

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	24 January 2013

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Business Improvement Plan & Budget 2013/14	N/A	S Guinness & G Barclay	

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 fifth 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 2013/14

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 2013/14. 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 2012/13 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 2013/14;
- 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 2013/14;
- A summary of the **financial efficiencies** which have already been secured by the Partnership in the first **4 full financial years** of its operation;
- An outline of the main **cashable savings** and **non-cashable efficiencies** which are anticipated in year 5;
- An outline of the **business opportunities** which it is intended to exploit in 2013/14.

WIDER IMPLICATIONS

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

FINANCIAL	The Partnership budget incorporates significant savings for 2013/14 in respect of both Shared Assurance Services and Shared Financial Services.		
LEGAL	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.		
RISK	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.		
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>



FINANCIAL & ASSURANCE SHARED SERVICES PARTNERSHIP

BUSINESS IMPROVEMENT PLAN 2013/14

JANUARY 2013

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KEY ACHIEVEMENTS IN 2012/13

2012/13 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 two separate Statements of Account were prepared for the two Councils plus the Joint Committee's Annual Return with each receiving unqualified audit opinions.

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 2013/14 onwards.

At this meeting of the Joint Committee members are informed that the vast majority of the service development projects for the year are either 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 achieved so far in 2012/13 are as follows:-

Shared Assurance Services

Implementing a service restructure delivering further on going financial savings whilst maintaining service levels

Retaining the ISO 9001 quality standard for Internal Audit

Receiving Excellent customer feedback from St. Catherine's Hospice & extension of the Internal Audit contract into 2013/14

Successfully invoking the Emergency Plans at both host authorities in response to a range of significant events

Leading and participating in several multi-agency emergency simulation exercises including one relating to nuclear radiation (Heron 5)

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

Shared Financial Services

Closure of Accounts and production of both Councils' statutory Statement of Accounts to the tight required statutory deadlines and with no errors. An achievement recognised in the external auditor's reports.

Driving the initiative to support small and medium sized businesses by paying our invoices quickly. During 2012/13 to date over 98% of our invoices are paid within 30 days and over 80% are paid within 10 days.

Continued progress made with developing the new Financial Management Information System and Systems Development Plan.

Efficiency savings achieved for both Councils through procurement activity.

Providing expert procurement advice and support to major procurement exercises and significant corporate projects.

Additional joint working between Councils on key financial projects, for example, joint banking tender exercise.

Continued support of each Councils' management teams, directors and budget holders to achieve transformation programmes and budgetary efficiencies.

Continued programme of cost reduction within the service and also delivering high standards of service as list above.

NEW RISKS & OPPORTUNITIES FOR 2013/14

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 fifth 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 2013/14 (at summary level)

Budget	2012/13 £000	2013/14 £000	Variation £000	Explanation
Employees				
Salaries Costs	1.422	1.382	(0.040)	2012/13 Budget Savings Target achieved and implemented offset by pay-award provision assumed at 1%, increase in Pensions Contributions (at CBC - 0.5% and SRBC - 1.0%) and increments.
Car leasing	0.027	0.027	-	
Employee Related Insurance	0.010	0.010	-	
Lancashire County Council Audit Budget	0.010	0.010	-	
Transport	0.014	0.014	-	
Financial Management Information System	0.095	0.065	(0.030)	2012/13 Budget Savings Target achieved and implemented.
Supplies and Services	0.040	0.040	-	
SUB TOTAL	1.618	1.548	(0.070)	
2012/13 Budget Saving Target	(0.100)	-	0.100	Budget Savings Targets achieved and implemented
2013/14 Budget Saving Target	-	(0.060)	(0.060)	New budget savings target for 2013/14
TOTAL BUDGET	1.518	1.488	(0.030)	

The main variations to the budget for 2013/14 are due to the following:-

- Provision for a possible pay-award in 2013/14 assumed at 1% and salary increments
- Increase in employer's pension contribution rates for Chorley and South Ribble
- New proposed budget savings targets for 2013/14 – Shared Financial Services £30k and Shared assurance Services £30k

KEY SERVICE DEVELOPMENTS & TARGETS 2013/14

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 2013/14.

Service Developments 2013/14

A table showing the annual objectives and key projects for 2013/14 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 2013/14.

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.

Members have been advised separately of certain changes to Internal Audit performance indicators resulting from a baseline review which has recently been undertaken.

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 2013 is contained in the table at **Appendix 4**.

DELIVERING EFFICIENCIES

Cashable Savings 2008/09 – 2013/14

Since the partnership was launched at the beginning of January 2009 significant budget efficiencies have been secured by working in partnership, making the best of new technology and proactively reviewing the ways in which we work. To date, over £0.550m worth of budget efficiencies have been achieved on a recurring basis from the original budget position which was less than £2.0m. The current Business Improvement Plan also sets out projects that aim to ensure that the partnership leads the field with regard to streamlining processes and achieving efficiencies.

Year	Budget Adjustments	£000	Annual Budget £000
2008/09 (Jan to Mar)	<i>Budget Efficiencies Partnership Launch Jan 2009</i>	<i>(0.102)</i>	part year
2009/10	Full Year 2008/09 Budget		1.786
	Budget Efficiency Target - One off	(0.050)	1.736
2010/11	Net budget efficiency target/volumetric/ committed growth	(0.002)	1.734
2011/12	One off budget savings re-instated	0.050	1.784
	Net budget volumetric/ committed growth	0.020	1.804
	<i>Budget Efficiencies - recurring</i>	<i>(0.291)</i>	1.513
	Transfer FMIS to SFS	0.095	1.608
2012/13	Net budget volumetric/ committed growth	0.010	1.618
	<i>Budget Efficiencies - recurring</i>	<i>(0.100)</i>	1.518
2013/14	Net budget volumetric/ committed growth	0.030	1.548
	<i>Budget Efficiencies - recurring</i>	<i>(0.060)</i>	1.488
	TOTAL RECURRING BUDGET EFFICIENCIES TO DATE	(0.553)	
	<i>As % of the pre-partnership budget provisions</i>	29%	

Estimated Cashable Savings 2013/14

The partnership is continuing to work towards assisting both Councils make significant cashable savings in order to close budgetary funding gaps resulting from the current reduction, and heightened uncertainty in core funding. This is to address the budget deficit positions resulting from the last Comprehensive Spending Review and also in preparation for the next review in 2014. The table below provides an estimate of the cashable savings that are anticipated in 2013/14 adding to those already achieved to date (as above):

SAVINGS OPPORTUNITIES	ESTIMATED VALUE (£000)
Provision of Shared Financial Services	30
Provision of Shared Assurance Services	30
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 net budgetary savings for both councils. These will be reported within the services Performance Report during the forthcoming year.

Non-Cashable Efficiencies 2013/14

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 bank tender process where the exercise secured the services from the same bank for both Councils.

Shared Financial Services are also involved in activity via the Systems Development Plan whereby improvements to workflow, and therefore, improved efficiency, for example: Central and Support Services recharges data collections, electronic delivery of debtor invoices, automated input of data replacing manual data input and system generated budget management information reports.

BUSINESS OPPORTUNITIES

Shared Assurance Services

The potential for creating a larger shared Internal Audit service involving Preston City Council is still under discussion as an option.

Internal Audit has also been asked to continue to provide services to St. Catherine's Hospice in 2013/14 with the possibility of this becoming a long term partnering arrangement. This provides a contribution towards costs without materially impacting on the audit resource available to the two host authorities.

Shared Financial Services

It has been the intension of the service to seek to expand the new and innovative way of delivering financial management systems to more than one organisation within our one Financial Management Information System (FMIS) to a third, external organisation. This position has since evolved into the service being involved in a project to deliver FMIS services on a larger scale across the county and this project continues, albeit at a feasibility stage. As previously reported the Joint Committee will be updated on this matter as part of the partnership's performance data 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.

The service is also currently undertaking a feasibility study into returning outsourced services in house. Should the outcome of this review result in new internally managed systems then once they have been fully embedded these may present opportunities for business expansion should it be viable and beneficial to do so.

APPENDIX 1 - RISK REGISTER 2013/14

RISK / OPPORTUNITY	MITIGATION 2012/13	FURTHER ACTION 2013/14	BY WHOM	BY WHEN
Failure to deliver sustainable services in the light of public sector funding cuts	<ul style="list-style-type: none"> • On-going and continual review into working practices, systems and procedures to improve productivity and efficiency. • Efficiency reviews/restructures in 2012/13, process reviews & reduction of low added value activities. • Systems Development Plan. 	<ul style="list-style-type: none"> • Seeking growth opportunities for SFS & SAS in 2013/14. • On-going and continual review into working practices, systems and procedures to improve productivity and efficiency. • Systems Development Plan to make the best use of new and emerging technology. 	HOS	Continual during the year
Further development of managers & staff and plan for succession	<ul style="list-style-type: none"> • Participation in both host authorities' leadership development programmes. • Wider membership of Leaders Forum at SRBC. • Staff placed in new, challenging roles following restructures. • Continuing Professional Development (CPD). • Support for semi-professional and professional qualifications provided. 	<ul style="list-style-type: none"> • The restructure in SFS will involve the review of Job Descriptions and roles and therefore a revised basis for the Performance Development Review Process in 2013/14. • Opportunity for staff to assess understanding of roles and identify any additional training required to undertake job responsibilities. • Additional project within this year's BIP to review staff engagement. 	HOS	Continual during the year
Development of the Management Accounting function at both host authorities to increase added value	<ul style="list-style-type: none"> • Service accountants attending Departmental Management Team (DMT) meetings & budget holder 1 to 1 sessions. • Improved reporting facilities post FMIS implementation. 	<ul style="list-style-type: none"> • Further developing the Financial Management Information System (FMIS) in order to maximise the potential benefits 	HOS	Continual during the year

RISK / OPPORTUNITY	MITIGATION 2012/13	FURTHER ACTION 2013/14	BY WHOM	BY WHEN
Failure to successfully implement the Councils' new banking contract.	<ul style="list-style-type: none"> • Robust project management principals. 	<ul style="list-style-type: none"> • Robust project management principals. • Full engagement of Bank's specialist business transfer team. 	Principal Financial Accountant	Implementation Plan runs to March 2013 and close monitoring thereafter for a 6 months to embed.
Adoption of risk based budget monitoring processes	<ul style="list-style-type: none"> • Robust quality assurance and corporate budget monitoring processes 	<ul style="list-style-type: none"> • Full consultation with Budget Holders. • Higher risk budgets assessed on month by month basis. • New BIP project for review integrity of mandatory process controls. 	Principal Management Accountants	On-going

APPENDIX 2 - SERVICE DEVELOPMENTS 2013/14

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Partnership Level					
Staff Engagement	SG/GB	Ongoing	Ongoing	<ul style="list-style-type: none"> • Review findings of staff surveys • Consult/fact finding with staff • Facilitates contributions from staff • Agree outcome and actions with staff • Implement any changes required and recommendations agreed 	<ul style="list-style-type: none"> • Improved staff satisfaction survey results • Positive feedback from staff
Achieve the budget savings target set for the partnership	SG	Ongoing	Ongoing	<ul style="list-style-type: none"> • Continual review of the budget for SFS and SAS and resources requirement. • Identify different ways of working to achieve greater efficiency in delivering the service • Amend the staffing structure if required following the Councils' relevant policies • Consult with stakeholders • Link project to development of managers and staff and plan for succession below 	<ul style="list-style-type: none"> • Achieve budget savings target • Increase customer satisfaction • Increase staff satisfaction
Seek out viable opportunities to grow the Partnership	SG/GB	Ongoing	Ongoing	Continual review of opportunities throughout the year	Implementation of larger business models

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Further develop managers and staff and plan for succession	SG/GB	Ongoing	Ongoing	Implementation of the new staffing structures	Continued delivery of core business and BIP projects and Key Performance Indicators (KPIs).
Internal Audit					
Arrange training for new Governance Committee members following the May elections	GB	April 2013	June 2013	To be arranged	Positive feedback in the post training questionnaires
Prepare the 2013 Annual Governance Statements in accordance with revised CIPFA & SOLACE guidance	GB	April 2013	June 2013	Revise policies, procedures and corporate assessment proformas Undertake assessments & produce the AGS	Compliance with revised regulatory requirements
Revise the Quality Operating Procedures to encompass the new Public Sector Internal Auditing Standards as they impact on Local Government	GB	April 2013	February 2014	Update procedures & train staff Obtain ISOQAR re-accreditation	Compliance with revised regulatory requirements
Review the operation of both host authorities' Governance Committees in respect of revised CIPFA Guidance on the Role of Audit Committees	GB	TBA	TBA	Review arrangements with regards to the new Guidance Prepare reports & action plans for both Governance Committees	Compliance with revised regulatory requirements

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Risk Management					
Oversee implementation of actions arising from the Physical Risk Management Reviews & Building Inspections (SRBC/CBC)	AA	April 2013	October 2013	<p>Agree required actions, responsibilities and timescales for completion</p> <p>Maintain oversight of activity and provide advice and clarification where possible</p>	<p>Reductions in risk</p> <p>Compliance with regulatory requirements</p>
EP & BCP					
Update EP procedures in response to new Public Health Emergency Preparedness, Response and Resilience arrangements (SRBC/CBC)	AA	April 2013	June 2013	<p>Incorporate revised arrangements within plans and procedures</p> <p>Arrange suitable training and awareness for key staff</p>	<p>Revised and updated plans and documents</p> <p>Enhanced awareness of roles and resilience capability</p>
Complete biannual testing of EP communications equipment located at CBC/SRBC	AA	April 2013	October 2013	<p>Undertake testing for effective operation of:</p> <ul style="list-style-type: none"> • Satellite Phones • Radio Transmitters • Hand Held Radios • EP Laptops 	<p>Compliance with CCA Emergency Preparedness Guidance</p> <p>Confirmation of effective operation</p>
<p>Conduct an out of hours contact exercise for the following (SRBC/CBC):</p> <ul style="list-style-type: none"> • Emergency Plan • Business Continuity Plan • Flood Response Plan • Birkacre Reservoir Plans 	AA	November 2013	December 2013	<p>Telephone all contacts named in the various plans out of hours & incorporate an "activation test" for each plan</p>	<p>Compliance with CCA Emergency Preparedness Guidance</p> <p>Obtain assurance on the adequacy of emergency on call arrangements & accuracy of recorded data</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Undertake an EP simulation exercise at each council (SRBC/CBC)	AA	September 2013	March 2014	<p>Arrange the event and deliver the training session</p> <p>Complete a post exercise de-brief for Strategy Group & implement learning from the exercise</p>	<p>Compliance with CCA Emergency Preparedness Guidance</p> <p>Development of skills and knowledge</p>
Assist LCC to develop Off-Site Reservoir Plans to meet the requirements of the Flood and Water Management Act (SRBC/CBC)	AA	TBA	TBA	<p>Agree timetable, meetings and expected outputs</p> <p>Deliver agreed actions</p>	<p>Compliance with statutory requirements.</p> <p>Enhanced community resilience</p>
Insurance					
Transfer responsibility for the administration of engineering inspections to Streetscene (CBC) & Neighbourhoods Property Services officers utilising the ZM "CRIMSON" electronic database.	AA	April 2013	June 2013	<p>Develop proposal and procedures for implementation</p> <p>Liase with appropriate Managers and staff to agree arrangements</p> <p>Arrange for ZM CRIMSON training sessions for operational staff.</p> <p>Undertake monitoring period prior to transfer sign off</p>	<p>Streetscene and Neighbourhoods take ownership without Insurance intervention.</p> <p>All operational staff trained appropriately</p>
Introduce a common insurance administration process following the service restructure	AA	April 2013	September 2013	<p>Develop unified record keeping procedures for manual files and documents</p> <p>Revise the electronic folder structure on the shared insurance drive</p> <p>Revise staff procedural guidance</p>	<p>Streamlined back office procedures</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Oversee the risk management activities undertaken by insurance providers	AA	April 2013	December 2013	Zurich Municipal <ul style="list-style-type: none"> Manual Handling / Working at Height / COSHH Training (CBC) Driver Awareness (SRBC) Gallagher Bassett (TBA)	Raised staff awareness, skills and knowledge of the management of operational risk.
Oversee procurement of new Insurance Broker under a combined agreement (SRBC/CBC)	AA	June 2013	December 2013	Produce procurement plan, agree selection criteria, finalise proposal documentation & arrange publication. Assess responses using cost and quality criteria and interview shortlist of candidates Appoint successful candidate (November 2013) Implementation 1st January 2014	Appointment of a suitable preferred insurance broker
Oversee annual Insurance Policy renewals (CBC/SRBC)	AA	September 2013	December 2013	Complete the assimilation of all renewal information and submit to /liaise with the Insurers/Broker Participate in renewal meetings and assist with the generation and checking of renewal reports and premium information	All appropriate risks covered at the most economically viable cost Successful renewal of Insurance covers and payment of premiums

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Financial Services As A Whole					
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.	Head of Service	April 2013	March 2014	<ul style="list-style-type: none"> Identify priority issues for customers and Shared Services Consult customers Produce packages Deliver training Develop self service continual training via intranets 	<ul style="list-style-type: none"> Delegate feedback Reduction of errors within processes e.g. coding errors corrected Improved timeliness of service delivery including corporate reporting
Transition to new external audit arrangements.	Head of Service	April 2013	March 2014	<ul style="list-style-type: none"> Engage with new External Auditor to establish effective and appropriate relationship Establish and familiarisation with new requirements Review processes and systems in order to satisfy the requirements of the new auditor's requirements Plan for introduction of new external audit staff in anticipation of their staff rotation practices 	<ul style="list-style-type: none"> Effective and efficient external audit inspections
Council Medium Term Financial Strategy and Base Budget Reviews – Embed the role of the new post in Council transformational processes and programmes which are involved with maximising cost efficiency.	Head of Service and Management Accountant – Corporate Transformation	April 2013	March 2014	<ul style="list-style-type: none"> Establish effective relationships and roles within the transformation projects within each council Introduce a SFS process to monitor progress and report performance to each Councils CFO/CEO in terms of both: <ol style="list-style-type: none"> The role itself The transformation programmes in each council 	<ul style="list-style-type: none"> Establishing and achieving a key role in driving the transformation strategies of both Councils to a successful outcome

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<p>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.</p>	<p>Head of Service</p>	<p>April 2013</p>	<p>March 2014</p>	<ul style="list-style-type: none"> • Establish requirements of data access and storage in the light of new ICT development • Produce data storage policy that enables SFS to adhere to both Councils' data storage policies • Ensure the security & integrity of key financial files (electronic & paper) to ensure that information cannot be corrupted or removed inappropriately 	<ul style="list-style-type: none"> • New SFS data and information policy
Management and Financial Accountancy Services (incorporating FMIS Development function)					
<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 & 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>	<p>Principal Management Accountants</p>	<p>April 2013</p>	<p>October 2014</p>	<ul style="list-style-type: none"> • Consult with CFO • Re-evaluate current process with statutory requirements • Construct proposed process and new systems • Co-ordinate with FMIS development plan project • Consult with stakeholders: Members (portfolio holder), senior management teams and budget holders • Produce procedures notes and protocols • Determine and deliver communications/briefings/training as appropriate 	<ul style="list-style-type: none"> • Introduce new a management Accountancy process for both Councils. • Introduce revised process and systems for allocating Internal Recharges within both Councils • Revised procedures to be on a common basis/platform • Wider understanding of role & purpose of Internal Recharges - Members & Budget Holders • Greater transparency within Budget Holder & corporate reporting with particular regard to Internal Recharges

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Review of core accounting system and process controls compliance	Principal Financial and Management Accountants and Principal Financial & Systems Accountant	April 2013	October 2014	<ul style="list-style-type: none"> • Review all controls within accountancy processes and routines • Evaluate adequacy and compliance/ non-compliance • Evaluate efficiency of control processes and automate where possible using FMIS • Report to HOS findings with recommendations for strengthening controls and re-enforcing compliance where required including any training requirements • Update procedures notes if required and communicate to staff • Provide training where required 	<ul style="list-style-type: none"> • Updated procedures notes • Communications with staff • Staff training provided
Implementation of the new banking arrangements with a review of internal banking processes and systems to align arrangements across both Councils.	Principal Financial Accountant	April 2013	Sept 2014	<ul style="list-style-type: none"> • Review all internal systems and processes relating to both Councils' banking services • Evaluate efficiency of both Councils' systems/processes and make recommendations where alignment can be achieved to improve productivity and efficiency 	<ul style="list-style-type: none"> • Aligned banking systems and procedures within the constraints of variations between the Councils' related systems, procedures, policies and structures
Review of the Treasury Consultants and Advisors Contract.	Principal Financial Accountant	July 2012	Sept 2013	<ul style="list-style-type: none"> • Review current arrangement and assess appropriateness • Cross reference project with training project in this BIP • Document alternative arrangements • 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 	<ul style="list-style-type: none"> • Recommendation delivered to the Councils' CFOs

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
<p>Successful implementation of the FMIS Development Plan</p> <p>With particular focus on the review and development of the following processes and systems and to achieve effective and efficient self-serve functionality: Payroll services Debtors and creditors</p>	Financial Systems Manager	April 2013	March 2014	<ul style="list-style-type: none"> • Identify the timescales, resources and priorities within the plan • Approval of the plan by the Councils' CFOs • Link and co-ordinate projects with management Accountancy processes project • Consult with users and Council's ICT sections • Use the Council's project management methodology • Successfully implement the developments within the financial systems development plan • Establish productivity gain measures where possible for each system improvement strand • Ensure all financial data complies with the Councils' Data Quality policies 	<ul style="list-style-type: none"> • Improve the effectiveness and efficiency of accounting processes by maximising the functionality of FMIS • Evidence by measurable productivity gain where possible • Increase customer satisfaction
Procurement Services					
Review and update of Joint Procurement Strategy (JPS) in preparation for its renewal in 2014	Principle Procurement Officer	July 2013	March 2014	<ul style="list-style-type: none"> • Review current JPS and recommend revisions • Cross reference project with training project in this BIP • Consult with key stakeholders • Update JPS with agreed amendments and updates • Get revised JPS approved • Communicate new JPS and provide training where necessary 	<ul style="list-style-type: none"> • Updated and revised Joint Procurement Strategy for 2014/15 on wards

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Development of a comprehensive staff guide to procurement to support the pocket guide already in existence	Principle Procurement Officer	April 2013	June 2013	<ul style="list-style-type: none"> • Review current guidance for updates and evaluate effectiveness to improve and user friendliness • Cross reference project with training project in this BIP • Consult with key stakeholders • Develop new guide • Circulate for specialist advice e.g. Legal/Equality to ensure full compliance whilst relevant and proportionate. • Update and finalise • Seek approved of new guide • Communicate new document and provide training where necessary 	<ul style="list-style-type: none"> • Production of comprehensive procurement guide for staff
Implementation of Fairtrade Town at CBC	Principle Procurement Officer	April 2013	March 2014	<ul style="list-style-type: none"> • Research the goals to be achieved and map out a route and timetable by which these can be achieved • Communicate to key stakeholders • Engage with relevant colleagues and partners • Ensure Communications Plan is agreed and approved and delivered • Review and revise all relevant policies 	<ul style="list-style-type: none"> • Chorley becomes a Fairtrade Town

Please note that with reference to the projects outlined for the Procurement Team as part of the recent re-structure and the deletion of a post the work programme of the team is focussed on supporting procurement in both Councils through participating and key role in providing expert advice in major procurement projects and also 'business as usual' procurement and contract renewal activity, for example, major development and re-generation project to be undertaken in 2013/14, major contract retendering and managing the gateway to The Chest (which has increased the number of procurements the team gets involved in).

APPENDIX 3 - PERFORMANCE INFORMATION 2013/14

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 2012/13	Target 2013/14
Internal Audit Services					
% of Planned Time Used	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee & Governance Committees	90%	90%
% Audit Plan Completed	EI	Quarterly Audit Plan Update Reports & Annual Audit Report	Joint Committee & Governance Committees	100%	100%
% of Management Actions Agreed	EI	Quarterly Audit Plan Update Report & Annual Audit Report	Joint Committee & Governance Committees	98%	98%
Total Cost of Internal Audit Function as a % of Organisational Running Costs / Expenditure) (VFM Primary 1)	E	Annual Audit Report	Joint Committee & 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 & Governance Committees	30%	30%
Risk Management Services					
Total Cost of the Risk Management Function as a % of Organisational Running Costs / Expenditure) (VFM Primary 1)	E	Annual	Joint Committee & Governance Committees	4.12%	4.12%

Key Measures	Type	Timescale	Member Reporting	Target 2012/13	Target 2013/14
Average customer satisfaction score per insurance claim (max 5.0)	ES	Quarterly	Joint Committee & Governance Committees	4.7	4.7
Financial Services – Overall					
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%
Management and Financial Accountancy Services (incorporating FMIS Development function)					
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%
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	Joint Committee Executive Cabinets	100% compliance with Prudential Indicators	100% compliance with Prudential Indicators

Key Measures	Type	Timescale	Member Reporting	Target 2012/13	Target 2013/14
		End			
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	60%	70%
% of supplier payments by electronic means (vfm Secondary 7)	EM	Monthly	Joint Committee	95%	95%
% of remittances to suppliers by electronic means	EM	Monthly	Joint Committee	95%	98%
% of Financial Systems availability	E	Monthly	Joint Committee	99.5%	99.5%
Procurement Services					
Professionally qualified procurement employees (FTEs) as a % of total procurement employees (vfm Secondary 1)	EI	Annual	Joint Committee	50%	50%

Key Measures	Type	Timescale	Member Reporting	Target 2012/13	Target 2013/14
LIB/P12 Satisfaction with the corporate procurement function	ES	Annual	Joint Committee	90%	90%

APPENDIX 4 – CONTRACTS REGISTER

Company / Provider	Services Provided	End Date
TREASURY		
Sector (Joint SRBC & CBC)	Treasury Management Consultancy Service	31/03/2014
Chrystal Consulting Limited (SRBC)	Leasing advice/renewals	31/03/2012
Chrystal Consulting Limited (CBC)	Leasing advice/renewals	31/03/2012
Barclays Bank (SRBC & CBC)	Banking Services	31/03/2018
INSURANCE		
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		

Company / Provider	Services Provided	End Date
PAYROLL		
Blackpool Borough Council (CBC)	Payroll Service	Rolling SLA
Lancashire Employment Services (SRBC)	Payroll	Current arrangements under review
SYSTEMS		
Civica (Partnership)	Financials Debtors & Creditors GL Purchasing Intelligent Imaging e-Modules (Cr, Dr, Pr) Budget Preparation	31/03/2015
Civica (CBC)	ICON Cash Receipting ICON Bank Reconciliation	Contract tied in period ended – now based on an annual maintenance arrangement
AUDIT		
LCC	Internal Audit Services	31/03/2013