – 95% P2 – 100%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 52% P2 – 81%	RED GREEN	P1 – 25/48 MA's implemented on time P2 – Target exceeded
% customer satisfaction rating – assignment level	CW	86%	96%	96%	89%	AMBER	Based on 12 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
Internal Audit – SRBC							
% Planned Time Utilised	CW	83%	90%	60%	74%	GREEN	Target exceeded
% Audit Plan Completed	CW	94%	92%	46%	56%	GREEN	Target exceeded
Percentage of Management Actions Agreed	CW	99%	97%	97%	99%	GREEN	Target exceeded
% of Agreed Management Actions Implemented	CW	P1 – 94% P2 – 94%	P1 – 100% P2 – 80%	P1 – 100% P2 – 80%	P1 – 85% P2 – 81%	RED GREEN	P1 – Revised dates set for 13/86 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 – 71% P2 – 62%	RED RED	P1 – 21/73 MA's implemented on time P2 – 10/26 MA's implemented on time
% customer satisfaction rating – assignment level	CW	93%	96%	96%	86%	RED	Based on 12 surveys. No trends emerging
Risk Management							
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
Finance As A Whole							
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
Accountancy							
Over/(Underspends) within 1% of manageable/cash revenue budget	SG	CBC = (0.6%) SRBC = (0.03%)	<1.0%	<1.0%	CBC (2.3%) SRBC (3.0%)	RED	Both Councils are expecting to underspend at year end to a value greater than 1% of the budget. Although this exceeds the target both Councils are gearing themselves up to address significant reductions in funding that will be applied in just a few months time
% 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%	75%	RED	Budget Monitoring reports have been delivered month, however have been delayed for a few days per month due to:- <ul style="list-style-type: none"> • Work priorities to the analysis of CSR implications and forecasts • Dependency of actual data for accrual accounting • Interdependent report production at SRBC
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

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
Statutory Grant Claims and Returns to be submitted on time	SG	New measure for 2010/11	100%	100%	86%	RED	50 out of the 58 returns submitted to date this year have been early or on time. 8 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
Achievement of industry investment benchmarks	SG	SRBC 1.91% CBC 0.57%	Out perform London Inter Bank Offered Rate (LIBOR) by 10%	Out perform London Inter Bank Offered Rate (LIBOR) by 10%N/A	SRBC 1.21% CBC 0.6%	GREEN	Target exceeded where target = 0.462%
Systems Development & Exchequer Services							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	97%	97.75%	97.75%	98.33%	GREEN	Target exceeded
Supplier Payment within 22 days (local indicator)	LH	85.88%	85%	85%	92.13%	GREEN	Target exceeded
Supplier Payment within 10 days (local indicator)	LH	31.66%	50%	50%	60.42%	GREEN	Target exceeded
% of supplier payments by electronic means (VFM Secondary 7)	LH	90.79%	90%	90%	93.94%	GREEN	Target exceeded
% of remittances to suppliers by electronic means	LH	87.84%	85%	85%	92.71%	GREEN	Target exceeded
% of Financial Systems availability	LH	96.23%	99.25%	99.25%	99.92%	GREEN	Target exceeded

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
% of debtor income received (before bailiff referral)	LH	98.68%	90%	90%	98.17%	GREEN	Target exceeded
Number of debtor days (VFM Secondary 4) (measured at year end only)	LH	76.5 days	85 days	85 days	45 days	GREEN	Target exceeded
Cost of customer invoicing function per customer invoices processed (VFM Secondary 3)	LH	£7.47	£20.00	Annual	Annual	N/A	Information not available - measured annually
Credit notes as a % of total customer invoices raised (VFM Secondary 5)	LH	16.84%	6%	6%	21.32%	RED	The number of credit notes increased due to the issue of allotment invoices. Some invoices needed to be amended when the debtor applied for a reduced rate due to reaching pensionable age.
Proportion of outstanding debt that is more than 90 days old from date of invoice (VFM Secondary 8)	LH	60.40%	14%	14%	25.94%	RED	Six new invoices have gone over 90 days as they are in dispute. Shared Services are liaising with departments to resolve the issues as quickly as possible.
Procurement Services							
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

Key Measures	Lead Officer	Actual 2009/10	Target 2010/11	Target to date 2010/11	Actual to date 2010/11	Status (RAG)	Comments
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	The elements of levels (1 to 3) that are appropriate to organisations such as Chorley and South Ribble Councils have been achieved. The optimum benefits have been realised at this stage. Further progress would only serve to gain recognition in external inspection which is no longer a requirement
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 £1,589 SRBC £1,208	GREEN	Target exceeded
LIB/P24 Average Spend per Supplier	JH	CBC £9,306 SRBC £12,214	£9,600	£6,400	CBC £9,937 SRBC £8,464	GREEN	Target exceeded

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 – CUSTOMER SURVEY – KEY IMPROVEMENT ACTIONS

IMPROVEMENT ACTION	STATUS
Internal Audit	
<ul style="list-style-type: none"> Greater focus on reviewing service specific risks (CBC) 	<ul style="list-style-type: none"> We will aim to address this as part of the 2011/12 audit planning process whilst acknowledging that this will become more difficult with a diminished Internal Audit resource next year. An opportunity does however exist to up-skill managers to undertake risk & internal control self assessments and we will therefore incorporate this as a key project in next year's Business Improvement Plan (BIP)
Risk Management & Insurance	
<ul style="list-style-type: none"> Greater awareness of risk management procedures 	<ul style="list-style-type: none"> These have been updated at each Council and posted on the respective intranets The proposed project in next year's BIP will also facilitate this
<ul style="list-style-type: none"> Publicise the insurance service 	<ul style="list-style-type: none"> We will incorporate this as a key project in next year's BIP by way of updating and publicising an insurance manual at each host authority
Emergency Planning	
<ul style="list-style-type: none"> Better communication of the service & the arrangements 	<ul style="list-style-type: none"> A project is in progress to update and test the emergency plans at each authority which will facilitate this
Business Continuity Planning	
<ul style="list-style-type: none"> Better communication of the service & the arrangements 	<ul style="list-style-type: none"> Following the completion of the emergency planning exercise a project is already planned to update and test the business continuity plans at each authority which will facilitate this

Accountancy Services	
<ul style="list-style-type: none"> • Provide more continuity of service accountants 	<ul style="list-style-type: none"> • The restructure for Shared Financial Services incorporates resources to allow a single point of contact to be allocated to each Director at Chorley and South Ribble Councils. • It is planned that the new structure will be in place with effect from 1st April 2011 to enable Accountant to launch the new year budgets with Budget Holders and provide a continued service for 2011/12 onwards.
<ul style="list-style-type: none"> • Provide a more proactive approach to supporting services 	<ul style="list-style-type: none"> • Accountants at SRBC to attend Directors Departmental Team meetings or dedicated financial sessions if more appropriate.
Systems Development & Exchequer	
<ul style="list-style-type: none"> • Provide more user training on the financial information system 	<ul style="list-style-type: none"> • All training documentation is being revised as part of the FMIS programme and rolled out to all users at South Ribble Council. • As training is delivered the user will have the opportunity to amend/contribute to its ongoing development to make sure that it user friendly and fit for purpose. • On completion of the FMIS project at South Ribble Council lessons learned in providing the training will be rolled out at Chorley Council. • Financial Training Packages are a key project contained within the 2011/12 Business Improvement Plan.
<ul style="list-style-type: none"> • Make the exchequer processes more customer friendly 	<ul style="list-style-type: none"> • This will be addressed as apart of the FMIS project where the end users and customer are being included in the development of processes.