

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Shared Services Joint Committee	23/01/12

Report template revised June 2008



<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Business Improvement Plan & Budget 2012-13	N/A	S Guinness & G Barclay	5

## 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 will cover the fourth 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 service improvements and performance targets specified in the BIP, including budget updates, culminating in a detailed Annual Report at the year-end.

The Partnership is seen as a key function by both Chorley and South Ribble Councils and continues to make 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 required resources to deliver the Shared Services Partnership in 2012/13.

That the Committee agrees to delegate the ability to incorporate any residual information or amendments to the BIP and Budget to the Chief Executives of both host authorities 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 2012/13. 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 2011/12** at the Partnership level and within Shared Financial & Shared Assurance Services individually;
- A **Risk Register (Appendix 1)** for identifying and acting upon the key risks and opportunities facing the Partnership in 2012/13;
- 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 proposed **procurement activity** during 2012/13;
- An outline of the main **cashable savings** and **non-cashable efficiencies** which are anticipated in year 4;
- An outline of the **business opportunities** which it is intended to exploit in 2012/13.

## 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 2012/13, 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 2012/13**

**January 2012**

# **CONTENTS**

## **KEY ACHIEVEMENTS IN 2011/12**

- Partnership Level
- Shared Financial Services
- Shared Assurance Services

## **NEW RISKS & OPPORTUNITIES FOR 2012/13**

## **PARTNERSHIP BUDGET 2012/13**

## **KEY SERVICE DEVELOPMENTS & TARGETS 2012/13**

- Service Level Agreement
- Service Developments 2012/13
- Performance Information
- Performance Reporting
- Data Quality

## **CONTRACTS & PARTNERSHIPS**

## **DELIVERING EFFICIENCIES**

## **BUSINESS OPPORTUNITIES**

## **APPENDICES**

- APPENDIX 1 – RISK REGISTER
- APPENDIX 2 – SERVICE DEVELOPMENTS 2012/13
- APPENDIX 3 – PERFORMANCE INFORMATION 2012/13
- APPENDIX 4 – CONTRACTS REGISTER

## **KEY ACHIEVEMENTS IN 2011/12**

2011/12 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 again a particularly successful period during which three separate Statements of Account were prepared for the two Councils plus the Joint Committee and each received unqualified audit opinions.

The 2010/11 Financial Statements were also prepared in compliance with newly introduced International Financial Reporting Standards (IFRS).

We were also heavily involved in training new members following the May elections, particularly at South Ribble where full elections were undertaken

Against a background of a deteriorating financial climate nationally we have also achieved significant savings during the year and have also identified further efficiency savings from 2012/13 onwards.

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.

A summary of the main service level successes in 2011/12 are as follows:-

### **Shared Assurance Services**

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

Undertaking intranet based fraud awareness campaigns at each Council

Retaining the ISO 9001 quality standard for Internal Audit

Updating and testing the Emergency and Business Continuity Plans for both host authorities

Implementing of the National Resilience Extranet (NRE) for civil contingencies at both host authorities

Facilitating a civil emergency rest centre test exercise at Chorley in conjunction with other agencies

Joint tendering for insurance services delivering significant savings & ongoing administrative efficiencies at both host authorities

## Shared Financial Services

Closure of Accounts and production of both Council's statutory Statement of Accounts to most earliest timescales and in accordance with the significant change with regard to the implementation of International Financial Reporting Standards (IFRS). An achievement recognised in the external auditors report.

Successful implementation of the new Financial Management Information System and significant progress made with developing its functionality and reporting tool.

This has led to an acknowledgement that this is a leading development in delivering FMIS services and an invitation to present a case study to the CIVICA Annual Conference in 2012.

Delivery of a number of very well received Member training sessions on Public Finance, IFRS Statement of Accounts and Treasury Management.

Further embedding and development of the regional e-procurement portal within the Procurement Team resulting

Efficiency savings achieved for both Councils through procurement activity

## NEW RISKS & OPPORTUNITIES FOR 2012/13

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 services in the light of public sector funding cuts, including seeking out viable opportunities to grow the services;
- Further developing managers and staff and planning for succession;
- Further developing the management accounting function at both host authorities to increase added value, including developing the Financial Management Information System (FMIS) in order to maximise the potential benefits;

## PARTNERSHIP BUDGET 2012/13

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

Budget	2011/12 £000	2012/13 £000	Variation £000	Explanation
<b>Employees</b>				
Salaries Costs	1.412	1.422	0.010	Increase in salary increments and employers pension contribution rates
Car leasing	0.027	0.027	-	
Employee Related Insurance	0.010	0.010	-	
<b>Lancashire County Council Audit Budget</b>	0.010	0.010	-	
<b>Transport</b>	0.014	0.014	-	
<b>Financial Management Information System</b>	-	0.095	0.095	Transfer of the new FMIS budget to be managed within the partnership
<b>Supplies and Services</b>	0.040	0.040	-	
<b>SUB TOTAL</b>	<b>1.513</b>	<b>1.618</b>	<b>0.105</b>	
Budget Saving Target	-	(0.100)	(0.100)	New budget savings target for 2012/13
<b>TOTAL BUDGET</b>	<b>1.513</b>	<b>1.518</b>	<b>0.005</b>	

The main variations to the budget for 2012/13 are due to the following:-

- Salary Increments
- Increase in employer's pension contribution rates for Chorley and South Ribble
- Transfer of shared FMIS contract costs into Shared Financial Services

# KEY SERVICE DEVELOPMENTS & TARGETS 2012/13

## 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 2012/13.

## Service Developments 2012/13

A table showing the annual objectives and key projects for 2012/13 is shown at **Appendix 2**. Several of these are aimed at addressing the strategic risks and opportunities impacting on the Partnership as identified in the revised Risk Register. It should also be noted that the budget review processes and ongoing restructuring in both Shared Assurance Services and Shared Financial Services have led to a greater focus on core functions and activities and this is reflected in the project programme proposed for 2012/13.

## 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 Executives, 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 2012 is contained in the table at **Appendix 4**.

## DELIVERING EFFICIENCIES

### Cashable Savings

The partnership is continuing to work towards assisting both Councils make significant cashable savings in order to close budgetary funding gaps resulting from the Government's Comprehensive Spending Review. The table below provides an estimate of the cashable savings that are anticipated in 2012/13:

SAVINGS OPPORTUNITIES	ESTIMATED VALUE (£000)
Provision of Shared Financial Services	100
Procurement Joint Procurement Strategy	500 (cumulative per Council over 5 year strategy period)

Further opportunities may arise as a result of the service's activities within the Business Improvement Plan to realise further budgetary savings for both councils, for example, the outcome of the project to tender for banking services. These will be reported within the services Performance Report during the forthcoming year.

### Non-Cashable Efficiencies

In addition to the above anticipated cashable savings there is ongoing activity within both Shared Assurance Services and Shared Financial Services to streamline business systems and processes in order to deliver further efficiencies for both councils. For example the recent joint tender exercise for insurance resulted in the appointment of fewer insurance providers which are also now common to both host authorities. This will simplify claims handling and overall communications between the two host authorities and our insurance partners.

## BUSINESS OPPORTUNITIES

### Shared Assurance Services

The earlier feasibility study into creating a larger shared Internal Audit service involving other district authorities in Lancashire is now being actively considered as an option. Internal Audit has also been approached to undertake a small amount of work on behalf of St. Catherine's Hospice in the final quarter of 2011/12 with the possibility of further work in 2012/13. This will provide a contribution towards costs without materially impacting on the audit resource available to the two host authorities.

### Shared Financial Services

It has been the intention of the service to 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 position has now evolved into the service being involved in a project to deliver FMIS services on a larger scale across the county. At present this is a current project so the outcome cannot be pre-empted at this stage. The Joint Committee will, however, be updated on this matter as part of the partnership's performance report during the forthcoming year. This has the potential to raise the profile and resources requirement of the Partnership significantly but this scenario will not provide additional income as this type of service agreement, although recover any additional costs, would not be based on a profit making basis.

## APPENDIX 1 - RISK REGISTER 2012/13

RISK / OPPORTUNITY	MITIGATION 2011/12	FURTHER ACTION 2012/13	BY WHOM	BY WHEN
Failure to deliver sustainable services in the light of public sector funding cuts	<ul style="list-style-type: none"> <li>Efficiency reviews / restructures in 2012/13, process reviews &amp; reduction of low added value activities</li> </ul>	<ul style="list-style-type: none"> <li>Further restructuring proposals for SFS for 2012/13</li> <li>Actively seeking growth opportunities for SFS &amp; SAS in 2012/12</li> </ul>	HOS	Ongoing
Further development of managers & staff and plan for succession	<ul style="list-style-type: none"> <li>Participation in both host authorities' leadership development programmes</li> <li>Wider membership of Leaders Forum at SRBC</li> <li>Scrutiny of roles and job description to ensure there is appropriate training and clarity with regard to roles and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>The restructure in SFS will involve the review of Job Descriptions and roles and therefore a revised basis for the Performance Development Review Process</li> <li>Opportunity for staff to assess understanding of roles and identify any additional training required to undertake job responsibilities</li> </ul>	HOS	December 2012
Development of the Management Accounting function at both host authorities to increase added value	<ul style="list-style-type: none"> <li>Service accountants attending Departmental Management Team (DMT) meetings &amp; budget holder 1 to 1 sessions</li> <li>Improved reporting facilities post FMIS implementation</li> </ul>	<ul style="list-style-type: none"> <li>Further developing the Financial Management Information System (FMIS) in order to maximise the potential benefits</li> </ul>	HOS	December 2012
Failure to re-tender the Council's banking contract – Partnership and Council critical contracts	<ul style="list-style-type: none"> <li>Robust project management principals</li> </ul>	<ul style="list-style-type: none"> <li>Joint project with Procurement Function and scrutiny of project progress via Partnership Management Team and Joint Committee</li> </ul>	Principal Financial Accountant	Project runs to March 2013
Adoption of risk based budget monitoring processes	<ul style="list-style-type: none"> <li>Robust quality assurance and corporate budget monitoring processes</li> </ul>	<ul style="list-style-type: none"> <li>Full consultation with Budget Holders</li> <li>Higher risk budgets assessed on month by month basis</li> </ul>	Principal Management Accountants	Ongoing

## APPENDIX 2 - SERVICE DEVELOPMENTS 2012/13

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<b>Partnership Level</b>					
Achieve the budget savings target set for the partnership	SG	Ongoing	Ongoing	<ul style="list-style-type: none"> <li>• Undertake detailed review of the budget for SFS and SAS and resources requirement.</li> <li>• Identify different ways of working to achieve greater efficiency in delivering the service</li> <li>• Amend the staffing structure if required following the Councils' relevant policies</li> <li>• Consult with stakeholders</li> <li>• Link project to development of managers and staff and plan for succession below</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve budget savings target</li> <li>• Increase customer satisfaction</li> <li>• Increase staff satisfaction</li> </ul>
Seek out viable opportunities to grow the Partnership	SG/GB	Ongoing	Ongoing	To be arranged	Implementation of larger business models
Further develop managers and staff and plan for succession	SG/GB	Ongoing	Ongoing	Implementation of the new staffing structure in SFS	Increased customer satisfaction survey results
<b>Assurance (as a whole)</b>					
Assist with new member inductions at CBC following the May elections	GB	April 2011	June 2011	To be arranged	Positive feedback in the post training questionnaires
Arrange training for new Governance & Audit Committee members following the May elections	GB	April 2011	June 2011	To be arranged	Positive feedback in the post training questionnaires

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<b>Internal Audit</b>					
Update the Quality System & retain the ISO 9001 standard	CW	Ongoing	Feb 2012	Regular review of IA processes & updates to the Quality System as necessary.	Re-accreditation by ISOQAR in February 2013.
Further develop the use of IDEA to encompass more applications	CW	April 2011	Ongoing	Add to repertoire of reports run for key financial & business systems	Increased detection of data anomalies & detection / identification of potential fraudulent activities
<b>Risk Management</b>					
Review the application of the Risk Management Frameworks at both Councils	AA	Apr 2013	Mar 2013	Implement a programme of checks to assess levels of compliance with existing processes Review and revise the RM Policy and Framework documents Provide training and awareness on the revised RM Frameworks	Consistent application of the Frameworks and the maximum mitigation of risks
<b>EP &amp; BCP</b>					
Implement the findings of the Internal Audit reviews of EP & BCP at both Councils	AA	Jan 2013	Mar 2013	TBA	Further enhancements to each Council's EP & BCP arrangements
Oversee the host Councils' elements of the "Riots and Disturbances" action plans	AA	Jan 2013	Mar 2013	TBA	Improved preparedness for any future civil disturbance
Complete a training needs assessment and programme for EP responders at both	AA	Jan 2013	Mar 2013	Identify all relevant responders and key staff	Develop skills and knowledge amongst those involved in EP

<b>Project / Task</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>Finish Date</b>	<b>SMART Actions &amp; Milestones</b>	<b>Outcomes / Success Measures</b>
Councils				Develop an assessment questionnaire and undertake discussions with staff  Formulate a consolidated training programme within the budgets available at both Councils	
Deliver a Flood Response Plan training and awareness session for SRBC staff	AA	Oct 2013	Dec 2013	Develop the exercise order, briefing material and presentation  Arrange the event and deliver the training session	Develop skills and knowledge amongst those involved in flood management
Undertake a combined Chorley Flood Action Plan & Croston Community Flood Plan exercise	AA	TBA	TBA	Agree timetable and actions with other stakeholders on completion of Croston Community Flood Plan  Develop the Exercise order, briefing material and presentation  Arrange and deliver the simulation	Obtain assurance on the adequacy of flood management arrangements
Deliver an "Operation Merlin" joint training session for relevant staff at both Councils in conjunction with the Environment Agency	AA	Apr 2013	Jul 2013	Develop the exercise order, briefing material and presentation  Arrange the event and deliver the training session	Develop skills and knowledge amongst those involved in EP
Undertake an EP/BCP out of hours contact exercise at both Councils	AA	Jun 2013	Mar 2013	Telephone all contacts named in the Emergency Plans out of hours  Complete a post exercise de-brief and report findings to SMT/Strategy Group	Obtain assurance on the adequacy of emergency on call arrangements

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
On behalf of SRBC, assist in the Multi Agency Exercise "Heron 5" Springfields nuclear incident in conjunction with LCC and other local District Councils	AA	Jan 2012	Dec 2012	Attend planning meetings & develop SRBC related scenario issues Participate in the Exercise	Obtain assurance on the adequacy of the Council's response to a nuclear incident
Develop a programme to promote BCM to local businesses in both host Boroughs	AA	Sep 2011	Dec 2011	Review of Web site content & undertake publicity campaign to raise awareness Facilitate an awareness seminar in conjunction with other agencies	Develop skills and knowledge on BCP amongst the local business community
<b>Financial Services As A Whole</b>					
Development of the current level/programme of financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques. This is to be undertaken to support the service's problem solving project on process and system compliance.	Head of Service	April 2012	September 2012	<ul style="list-style-type: none"> <li>Identify priority issues for customers and Shared Services</li> <li>Consult customers</li> <li>Produce packages</li> <li>Deliver training</li> <li>Develop self service continual training via intranets</li> </ul>	<ul style="list-style-type: none"> <li>Delegate feedback</li> <li>Reduction of errors within processes e.g. coding errors corrected</li> <li>Improved timeliness of service delivery including corporate reporting</li> </ul>
Compliance And Problem Solving Project – Improve compliance with financial procedures and systems using a Problem Solving Approach.	Head of Service	April 2012	September 2012	<ul style="list-style-type: none"> <li>Identify areas for improvement where non compliance reduces the quality of data and the efficiency of financial tasks and functions</li> <li>Where possible measure impact of non-compliance on efficiency and identify measure of improved productivity</li> <li>Establish solutions and agree with CFOs, senior management teams and budget holders</li> <li>Communicate and provide training where necessary such solutions &amp; any required revisions to procedures to all users</li> </ul>	<ul style="list-style-type: none"> <li>Improve efficiency within financial processes by reducing resources used to correct issues arising from non-compliance of procedures</li> <li>Evidence outcome via improved productivity targets</li> </ul>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Data use and storage policy for SFS to improve current practices and secure financial data within both Councils. This project will also include gearing up financial files for the implementation of Sharepoint at CBC.	Head of Service	April 2012	July 2012	<ul style="list-style-type: none"> <li>Establish requirements of data access and storage in the light of new ICT development</li> <li>Produce data storage policy that enables SFS to adhere to both Councils' data storage policies</li> <li>Ensure the security &amp; integrity of key financial files (electronic &amp; paper) to ensure that information cannot be corrupted or removed inappropriately</li> </ul>	<ul style="list-style-type: none"> <li>New SFS data and information policy</li> </ul>
<b>Management and Financial Accountancy Services (incorporating FMIS Development function)</b>					
<p>Review of Management Accountancy processes post FMIS implementation (including specifically the Internal Recharges and commitment accounting regimes for both Councils) with a view to establishing a common basis for methodology, calculation, and Budget Holder &amp; corporate reporting.</p> <p>Project to include review of management of the establishment and Payroll systems – this is directly linked to the development of FMIS project.</p>	Principal Management Accountants	July 2012	Sept 2012	<ul style="list-style-type: none"> <li>Consult with CFO</li> <li>Re-evaluate current process with statutory requirements</li> <li>Construct proposed process and new systems</li> <li>Co-ordinate with FMIS development plan project</li> <li>Consult with stakeholders: Members (portfolio holder), senior management teams and budget holders</li> <li>Produce procedures notes and protocols</li> <li>Determine and deliver communications/briefings/training as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Introduce new a management Accountancy process for both Councils.</li> <li>Introduce revised process and systems for allocating Internal Recharges within both Councils</li> <li>Revised procedures to be on a common basis/platform</li> <li>Wider understanding of role &amp; purpose of Internal Recharges - Members &amp; Budget Holders</li> <li>Greater transparency within Budget Holder &amp; corporate reporting with particular regard to Internal Recharges</li> </ul>
Completion of the Bank Tender exercise for both CBC and SRBC (Includes participation of SFS Procurement function)	Principal Financial Accountant	April 2012	March 2013	<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>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Successful implementation of the FMIS Development Plan	Financial Systems Manager	April 2012	March 2013	<ul style="list-style-type: none"> <li>• Identify the timescales, resources and priorities within the plan</li> <li>• Approval of the plan by the Councils' CFOs</li> <li>• Link and co-ordinate projects with management Accountancy processes project</li> <li>• Consult with users and Council's ICT sections</li> <li>• Use the Council's project management methodology</li> <li>• Successfully implement the developments within the financial systems development plan</li> <li>• Establish productivity gain measure where possible for each system improvement strand</li> <li>• Ensure all financial data complies with the Councils' Data Quality policies</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>• Evidence by measurable productivity gain where possible</li> <li>• Increase customer satisfaction</li> </ul>
Prepare for the cessation of the Mortgage administrators contract and the administration of remain Council Mortgages in-house	Principal Financial Accountant	July 2012	December 2012	<ul style="list-style-type: none"> <li>• Construct project documentation</li> <li>• Cost/benefit analysis</li> <li>• Communications strategy</li> <li>• Test new system</li> <li>• Introduce new policy and procedure notes</li> <li>• Secure appropriate approval from CFOs and internal audit</li> <li>• Notify Mortgagees of new arrangements</li> <li>• Provide Staff Training</li> </ul>	<ul style="list-style-type: none"> <li>• Effective and efficient in-house administration of Council Mortgages for both Councils</li> </ul>

<b>Project / Task</b>	<b>Lead Officer</b>	<b>Start Date</b>	<b>Finish Date</b>	<b>SMART Actions &amp; Milestones</b>	<b>Outcomes / Success Measures</b>
Review of the Treasury Consultants and Advisors Contract.	Principal Financial Accountant	July 2012	Sept 2012	<ul style="list-style-type: none"> <li>Review current arrangement and assess appropriateness</li> <li>Document alternative arrangements</li> <li>Determine the best course of action to CFO on the service provision options to extend contract arrangements or undertake a re-tender exercise for the service</li> </ul>	<ul style="list-style-type: none"> <li>Recommendation delivered to the Councils' CFOs</li> </ul>
<b>Procurement Services</b>					
Develop the use of Spend Pro data to enhance management information	Principal Procurement Officer	April 2012	June 2012	<ul style="list-style-type: none"> <li>Review processes for the recording of data via spend pro</li> <li>Assess its contribution to improving management information on performance</li> <li>Set up processes that produce relevant &amp; timely management data including Key Performance Indicators</li> </ul>	<ul style="list-style-type: none"> <li>Management Information produced to aid performance management and improvement</li> </ul>
Participation in the Bank Tender exercise for both CBC and SRBC – see above for project details.	Principal Procurement Officer	As above	As above	As above	As above
Participation in the Problem Solving and Compliance BIP project for procurement procedures – see above for project details.	Principal Procurement Officer	As above	As above	As above	As above

## APPENDIX 3 - PERFORMANCE INFORMATION 2012/13

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 2011/12	Target 2012/13
<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%	100%
% 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% All 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% All 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%

Key Measures	Type	Timescale	Member Reporting	Target 2011/12	Target 2012/13
<b>Risk Management Services</b>					
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	90%	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	18%	18%
<b>Management and Financial Accountancy Services (incorporating FMIS Development function)</b>					
Over/Underspends within 1% of manageable/cash revenue budget at year end	EI	Monthly to directorates Quarterly to Members Monthly to the Chief Finance Officer	Executive Cabinets & Joint Committee	<1.0%	<1.0%
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (Vfm Primary 3)	EI	Annual	Executive Cabinets & Joint Committee	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 2011/12	Target 2012/13
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 Bid Rate (LIBID) by 10%	Out perform London Inter Bank Bid Rate (LIBID) by 10%
Supplier Payment within 30 days (local indicator)(linked to vfm Secondary 10)	EI	Monthly	Joint Committee	98%	98%
Supplier Payment within 10 days (local indicator)	EI	Monthly	Joint Committee	50%	60%
% of supplier payments by electronic means (vfm Secondary 7)	EM	Monthly	Joint Committee	92%	95%
% of remittances to suppliers by electronic means	EM	Monthly	Joint Committee	87%	95%

<b>Key Measures</b>	<b>Type</b>	<b>Timescale</b>	<b>Member Reporting</b>	<b>Target 2011/12</b>	<b>Target 2012/13</b>
% of Financial Systems availability	E	Monthly	Joint Committee	99.5%	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%	50%
LIB/P12 Satisfaction with the corporate procurement function	ES	Annual	Joint Committee	87%	90%

## 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
Zurich Municipal (CBC and SRBC)	Insurance Policies (Fidelity Guarantee, Combined Liability, Motor Fleet, Engineering Inspections and Insurance)	December 2014 *
ACE - Europe (Joint SRBC & CBC)	Insurance Policies (Personal Accident and Travel)	December 2014 *
RMP/Chartis	Insurance Policies (Property including All Risks and Computer)	December 2014 *
AIG Europe c/o Marsh broker (CBC)	Environmental warranty Insurance	31/03/2019
* Insurance cover placed for 3 years with option for 2 year extension to December 2016		

<b>Company / Provider</b>	<b>Services Provided</b>	<b>End Date</b>
<b>PAYROLL</b>		
Blackpool Borough Council (CBC)	Payroll Service	Rolling SLA
Lancashire Employment Services (SRBC)	Payroll	Current arrangements under review
<b>SYSTEMS</b>		
Civica (Partnership)	Financials Debtors & Creditors GL Purchasing Intelligent Imaging e-Modules (Cr, Dr, Pr) Budget Preparation	30/07/2014
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	Notice given to terminate effective 31/3/13
CYGNUS (CBC)	Mortgage Administration	Notice given to terminate effective 31/3/13
<b>AUDIT</b>		
LCC	Internal Audit Services	31/03/2012