

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	26 January 2015

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Business Improvement Plan & Budget 2015/16	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 **7th 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 Shared Services Partnership is a high corporate priority for both Councils.

RECOMMENDATIONS

1. That the Joint Committee recommends to the Executives of each host authority the adoption of the required resources to deliver the Shared Services Partnership in 2015/16.
2. That the Joint Committee adopts the Risk Assessment contained in **Appendix One**.
3. That the Joint 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.
4. That the Joint Committee formally adopts the 2014/15 Risk Assessment as contained in the approved 2014/15 Business Improvement Plan and set out in **Appendix Five** for reference.

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 2015/16. These are shown in the tables at **Appendices Two and Three** of the BIP.

Other Purposes

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

- Highlighting the **main achievements** in 2014/15 within the Partnership;
- A **Risk Register (Appendix One)** for identifying and acting upon the key risks and opportunities facing the Partnership in 2015/16;
- A **Financial Plan (Budget)** to facilitate the effective financial management of the Partnership;
- A **Contracts Register (Appendix Four)** 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 2015/16;
- A summary of the **financial efficiencies** which have already been secured by the Partnership in the first **6 full financial years** of its operation;
- An outline of the **business opportunities** which it is intended to exploit in 2015/16.

WIDER IMPLICATIONS

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

FINANCIAL	The 2015/16 budget proposed for the Partnership is set out in this report and has also been included in the budget setting processes at each Council for approval.		
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
2015/16**

JANUARY 2015

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KEY ACHIEVEMENTS IN 2014/15

A summary of the main service level successes achieved so far in 2014/15 are as follows:-

Shared Assurance Services

Internal Audit

Retaining the ISO 9001 quality standard for Internal Audit
Achieving 100% professionally qualified staff in Internal Audit
Improving the Internal Audit reporting and customer feedback processes
Supporting the Annual Governance Statement reviews for SRBC, CBC and the Joint Committee
Delivering fraud awareness training to over 150 officers at CBC

Risk Management

Improving the service level risk management arrangements at both host councils
Supporting Zurich Municipal to deliver a Water and Open Spaces Risk Management Review at CBC

Emergency Planning

Working in partnership with other agencies to develop and implement an "Off Site COMAH Emergency Response Plan" & programme of public awareness for the Redcliffe international munitions storage site at Heapey.
Updating the SRBC Flood Response Plan.

Insurance

Overseeing the renewal of both host councils' insurance portfolios under Long Term Agreements (LTA's)
Arranging insurance covers for the Market Walk shopping centre in support of its acquisition by CBC

Shared Financial Services

Successful progress towards Chartered Institute of Public Finance professional qualification.

Facilitation of a Business Rates Retention training session for the North West R3region in partnership with LG Futures.

Procurement Team winners in the Chief Executive's Awards.

Liaison with the External Auditors to secure unqualified VfM (Value for Money) Conclusion at both Councils.

Procurement

Completion of the original 5 year Joint Procurement Strategy with all targets achieved and/or exceeded.

Adoption of new updated Joint procurement Strategy.

Assistance providing to both Councils to achieve efficiency savings through procurement.

100% Customer Satisfaction achieved in Survey.

Essential support provided to achieve a Fairtrade Town application to be submitted in Chorley.

Professional procurement advice provided and significant level of support provided to the waste Contract renewal at South Ribble.

Management and Financial Accountancy Services

Providing the financial support for the purchase and financing of Market Walk and the ongoing financial monitoring of this key and high profile event in Chorley.

Providing the financial support for the initiation and ongoing support for the City Deal arrangements between South Ribble, Lancashire County Council and Preston City Council.

Closure of Accounts and production of both Councils' statutory Statement of Accounts (SOAs) to the tight required statutory deadline with no errors. This brings the total of years completed to 6 and 12 SOAs produced incorporating all national, statutory changes required. Only one error has been made during this period which did not affect the bottom line of the Council affected.

Completion of base budget review at both Councils achieving budgetary savings contributing to balancing the overall Councils' budget.

Introduction of new budget monitoring reporting and budget holder briefings arrangements to support devolved budget management regime.

Systems Development and Creditor Payments

Providing Systems Development expertise in an efficiency programme project to a Lancashire district council.

Providing essential immediate helpdesk facilities to over 310 financial system users.

Driving the initiative to support small and medium sized businesses by paying our invoices quickly. During 2014/15 to date, 81.72% have been paid within 10 days.

Systems Development Plan – Achieving Payment Card Industry – Data Security Standard (PCI-DSS) compliance reducing the risk of fraud for our customers and preventing financial penalties for the Council.

NEW RISKS & OPPORTUNITIES FOR 2015/16

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 One** contains a list of the original risks where action is ongoing and progress is now part of the day to day management processes within the services to address them. In addition new and emerging risks and opportunities as the Partnership enters its seventh full year of operation are monitor, identified, planned for as part of Business Improvement Planning and acted upon.

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

- Continuing to delivering sustainable services in the light of public sector funding cuts, including seeking out viable opportunities to grow;
- Further developing managers and staff and planning for succession taking into account that all functions have posts that are restricted to staff who have attained a professional qualification, be that Accountancy, Procurement and also Internal Audit;
- 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 2015/16 (at summary level)

Budget	2014/15 £000	2015/16 £000	Variation £000	Notes
Employees				
Salaries Costs	1.319	1.350	0.031	Increase due to pay-award, increments, Pensions Deficit Contribution, and training costs all offset by Car lease NI adjustment (see below).
Car leasing	0.027	0.031	0.004	Car leasing NI cost transferred from salaries category above.
Employee Related Insurance	0.013	0.014	0.001	Inflationary increase.
Lancashire County Council Internal Audit Budget	0.010	0.010	-	
Transport	0.014	0.012	(0.002)	General reduction in travel costs.
Financial Management Information System	0.060	0.060	-	
Supplies and Services	0.045	0.047	0.002	Inflationary increase funded by virement from transport costs.
TOTAL BUDGET	1.488	1.524	0.036	

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The budget for the Partnership has been updated to take account of annual inflationary increases. No budget reduction targets are included for 2015/16, however, the service seeks to improve productivity and efficiency on a continual basis. The budget set out above links directly into the budgets proposals within the Councils' individual draft Medium Term Financial Strategies (MTFSs) for 21015/16 onwards.

In support of the following key strategies the Partnership will continue to seek ways of improving productivity and efficiency by making the best use of the technological solutions available and also through income generation:

- the objectives within the MTFSs of each Council, that both forecast budget shortfalls in future years, and
- the Chorley and South Ribble Joint Procurement Strategy.

KEY SERVICE DEVELOPMENTS & TARGETS 2015/16

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 2015/16.

Service Developments 2015/16

A table showing the annual objectives and key projects for 2015/16 is shown at **Appendix Two**. Several of these are aimed at addressing the strategic risks and opportunities impacting on the Partnership as identified in the revised Risk Register. It is relevant to note that with regard to service developments that budget efficiencies secured to date mean that greater focus is now on the delivery of core functions and activities. This strategy is reflected in the project programme proposed for 2015/16.

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 Three** 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 2015 is contained in the table at **Appendix Four**.

DELIVERING EFFICIENCIES

Cashable Savings 2008/09 – 2015/16 - 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 continues to achieve efficiencies.

Year	Budget Adjustments	£000	Annual Budget £000
2008/09 (Jan to Mar)	Budget Efficiencies Partnership Launch Jan 2009	(0.102)	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
	Budget Efficiencies - recurring	(0.291)	1.513
	Transfer FMIS to SFS	0.095	1.608
2012/13	Net budget volumetric/ committed growth	0.010	1.618
	Budget Efficiencies - recurring	(0.100)	1.518
2013/14	Net budget volumetric/ committed growth	0.030	1.548

	Budget Efficiencies - recurring	(0.060)	1.488
2014/15	Net budget volumetric/ committed growth and efficiencies	-	1.488
2015/16	Net budget volumetric/ committed growth and efficiencies	-	1.524
	TOTAL RECURRING BUDGET EFFICIENCIES TO DATE	(0.553)	
	As % of the pre-partnership budget provisions	29%	

Budget Efficiencies 2015/16

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. No specified budget efficiency target is included in the 2015/16 BIP, however, the service will continue to seek out new ways of working, including maximising the benefits of new developments within the Financial Management Information System (FMIS) that will improve the efficiency of the service. These will be reported within the services Performance Report during the forthcoming year.

BUSINESS OPPORTUNITIES

It has been the intention of the service to seek to expand the new and innovative way of delivering financial management systems within our one Financial Management Information System (FMIS) to a third, external organisation when appropriate. The service is also involved in investigating new FMIS feeder systems such as payroll and is constantly monitoring developments within other FMIS delivery modules in order to maximise budgetary efficiencies. This involves a feasibility study into returning outsourced services in house or finding other more efficient options including partnership arrangements for single financial functions. 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.

The Shared Financial Services (SFS) function is currently undertaking paid consultancy work with another Lancashire District Council, the remit being to review the Financial Systems and Process Review and Identification of Support and Hosting Options. It is planned to carry forward the income received in 2014/15 (which is over and above the existing budget) into 2015/16 to help fund any resulting one-off costs of future developments.

Shared Financial Services also took the lead in hosting a regional financial training event on Business Rates Retention in Partnership with LG Futures for the Lancashire and North West Region. The net cost of providing the event, compared to SFS staff attending the event in another region, saved the Partnership £710. The event also served to raise the profile of the shared services arrangements. Due to the success of the event it is planned to continue working with outside training providers provide similar specialist and relevant regional training events.

APPENDIX ONE - RISK REGISTER 2015/16

RISK / OPPORTUNITY	MITIGATION 2014/15	FURTHER ACTION 2015/16	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 in 2015/16 as part of BIP projects, process reviews & reduction of low added value activities. Systems Development Plan. 	<ul style="list-style-type: none"> Seeking growth opportunities for SFS & SAS. 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. Continuing Professional Development (CPD). Support for semi-professional and professional qualifications provided. 	<ul style="list-style-type: none"> Opportunity for staff to assess understanding of roles and identify any additional training required to undertake job responsibilities. Continued participation in staff and leadership development training at both Councils. Project within BIP to review staff engagement to continue. 	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 1-2-1 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
Non-compliance with PCI-DSS (Version 3)	<ul style="list-style-type: none"> Compliance achieved with existing PCI-DSS requirements 	<ul style="list-style-type: none"> Dedicated project in BIP to maximise the efficient and effective implementation 	HOS	June 2015

APPENDIX TWO - SERVICE DEVELOPMENTS 2015/16

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Internal Audit					
Prepare the 2015 Annual Governance Statements in accordance with the latest CIPFA & SOLACE guidance	GB/DH	April 2015	June 2015	Revise policies, procedures and corporate assessment pro-formas Undertake assessments & produce the AGS	Compliance with the latest regulatory requirements
Review the operation of both host authorities' Governance Committees in respect of revised CIPFA Guidance on the Role of Audit Committees	GB/DH	April 2015	June 2015	Review arrangements with regards to the new Guidance Incorporate any actions to address aspects on non-compliance within the AGS Action Plan	Compliance with revised regulatory requirements
Arrange training for new Governance Committee members following the May elections	GB/DH/AA	April 2015	June 2015	Identification of new members training needs Delivery of appropriate training materials incorporating actions arising from the revised CIPFA Guidance on the Role of Audit Committees	Positive feedback in the post training questionnaires
Deliver fraud awareness training to officers (SRBC)	DH	April 2015	June 2015	Establish on-line self-serve facilities in the ICT Training Suite Arrange appointments to train all "compulsory" officers in the Council	Completion of training and positive feedback in post training questionnaires
Participate in the Lancashire District Audit Group peer review programme	GB/DH	Jan 2016	March 2016	To be determined	Production / receipt of reports making recommendations to enhance service provision

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Risk Management					
Work with insurance providers to develop and implement risk management reviews at both host councils	AA	April 2015	December 2015	<p>Arrange & facilitate new programmes for 2015 alongside ZM and AIG</p> <p>Focus on public / employers liability risks and the need for sound inspection regimes and record keeping</p>	<p>Raised staff awareness, skills and knowledge of the management of operational risk</p> <p>Improved claims history and impact on premiums</p>
EP & BCP					
Roll out Resilience Direct (RD) registration and responder/user awareness training (CBC / SRBC)	AA	April 2015	June 2015	<p>Identify relevant personnel and oversee registration procedure</p> <p>Undertake an awareness training session(s) consistent with user needs</p> <p>Provide ongoing support and guidance where necessary</p> <p>Maintain and develop the SRBC/CBC "Landing Page" and "Filestore"</p>	<p>Staff trained to access and utilise the system independently</p> <p>RD embedded as the primary source of EP responder information.</p> <p>All relevant plans and documents uploaded</p>
Arrange refresher training for emergency responders on the overall EP/LRF landscape and local operating procedures (SRBC/CBC)	AA	September 2015	December 2015	<p>Identify relevant personnel and target groups</p> <p>Develop an awareness training package combining local plans & arrangements and LRF material</p> <p>Coordinate meetings, deliver awareness training and provide follow up support as required</p>	<p>Local responders appraised on revised plans and arrangements following extensive changes in the EP/LRF community.</p> <p>More effective and informed local response capability</p> <p>Compliance with statutory requirements</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Participate in the Heron 6 multi-agency simulation exercise of the Springfields Off site Nuclear Emergency Plan (SRBC)	AA	April 2015	December 2015	<p>Participate in the exercise planning and development meetings</p> <p>Undertake an assessment of need and scope SRBC involvement appropriately</p> <p>Coordinate relevant participation in the actual exercise (October 2015)</p> <p>Undertake an internal de-brief and participate in exercise follow up activity</p>	<p>Improved local responder awareness and understanding of an “off site nuclear emergency” incident response</p> <p>Testing of local arrangements as part of overall compliance with REPPIR regulations</p>
Participate in a multi-agency exercise to validate the Redcliffe International Munitions Site COMAH Plan at Heapey (CBC)	AA	April 2015	December 2015	<p>Attend planning meetings & develop SRBC related scenario issues</p> <p>Participate in actual exercise (November 2015)</p> <p>Undertake an internal de-brief and participate in exercise follow up activity</p>	<p>Validation of the newly implemented plan and robust testing of arrangements</p> <p>Develop local responder awareness and understanding for a multi-agency COMAH incident response at Heapey</p> <p>Statutory compliance with COMAH regulations</p>
Undertake testing of revised BCPs at both host councils	AA	January 2016	March 2016	<p>Complete a simulation exercise using suitable LRF scenario materials or develop an electronic awareness and training package</p> <p>Analyse responses, identify needs and provide follow up support as required</p>	<p>Validation of robust business continuity strategies at each authority</p> <p>Raised staff awareness, skills and knowledge of a BCP event</p> <p>Compliance with statutory requirements</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Actions & Milestones	Outcomes / Success Measures
Insurance					
Oversee annual Insurance Policy renewals (CBC/SRBC)	AA	September 2015	December 2015	<p>Complete the assimilation of all renewal information and submit to /liaise with the Insurers/Broker</p> <p>Participate in renewal meetings and assist with the generation and checking of renewal reports and premium information</p>	<p>All appropriate risks covered at the most economically viable cost</p> <p>Successful renewal of insurance covers and payment of premiums</p>
Oversee procurement of a new insurance broker under a combined agreement to provide general support and advice and lead on the next insurance procurement tender exercise (SRBC/CBC)	AA	April 2015	December 2015	<p>Produce procurement plan, agree selection criteria, finalise proposal documentation & obtain approval</p> <p>Assess responses using cost and quality criteria</p> <p>Appoint successful candidate</p>	Appointment of a suitable preferred insurance broker
Undertake preparatory work for the procurement of new long-term insurance agreements by both host councils	AA	January 2016	March 2016	Working alongside the broker and assuming a start date of 1st January 2016 - produce a project / procurement plan (Jan/Feb 2016)	Appointment of suitable insurance providers

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 2015	March 2016	<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
Management and Financial Accountancy Services					
<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 and the implementation of the e-budgeting module.</p>	Principal Management Accountants	April 2015	March 2016	<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, protocols and agreed timetable Determine and deliver communications/briefings/training as appropriate Review output and outcomes with regard to reporting including frequency, content and formats. 	<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 and greater transparency within Budget Holder & corporate reporting with particular regard to Internal Recharges Produce new reporting standards

<p>Review of core accounting system and process controls compliance (retained to cover planned new modules and training of new staff and users)</p>	<p>Principal Financial and Management Accountants and Principal Financial & Systems Accountant</p>	<p>April 2015</p>	<p>March 2016</p>	<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 – this project is directly linked to the financial training project
<p>Zero Based Budget Exercise</p>	<p>HOS</p>	<p>April 2015</p>	<p>October 2015</p>	<ul style="list-style-type: none"> • Establish budget heads within scope • Agree process strategy (including operational approach, methodology and timetable) with SFS staff • Liaison with Chief Finance Officers (S151) • Report findings to SMT (SRBC) and Strategy Group (CBC) • Feed into 2016/17 MTFS cycle in November 2015 	<ul style="list-style-type: none"> • Adjusted budget heads for proposed 2016/17 MTFS • Reduce overall total of forecasted in scope budget heads (excluding inflationary and volumetric increases) • Contribution to MTFS and budget preparation process for 2016/17
<p>Business Rates Retention</p>	<p>Principal Financial Accountant</p>	<p>April 2015</p>	<p>November 2015</p>	<ul style="list-style-type: none"> • Corporate review of processes and systems involved in setting the budget for the BRR regime including completion of NNDR1 and NNDR3 • Corporate review of processes and systems involved in monitoring BRR regime • Report and recommendations for new end to end process to HOS SFS and CFOs (s151s) • Publication of end to end procedures notes including timetable • Staff training 	<ul style="list-style-type: none"> • Implementation of new end to end documented process for the setting of, and monitoring of, Business Rates Retention

Fees and Charges (Including a review of internal recharging systems and processes)	Senior Management Accountants	April 2015	January 2016	<ul style="list-style-type: none"> • Review all income streams that are now subject to cost recovery only criteria to confirm compliance • Recommend corrective action where required • Undertake benchmark exercise with other Authorities • Work with SFS Management Team to formulate a strategy to consider and included the Political perspective • Report findings to SFS Management Team and also CFOs (s151s) • Make recommendations to maximise contributions to MTFs and bridging forecasted budget gaps 	<ul style="list-style-type: none"> • Revised schedule of Fees and Charges • Updated Central and Support Cost internal recharge process • Implementation of updated internal recharge process
Procurement Services					
Roll out use of The Chest to key users	Principal Procurement Officer	April 2015	August 2016	<ul style="list-style-type: none"> • Liaise with users selected to be The Chest 'key users' • Undertake training as appropriate • Provide reference material and aide memoires to assist with remote self-serve support 	<ul style="list-style-type: none"> • Key users of The Chest operate the system remotely on a self-serve basis
Systems Development and Exchequer Services					
Payment Card Industry – Data Security Standard PCI-DSS (version 3) Compliance	Financial Systems Manager	April 2015	June 2015	<ul style="list-style-type: none"> • Review contents of regulation and requirements • Translate into project plan • Communications strategy • Liaison with internal partners • Implement required internal process change • Collate evidence and submit self-assessment questionnaire 	<ul style="list-style-type: none"> • Achieve PCI-DSS Version 3 compliance

<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 – Case Study including alternative solutions for partnership working or in house service delivery Debtors and creditors</p> <p>To also include a review of the all current products available to ensure that the system best supports the whole ICT infrastructure and strategies at both Councils.</p>	<p>Financial Systems Manager</p>	<p>April 2015</p>	<p>March 2016</p>	<ul style="list-style-type: none"> • Identify the timescales, resources and priorities within the plan • Approval of the plan by the Councils' CEOs/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 • Produce a proposal with regard to the longer term view on the future development of FMIS in the light of developments in that arena since FMIS was implemented.
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APPENDIX THREE - PERFORMANCE INFORMATION 2015/16

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 2014/15	Target 2015/16
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%
Average customer satisfaction score per insurance claim (max 5.0)	ES	Quarterly	Joint Committee & Governance Committees	4.7	4.7

Key Measures	Type	Timescale	Member Reporting	Target 2014/15	Target 2015/16
Financial Services – Overall					
% 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)					
% variation between the forecast out-turn at month 6 and the actual out-turn 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
Compliance with the Prudential Code for Capital Finance in Local Authorities	E	Half Yearly and at Year End	Joint Committee Executive Cabinets	100% compliance with the Prudential Code	100% compliance the Prudential Code
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	99%	99%

Key Measures	Type	Timescale	Member Reporting	Target 2014/15	Target 2015/16
Supplier Payment within 10 days (local indicator)	EI	Monthly	Joint Committee	80%	80%
% 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	100%	100%
% 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%
LIB/P12 Satisfaction with the corporate procurement function	ES	Annual	Joint Committee	90%	90%

APPENDIX FOUR – CONTRACTS REGISTER

Company / Provider	Services Provided	End Date
INSURANCE		
Jardine Lloyd Thompson (Joint SRBC & CBC)	Insurance Broker and tender services	31/12/2015
Zurich Municipal (CBC and SRBC)	Insurance Policies (Fidelity Guarantee, Combined Liability, Motor Fleet, Engineering Inspections and Insurance)	31/12/2016
ACE - Europe (Joint CBC & SRBC)	Insurance Policies (Personal Accident and Travel)	31/12/2016
RMP/Chartis (CBC & SRBC)	Insurance Policies (Property including All Risks and Computer)	31/12/2016
AIG Europe c/o Marsh broker (CBC)	Environmental warranty Insurance	31/03/2023
AUDIT		
Lancashire County Council	Internal Audit Services	31/03/2016 Annual Review
PAYROLL		
Blackpool Borough Council (CBC)	Payroll Service	Rolling SLA
BT Lancashire (SRBC) (client role transferred to HR SRBC)	Payroll Service	31 March 2016

Company / Provider	Services Provided	End Date
SYSTEMS		
Civica (Partnership)	Financials Debtors & Creditors GL Purchasing Intelligent Imaging/Scanning e-Modules (Cr, Dr, Pr) Budget Preparation Asset Management	Annual rolling Licencing Maintenance Agreement 31/03/2016
Civica (CBC)	ICON Cash Receipting ICON Bank Reconciliation	31/03/2016
Allpay (CBC and SRBC)	Electronic Card Payment Services	Currently out to tender as part of a national procurement exercise
TREASURY		
Capita Treasury Solutions Limited	Treasury Management Consultancy Service	31/03/2015
Chrystal Consulting Limited (SRBC)	Leasing advice/renewals	31/03/2015 Annual Review
Chrystal Consulting Limited (CBC)	Leasing advice/renewals	31/03/2015 Annual Review
Barclays Bank (SRBC & CBC)	Banking Services	31/03/2018

**APPENDIX FIVE – RISK REGISTER 2014/15 AS INCLUDED IN APPROVE 2014/15 BIP
(included for reference to record minuted adoption by Joint Committee)**

RISK / OPPORTUNITY	MITIGATION 2013/14	FURTHER ACTION 2014/15	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 in 2013/14 as part of BIP projects, process reviews & reduction of low added value activities. • Systems Development Plan. 	<ul style="list-style-type: none"> • Seeking growth opportunities for SFS & SAS. • 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. • Continuing Professional Development (CPD). • Support for semi-professional and professional qualifications provided. 	<ul style="list-style-type: none"> • Opportunity for staff to assess understanding of roles and identify any additional training required to undertake job responsibilities. • Continued participation in staff and leadership development training at both Councils. • Project within BIP to review staff engagement to continue. 	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 1-2-1 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