

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Shared Services Joint Committee	26 <sup>th</sup> March 2012

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Performance Management Report	N/A	Susan Guinness Garry Barclay	4

## SUMMARY AND LINK TO CORPORATE PRIORITIES

This report demonstrates the progress made so far against the key service developments and performance indicators in the 2011/12 Business Improvement Plan (BIP).

The report shows progress as at the end of January 2012 and therefore covers the first 10 months of the year.

The report also sets out 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 the progress on overall performance, including financial performance is noted

## DETAILS AND REASONING

The Shared Services 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 2011/12.

Full statements of the progress made on the key projects and the performance targets as at the end of January 2012 are shown at **Appendices 1 and 2**. The highlights from these statements are expanded on in the body of the report.

## EXECUTIVE SUMMARY

34 of the 38 key projects for this year have been completed or are on track and plans are in place to address the remaining 4.

15 of the 39 performance measures are "red" status with mitigating circumstances in each case. Please note than many of the KPIs that have a red status involve the performance of other functions, within both Councils, which is outside the direct control of Shared Services. In these circumstances we are taking action to address issues within our control and also assisting other sections and departments improve performance where it affects the KPIs within our Business Improvement Plan.

The Partnership is also operating well within its approved budget and is currently expected to achieve an under-spend against its budget by the end of the financial year of £0.034m. An explanation is provided later in the report.

## KEY SERVICE DEVELOPMENTS

There are 38 key projects included in the BIP which represent service developments for 2011/12. 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	19	12
Amber Projects	0	1	0
Red Projects	0	3	0
Total	3	23	12

The following paragraphs provide commentaries on an exception basis for projects that are considered to have an Amber or Red status, together with proposed actions to bring those projects back on track.

### ASSURANCE SERVICES PROJECTS

#### *Red Projects*

The roll-out of the **Meritec Fraud Awareness Package** at Chorley was delayed due to some slippage in the update of the Council's Anti-Fraud & Corruption Strategy. However this is now in progress and will be completed by year-end.

The Head of Health, Environment & Neighbourhoods is now in a dialogue with Croston Parish Council to engage them in a **Joint Chorley/Croston Flood Plan Exercise** and this has therefore been carried forward to the 2012/13 BIP to ensure its completion. In the meantime key staff have taken part in a multi-agency flood plan simulation in November which provided validation of both Councils' flood plans.

The original target date for updating **Insurance Manuals** at both host authorities has been extended to the end of March 2012 to enable the new insurance arrangements from January to be taken into account.

#### *Amber Projects*

The development of a programme for **Promoting Business Continuity** to local businesses in both host Boroughs is now on hold pending the imminent release of new national guidance in this area. This has also been carried forward to the 2012/13 BIP.

## FINANCIAL SERVICES PROJECTS

### *Red Projects*

There are no Red Projects for Shared Financial Services.

### *Amber Projects*

The projects reported as Amber projects have been brought to a conclusion for 2011/12 to allow the Team to focus on the statutory closure of accounts process. The work required to expand training packages for non-financial managers has been carried forward to support and compliment the 2012/13 Business Improvement Plan aims, objectives and projects. The final stages of the common processes for Management Accounting and Budget Management will be finalised as part of the review into roles and responsibilities within the Shared Financial Services staff succession planning and development restructure to be implemented in 2012/13.

## PERFORMANCE TARGETS

The BIP contains 39 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 January 2012 is shown in the table below.

<b>Detail</b>	<b>Assurance Services</b>	<b>Financial Services</b>
Green on target	<b>8</b>	<b>7</b>
Amber – within 5% of target	<b>1</b>	<b>2</b>
Red – more than 5% off target	<b>10</b>	<b>5</b>
Not measured (*)	<b>1</b>	<b>5</b>
<b>Total</b>	<b>20</b>	<b>19</b>

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

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

## ASSURANCE SERVICES

### *Red Targets*

These relate to the following indicators:

- % Audit Plans Completed
- (Timely) Implementation of Agreed Management Actions

The former is almost entirely due to workload profiling. A disproportionate amount of annual leave is taken during the first three quarters and there is ample staff time available to complete the remaining elements of the Audit Plans.

The latter also requires some caution. A “zero tolerance” stance is adopted to this indicator as the target set is 100% and therefore a degree of under achievement is almost inevitable. The Joint Committee will also be aware that this requires ongoing attention and action by service managers. Members should be reassured that we are working closely with the Audit and Governance Committees of the host authorities on this and the latest reports to those Committees do actually demonstrate significant improvements in this area.

### Amber Target

This relates to an 88% Customer Satisfaction Rating for auditing Shared Services against a target of 90%. Only slightly off target and no significant issues to report.

## FINANCIAL SERVICES

Measure	Target to date	Actual to date	Variation
Over/underspends within 1% of manageable/cash revenue budget	+/-1.0%	-2.2%	120%
15 working days from the period-end closure to the distribution of financial reports	100%	93.75%	6.25%
Statutory Grant Claims and Returns to be submitted on time	100%	88.46%	11.54%
Supplier Payment within 30 days	98%	89.1%	9.08%
Supplier Payment within 22 days	85%	81.9%	3.65%
% of supplier payments by electronic means	92%	91.2%	0.87%
% of remittances to suppliers by electronic means	87%	82.0%	5.75%

### Red Targets

**Over/Under spends within 1% of manageable/cash revenue budget** – Both Councils are currently underspending against cash budgets. There are numerous reasons for budget variations occurring within all the costs centres managed across varied departments, functions, spend types and Councils. Overall underspending this is mainly attributable to cost reduction in order to address budget gaps in future years within Medium Term Financial Strategies

**15 working days from period end to distribution of financial reports** - One set of Budget Monitoring reports were delivered late to budget holders due to delays experienced in receiving payroll data from the provider. Issues are still ongoing with the service provider but we are working proactively with them to enable the payroll data be uploaded into our FMIS.

**Statutory Grant Claims and Returns to be submitted on time** – Both the RA forms at CBC and SRBC were submitted late. This was caused by the additional work resulting from the first closure following the new International Financial Reporting Standards (IFRS) regime. All subsequent returns have been submitted on time.

**Supplier Payments with 30 days** (also see 22 days AMBER below) - Target not achieved mainly attributable to non compliance by users and unfamiliarity with processes due to staff turnover in Shared Financial Services. A process of publicising the importance of system compliance is currently underway and is clearly working as the 10 day payment performance target is now on target and payment within 22 days has now reached AMBER. Performance in respect of the

supplier payment KPIs is a high priority and the results have already vastly improved and continue to do so, however, this will take time to be reflected in the cumulative target.

The action taken has included increasing the detail of performance monitoring by recording the time taken to complete each task within the whole process which has enabled us to identify the precise points where improvements needed to be made. This has been done in consultation with users and has resulted in a significant improvement in the results. In fact a 100% result has been achieved for payments within 30 days on numerous occasions. The Team are now looking at ways to ensure that this level of performance is sustained at the same time as reverting back to regular process monitoring levels. The new monitoring regime as set out in the last report involving Payment Forecast Reports continues to be used to help prevent invoices not being processed to the desired timescales.

**% of remittances to suppliers by electronic means** – This KPI is red due to the proportion of remittances sent electronically at SRBC. Previously, with the old FMIS faxed remittances were classed as electronic, however, this method is no longer used since the new system was introduced. Continued development of the new FMIS will improve the number of electronic remittances sent to suppliers. Action being taken to improve performance against this KPI involves the Payment Forecast Report that also provides details of payments due to be made in that day. It also includes an indicator to highlight the payment method i.e. cheque, BACS, post or email. This allows a member of the Team to contact the relevant supplier to ask for an email address or bank details.

### **Amber Targets**

**Supplier Payments with 22 days** – Please refer to explanation above for Supplier Payments within 30 days

**% of supplier payments by electronic means** - as part of implementing the new FMIS there has been a push to increase the percentage of electronic supplier payments when suppliers were written to asking for the switch to electronic means to be made. There has been an increase in performance from 82% in April to 88% in May, with a steady increase to over 91% in January 2012. A Payment Forecast report has also been developed which provides details of the payments due to be made that day along with an indicator of whether they will be paid by cheque or BACS and whether remittance advice will be sent by post or email. This allows a member of the Team to contact the relevant supplier to ask them for an email address, or bank details.

## **BUDGET PERFORMANCE STATEMENTS**

At each Joint Committee meeting up-to-date budget performance statements will be presented showing actual performance against the approved original 2011/12 partnership budget. Any variations will be highlighted together with any proposals for either reducing or increasing expenditure accordingly.

The following statement presents the projected out-turn position at 31 March 2012. The original partnership budget for 2011/12 is £1.513m which achieves a budget reduction of £0.221m (13%) from 2010/11. The anticipated out-turn position at 31 March 2011 is currently £1.479m which equates to a budget saving at year end of £0.034m

<b>Cost Category</b>	<b>Annual Budget £000</b>	<b>Projected Out-turn as at 31<sup>st</sup> March 2012 £000</b>	<b>(Under)/Over Spend £000</b>
Employee Costs	1.449	1.418	<b>(0.031)</b>
Lancashire CC Audit Budget	0.010	0.010	-
Transport	0.014	0.012	<b>(0.002)</b>
Supplies and Services	0.040	0.039	<b>(0.001)</b>
<b>TOTAL</b>	<b>1.513</b>	<b>1.479</b>	<b>(0.034)</b>

### **Estimated Budget Variations**

The current expected underspend against budget is mainly attributable to vacancies in Shared Financial Services.

### **WIDER IMPLICATIONS**

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

<b>FINANCIAL</b>	The wider implication of the financial performance of the Partnership is the full year impact on both Councils' Medium Term Financial Strategies. Any under-spend achieved at year end against the Partnership's budget will be passed on in total to both Councils by means of a reduced recharge.		
<b>LEGAL</b>	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.  Schedule 1 to this Agreement sets out the Service Level Agreements which form a key part of the performance management arrangements.		
<b>RISK</b>	A full risk assessment is set out in the Partnership Business Improvement Plan for 2011/12.		
<b>OTHER (see below)</b>			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

**BACKGROUND DOCUMENTS**

1. Partnership Business Improvement Plan 2011/12.

## APPENDIX 1 – KEY SERVICE DEVELOPMENTS 2011/12

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Partnership Level</b>						
Ongoing Implementation of the Workforce Development Plan	SG/GB	April 2011	March 2012	As arranged with the respective HR departments at each authority	GREEN	Ongoing
Implementation of Customer Survey Actions	SG/GB	April 2011	March 2012	As per agreed action plan	GREEN	Ongoing
Participate in CBC & SRBC staff surveys	SG/GB	April 2011	Jan 2012	Timetable to be agreed	GREEN	Completed at CBC & in progress at SRBC
<b>Assurance As A Whole</b>						
Feed into new member inductions at SRBC & CBC	GB	May 2011	May 2011	To cover risk, audit and ethical governance	GREEN	Implemented
Arrange (joint) training for the Governance & Audit Committees following the May elections	GB	May 2011	June 2011	To be arranged	GREEN	Implemented
Facilitate control & risk self assessments in services at CBC & SRBC	GB	October 2011	Dec 2011	Timetable to be agreed	GREEN	Implemented
<b>Internal Audit</b>						
Finalise and roll-out the Meritec Fraud Awareness package at CBC	CW	May 2011	June 2011	Tailor to CBC needs Publicise & roll out on the LOOP	RED	Delayed due to slippage in updating the Anti-Fraud & Corruption Strategy, but now in progress.
Finalise the Anti-Fraud & Corruption Strategy at CBC	CW	May 2011	May 2011	Update document Publicise on the LOOP	GREEN	Updated Strategy now finalised
Review the audit assignment process to identify potential efficiency improvements	CW	May 2011	June 2011	Arrange managers meeting(s) & review full process including reporting	GREEN	Implemented



Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
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	GREEN	On course to be achieved
Further develop the use of IDEA to encompass more applications	CW	Ongoing	Ongoing	Add to repertoire of reports run for key financial & business systems (ongoing)	GREEN	Ongoing
Compare the assignment level self-assessments with customer questionnaire results and investigate any discrepancies	CW	Ongoing	Ongoing	Periodic reviews in-year	GREEN	Ongoing
<b>Risk Management</b>						
Review tree risk management arrangements at CBC	AA	June 2011	Oct 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 review of actions implemented (October 2011)</p>	GREEN	This was subsequently incorporated within the Internal Audit review of maintenance regimes as part of the 2011/12 Audit Plan and has now been completed

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Emergency / Business Continuity Planning</b>						
Establish monthly liaison meetings to enable the flow of information between Shared Assurance Services Environmental Services as the key responder	AA	Ongoing	Ongoing	Schedule monthly liaison meetings & prepare agendas to include relevant actions, issues, feedback and monitoring information  Prepare and circulate minutes from meetings	GREEN	Implemented & ongoing
Update the Emergency Plans at both Councils to reflect structural & departmental changes & learning from recent simulation exercises	AA	April 2011	Sept 2011	Update structure & content of existing EP's & issue hard copies  Develop Rest Centre & Recovery Action Group appendices (CBC)  Update EP Control Centre Procedures & arrange awareness session for relevant officers (CBC)  Raise EP awareness with Customer Services Staff & Out Of Hours Contractor  Arrange for electronic versions on Inter/Intranets & the National Resilience Extranet (NRE)	GREEN	Implemented
Implement the National Resilience Extranet (NRE) at both Councils	AA	July 2011	July 2011	Identify users & provide training as necessary  Provide system administration function	GREEN	Implemented

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Identify & agree additional alternative Rest Centres in South Ribble	AA	June 2011	Sept 2011	Draw up MOU's & incorporate within the EP	GREEN	Implemented
Develop and facilitate a Rest Centre test exercise at Chorley in conjunction with LCC Emergency Planning / Emergency Response Group & Active Nation	AA	April 2011	Dec 2011	Participate in Planning Team meetings Undertake exercise and provide necessary support and resources	GREEN	Implemented
Undertake a combined Chorley Flood Action Plan / Croston Community Flood Plan exercise	AA	Oct 2011	Oct 2011	Agree timetable and actions with other stakeholders on completion of Croston Community Flood Plan	RED	The Head of Health, Environment & Neighbourhoods is now in a dialogue with Croston Parish Council to engage them in a joint exercise. In the meantime key staff have taken part in a multi-agency flood plan simulation in November which provided validation of both Councils' flood plans
Support the South Ribble Multi-Agency Flood Group to finalise & implement the Borough Flood Action Plan	AA	April 2011	Aug 2011	Complete the Plan for the remaining 8 flood risk areas Forward Plan to LRF to complete Part 2 of the LRF Multi-Agency Flood Plan (MAFP)	GREEN	Inputs from Shared Assurance Services are now finalised. Further inputs from the Drainage Officer in Environmental Health are now in progress.
Develop a programme to promote BCM to local businesses in both host Boroughs	AA	Sept 2011	Dec 2011	Review of Web site content & undertake publicity campaign to raise awareness Facilitate an awareness seminar in conjunction with other agencies	AMBER	This is now on hold pending the imminent release of new national guidance in this area.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Update & Test Business Continuity Plans (BCPs) following restructures at SRBC	AA	April 2011	February 2012	<p>Update core BCP to incorporate critical service and supplementary plans &amp; new "loss of building plan". Ensure alignment with DR Plan.</p> <p>Issue hard copy &amp; electronic versions on CONNECT as appropriate (September)</p> <p>Compile incident specific appendices for fuel shortage &amp; pandemic flu (December)</p> <p>Arrange test exercise (February 12)</p>	GREEN	On course to be achieved
Update & Test Business Continuity Plans following restructures at CBC	AA	April 2011	December 2011	<p>Undertake facilitated development sessions to produce building-based BCP's</p> <p>Issue hard copy &amp; electronic versions on LOOP as appropriate (September)</p> <p>Compile incident specific appendices for fuel shortage &amp; pandemic flu (December)</p> <p>Arrange test exercise (December)</p>	GREEN	On course to be achieved

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Insurance</b>						
Update & distribute Insurance Manuals at both host authorities as a means of publicising the Insurance Service	AA	July 2011	Sept 2011	To be agreed	RED	This has been postponed to enable the new insurance arrangements to be taken into account. Revised date March 2012.
Complete a nine month extension of current Long Term Agreements (LTAs) for CBC's insurance Portfolio	AA	April 2011	April 2011	Agree extension with Director of Transformation & obtain necessary Member approvals and exemption of CPRs	GREEN	Implemented
Oversee the exercise for the procurement of new long-term insurance agreements by both councils	AA	April 2011	Jan 2012	<p>Project / procurement plan (April 2011)</p> <p>Agree selection criteria (May 2011)</p> <p>Finalise proposal &amp; arrange OJEC publication (June 2011)</p> <p>Issue ITT (June 2011)</p> <p>Tender deadline (end September 2011)</p> <p>Evaluation report to officers</p> <p>Recommendation report to members for approval (November 2011)</p> <p>Make appointments &amp; place covers (December 2011)</p>	GREEN	Implemented

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Financial Services As A Whole</b>						
Construct and deliver financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques.	SG	April 2011	Sept 2011	<p>Consult customers</p> <p>Identify priority issues for customers and Shared Services</p> <p>Produce packages</p> <p>Deliver training</p>	GREEN	<p>COMPLETE - The intranet has been updated with CIPFA's <i>A Comprehensive Guide to Local Government Finance 2011</i>. Some packages and training have been delivered particularly with regard to topical subjects e.g. Statement of Accounts. Training packages and training is being delivered in the run up, and during, the course of the annual accounting cycle. It is considered that this timing throughout the year makes the training more relevant and topical and therefore more effective. The latest round of training is being done via the CIVICA User Groups for Final Accounts preparation. This project is now complete for 2011/12 but will be continued as part of the 2012/13 BIP project to improve system and process compliance and improve productivity and efficiency both within SFS and throughout financial processes. On going training will be a key element of this project where necessary either delivered in person or via intranet self serve packages/modules.</p>
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	SG	April 2011	December 2011	<p>Consult customers and communications staff</p> <p>Set up templates for publication</p> <p>Identify issues and re-currant issues problems/problem solving approach</p> <p>Conduct training to solve problems</p>	GREEN	COMPLETE

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Base Budget Review at CBC and SRBC based on subjective analysis of the total cash budget	SG	April 2011	July 2011	Initial subjective analysis to establish de minimis level / scope of review. Examination and research - matching output/outcomes to optional additional expenditure invested. Consider more cost effective options. Consultation process - Conduct Star Chambers or other appropriate forum	GREEN	COMPLETE - Will be continued as an on going exercise in 2012/13 at both Councils as part of each of the budget efficiency programmes.
<b>Accountancy Services</b>						
Provide a common partnership platform for Management Accounting processes, Budget Monitoring and Budget Preparation – Revenue and Capital  Review of monthly/quarterly close down procedures with reference to new requirement Enhanced Local Government Accrual Reporting (ELGAR) programme.  Extension of 2010/11 project to develop maximise the functionality of the new and developed FMIS at SRBC and CBC respectively.	MJ / JB	April 2011	December 2011	Identification of processes that do not add value  Establish most efficiency and effective processes  Consult with customers and stake holders  Implement	GREEN	COMPLETE - The two Management Accounting processes are currently being run within the same FMIS. The reporting tool within the system has been developed to generate to produce automated budget holder and senior management monthly reports.  The final stage of the project before detailed implementation is commenced in 2012/13  The Team has concluded that the optimum budget management routine would include quarterly close down arrangements and be based on monthly projected out-turn reports – This conclusion is currently being translated into procedures notes and on-going work with regard to the forthcoming SFS staff development and succession planning restructure.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Close down the accounts of both Councils in accordance with International Financial Reporting Standards (IFRS)	GW	April 2011	June 2011	<p>Consultation with External Auditors</p> <p>Comply with the Code of Practice for Local Authority Accounting</p> <p>Comply with Closure of Accounts timetable</p>	GREEN	COMPLETED – The Councils' external auditor reported the project as a 'significant achievement' within their Annual Audit letter.
Preliminary Joint Bank Tender preparation (Contact effective from April 2013)	GW	Jan 2012	March 2012	<p>Agree strategy for Tender preparation.</p> <p>Collect data.</p> <p>Assess implications for both Councils.</p>	GREEN	On Track
<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	LH	April 2011	Sept 2011	<p>Assess resources implications with regard to implementation and sustainability</p> <p>Further test multi company system operations and responsibilities e.g. Disaster recovery outside the Partnership</p> <p>Soft Market testing</p>	GREEN	The SFS Team has been selected to lead a Lancashire wide project that will seek to quantify, within a business case, the efficiencies to be gained from a proposed Lancashire wide financial systems hosting option. This will be considered in the first instance by Lancashire Chief Finance Officers at the end of March 2012.



Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Implementation and development of the Asset Accounting, Budget and Payroll Budgeting Modules within CIVICA	LH	April 2011	Jan 2012	<p>Consult Partnership internal and external customers</p> <p>Process re-engineering</p> <p>Test systems</p> <p>Implement including training</p>	GREEN	<p>Assessment of these new modules has now been completed. Implementation of the Budget Modules will be suspended pending further development work from the supplier as the current solution would not add value to our processes. We are working with the supplier on this development in light of the Lancashire wide FMIS hosting project (referred to above). Asset Accounting module assessment has identified the need to complete the SerCoP work before implementation so a new target date of Jan 2012 is required to bring it in to line with SerCoP implementation timescales.</p>
Set up Joint Financial Management Information User groups to enhance customer training and satisfaction	LH	Sept 2011	March 2012	<p>Consult customers</p> <p>Set up group terms of reference and timetable</p>	GREEN	<p>This project is ahead of schedule as user groups have started. They have been used to: communicate new version releases; promote system compliance and performance improvement; provide training, advice and procedure notes for the forthcoming year end accounts closure process.</p>
<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	JH	April 2011	March 2012	<p>Complete pilot period within procurement</p> <p>Raise awareness, training and roll-out if, and as, appropriate</p>	GREEN	<p>Pilot completed. The Chest is effectively embedded at both Councils and is used for all intermediate and High Value procurements via the procurement team. All updated relevant procurement documentation and guides have a signpost to the Chest on the respective Council websites for suppliers. Procuring officers across are allocated “collaborator” roles when appropriate, and have accessed tenders and quotes via the system electronically.</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Develop and implement Model Templates for Pre-Qualification, Request for Quotation and Tender documents	JH	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>	GREEN	A template ITQ document has been developed and has been used on numerous occasions with the Chest. Additionally various template PQQ and other docs have been researched which can be adapted for individual projects. For the time being, it is considered appropriate to keep these documents within the procurement team and provide advice as appropriate.
Evaluate, implement and publish a range of Model Conditions of Contract	JH	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>	GREEN	Working with Legal services at both authorities NWIEP standard docs have been reviewed, updated and agreed and a Conditions Pack has now been published on the Procurement section of the Loop and Connect for access and use by officers.

## APPENDIX 2 – PERFORMANCE TARGETS 2011/12

### SHARED ASSURANCE SERVICES

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2010/11	Target 2011/12	Target to date 2011/12	Actual to date 2011/12	Status	Comments
<b>Assurance Overall</b>								
Assurance Staff Satisfaction	GB	N/A	N/A	N/A	N/A	N/A	NM	Annual Indicator
<b>Internal Audit</b>								
% Planned Time Utilised	CW	CBC	98.5%	100%	80%	88%	GREEN	Above target
		SRBC	106%	100%	69%	61%	RED	See body of report
		SS	N/A	100%	65%	82%	GREEN	Above target
% Audit Plan Completed	CW	CBC	92%	92%	76%	63%	RED	See body of report
		SRBC	95%	92%	76%	57%	RED	See body of report
		SS	N/A	92%	56%	50%	RED	See body of report
Percentage of Management Actions Agreed	CW	CBC	99%	97%	97%	100%	GREEN	Above target
		SRBC	98%	97%	97%	100%	GREEN	Above target
		SS	N/A	97%	97%	100%	GREEN	Above target

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2010/11	Target 2011/12	Target to date 2011/12	Actual to date 2011/12	Status	Comments
% of Agreed Management Actions Implemented	CW	CBC	69%	100%	100%	64%	RED	See body of report
		SRBC	89%	100%	100%	89%	RED	See body of report
		SS	N/A	100%	100%	67%	RED	See body of report
Of the Agreed Management Actions Implemented - % implemented On Time	CW	CBC	68%	100%	100%	50%	RED	See body of report
		SRBC	74%	100%	100%	67%	RED	See body of report
		SS	N/A	100%	100%	33%	RED	See body of report
% customer satisfaction rating – assignment level	CW	CBC	91%	90%	90%	93%	GREEN	Above target
		SRBC	90%	90%	90%	93%	GREEN	Above target
		SS	N/A	90%	90%	88%	AMBER	See body of report
<b>Risk Management</b>								
Average customer satisfaction score per insurance claim (max 5.0)	AA	N/A	4.7	4.7	4.7	4.7	GREEN	On target

## SHARED FINANCIAL SERVICES

Key Measures	Lead Officer	Actual 2010/11	Target 2011/12	Target to date 2011/12	Actual to date 2011/12	Status	Comments
<b>Finance As A Whole</b>							
Customer Satisfaction	SG	Last survey in 2009/10	90%	N/A	Not measured yet	N/A	For reference 82% was achieved in 2009/10
Financial Services Staff Satisfaction	SG	81%	95%	N/A	Not measured yet	N/A	To be measured during 2011/12
% of professionally qualified finance staff as % of total finance staff (vfm Secondary 1)	SG	25%	18%	18%	26%	GREEN	Target Exceeded
<b>Accountancy</b>							
Over/Underspends within 1% of manageable/cash revenue budget	SG	3.1%	<1.0%	<1.0%	SRBC 1.04% CBC 3.40%	RED	Councils reducing costs via budget efficiency programmes and to address budget gaps in the Medium Term Financial Strategies
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (VFM Primary 3)	SG	120%	5%	N/A	Not measured yet	N/A	To be measured at year end
15 working days from period-end closure to the distribution of financial reports (VFM Primary 2)	MJ/JB	N/A	100%	100%	93.75%	RED	Improved position from both previous performance reports from 83% to 91.5% and now to 93.75% as all subsequent reports have been sent out on time
Achievement of Prudential Indicators	GW	100% compliance	100% compliance	100% compliance	100% compliance	GREEN	On Target

Key Measures	Lead Officer	Actual 2010/11	Target 2011/12	Target to date 2011/12	Actual to date 2011/12	Status	Comments
Year end statutory accounts to contain no material errors and have an unqualified audit opinion	SG	0	0	0	0	GREEN	ACHIEVED
Statutory Grant Claims and Returns to be submitted on time	MJ/JB/GW	85%	100%	100%	88.46%	RED	The RA forms were submitted late for both Councils. This was caused by the additional workload created by IFRS with particular regard to staff being unfamiliar this time round with the new process. This position has improved from 85.6% in the last performance report as all returns since the last report have been submitted on time
Achievement of industry investment benchmarks	GW	CBC = 0.65% SRBC = 1.12%	Out perform London Inter Bank Bid Rate (LIBID) by 10%	Out perform London Inter Bank Bid Rate (LIBID) by 10%	LIBID = 0.48% CBC = 1.03% SRBC = 1.06%	GREEN	Target of 0.48% exceeded. (N.B. coincidentally same rate achieved at both Councils)
<b>Systems Development &amp; Exchequer Services</b>							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	98.09%	98%	98%	89.10%	RED	Target not achieved mainly attributable to non compliance by users and new staff unfamiliar with processes due to staff turnover in SFS. A process of publicising the importance of system compliance has been undertaken and this continues where necessary. All delays within SFS have been resolved. This is a high priority and the target is already greatly improved from 71.35% previously reported. This will take time to be reflected in the reported cumulative KPI figures. The latest monthly result is 97.5% improved from 96.15% in the last report.

Key Measures	Lead Officer	Actual 2010/11	Target 2011/12	Target to date 2011/12	Actual to date 2011/12	Status	Comments
Supplier Payment within 22 days (local indicator)	LH	91.94%	85%	85%	81.90%	AMBER	Target not achieved mainly attributable to non compliance by users and new staff unfamiliarity with processes due to staff turnover in SFS. A process of publicising the importance of system compliance has been undertaken and this continues where necessary. All delays within SFS have been resolved. This is a high priority and the target is already greatly improved. This will take time to be reflected in the KPI figures as cumulative results are reported. The latest monthly result is 93.0% which is GREEN an improvement from 92.67% since the last report.
Supplier Payment within 10 days (local indicator)	LH	61.67%	50%	50%	52.80%	GREEN	This KPI has been brought back on target. The actual monthly result is 61.5% which exceeds the target.
% of supplier payments by electronic means (VFM Secondary 7)	LH	93.62%	92%	92%	91.20%	AMBER	Current monthly result as at the end of January have improved and are now GREEN. This KPI has been improved upon since the implementation of the new FMIS project and continues to have a positive direction of travel. A report highlighting where improvements can still be made is now generated by the system to continued action can be taken.
% of remittances to suppliers by electronic means	LH	93.04%	87%	87%	82.00%	RED	This KPI is red due to the proportion of remittances sent electronically at SRBC. Previously faxed remittances were classed as electronic but these are no longer used. Continued development of the new system will improve the number of electronic remittances. The direction of travel is a positive one, the previously reported figure was 80.70%. The result for the month of January is 84.3% which is AMBER.

Key Measures	Lead Officer	Actual 2010/11	Target 2011/12	Target to date 2011/12	Actual to date 2011/12	Status	Comments
% of Financial Systems availability	LH	99.93%	99.5%	99.5%	99.95%	GREEN	Target Exceeded
<b>Procurement Services</b>							
Professionally qualified staff as % of total procurement employees (vfm Secondary 1)	JH	67%	33%	33%	67%	GREEN	Above target
LIB/P12 Satisfaction with the corporate procurement function	JH	Last survey in 2009/10	87%	87%	Not measured yet	N/A	For reference 94% was achieved in 2009/10
Number of Council's Top 10 suppliers (by spend value) who have formal partnership/framework agreements with the authorities	JH	90%	100%	100%	Not measured yet	N/A	To be measured at half year and year end