

## SHARED SERVICES JOINT COMMITTEE

Thursday, 6th September 2018 at 6.00 pm in Committee Room 1, Town Hall, Market Street,  
Chorley

### AGENDA

1 **Apologies for absence**

2 **Appointment of Chair and Vice Chair of the Joint Committee for 2018/19**

3 **Minutes of the last meeting of the Joint Committee held on 11 January 2018 (Pages 3 - 6)**

4 **Declarations of Any Interests**

Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.

If you have a pecuniary interest you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.

5 **Confirmation of the Terms of Reference for the Shared Services Joint Committee (Pages 7 - 8)**

To confirm the Terms of Reference for the Joint Committee as revised in May 2017 (enclosed).

6 **Scoping of Three Contractual Models (Pages 9 - 16)**

Report enclosed.

7 **Shared Financial and Assurance Services Business Plan 2018/19 (Pages 17 - 34)**

Report enclosed.

GARY HALL  
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Shared Services Joint Committee

Meeting contact Nina Neisser on 01257 515140 or email [nina.neisser@chorley.gov.uk](mailto:nina.neisser@chorley.gov.uk)

**Chorley Council:**

Councillors Alistair Bradley, Alan Cullens, Graham Dunn, Alistair Morwood, Peter Wilson, Martin Boardman (Reserve) and Christopher France (Reserve).

**South Ribble:**

Councillors Mary Green, Michael Green, Paul Foster, Susan Snape, Matthew Tomlinson, Caroline Moon (Reserve) and Michael Titherington (Reserve).

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**MINUTES OF SHARED SERVICES JOINT COMMITTEE**

**MEETING DATE** Thursday, 11 January 2018

**MEMBERS PRESENT:** Councillor Colin Clark (Chair), Councillor Alistair Bradley (Vice-Chair) and Councillors Martin Boardman, Alistair Morwood, Peter Wilson, Foster, Peter Mullineaux, Councillor Margaret Smith and Matthew Tomlinson

**OFFICERS:** Gary Hall (Chief Executive), Garry Barclay (Head of Shared Assurance Services) and Dianne Scambler (Democratic)

**APOLOGIES:** Councillor Alan Cullens

**OTHER MEMBERS:** Councillor Councillor Phil Smith (South Ribble Council)

**17.13 Apologies for absence**

Apologies were received from Councillor Alan Cullens (Chorley Council)

**17.14 Minutes of the last meeting of the Joint Committee held on 14 September 2017**

RESOLVED – That the minutes of the Shared Services Joint Committee meeting held on 14 September 2017 be confirmed as a correct record for signing by the Chair.

**17.15 Declarations of Any Interests**

There were no declarations of any interests.

**17.16 Performance Monitoring Report**

The Committee considered a report presented by the Head of Shared Assurance Service and the Chief Executive for Chorley Council on progress in the delivery of key service developments and performance indicators contained in the 2017/18 Business Improvement Plan up to the end of November 2017 and including the Partnership's projected out-turn financial position. As Shared Services was launched in January 2009, 2017/18 is the ninth full financial year of the service.

Garry Barclay highlighted key issues as:

- 16 of the 24 projects for the year had been completed or were on track with plans in place to address the remaining 8.
- 28 of the 32 performance measures were on track; and
- there was a projected overall underspend of 0.022m.

Three projects were rated as Red:

- The new GRACE risk management software now largely embedded within the two councils to facilitate the **Review of Risk Management Frameworks** but production of Framework Documents had been put on hold pending implementation of the new management structures.
- The new CONNIE business continuity software was now largely embedded in services to **Enable and re-issue Business Continuity Plans** but work was still in progress to update the corporate level ICT disaster recovery plan.
- **Review of Management Accountancy processes.** Proposals for expanding Shared Services and the Review into Shared Financial Services was being progressed and would be brought to a conclusion upon clarity of agreed service delivery models across the two councils.

Although only South Ribble Council had met the deadline of Closure of Accounts by end of May 2017, in preparation for the new deadlines for the 2017/18 process it was explained that Chorley's delay was caused by one issue that was outside the control of Shared Financial Services. The CIPFA Cash Flow toolkit that is used to complete the Cash Flow Statement contained a fault with regard to the treatment of a land transaction applicable only to Chorley Council in 2017/18. Once identified, CIPFA needed to investigate and provide a fix.

Despite a few teething problems and the ongoing review of the Shared Senior Management structure the team are confident that the Statements of Accounts can be delivered to the earlier deadline of 30 May 2018. The dates for both Council's Governance Committees have also been brought forward to accommodate the new regime.

Although slightly off target the Committee was pleased to note that 82.86% of local suppliers were paid within 10 days.

**RESOLVED – That the report be noted.**

#### 17.17 Exclusion of the Press and Public

**RESOLVED – that the press and public be excluded for the remaining item of business due to the disclosure of exempt information under Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act.**

#### 17.18 Shared Services Update

Chorley and South Ribble had recently agreed in principle to significantly expanding their shared services and had previously agreed to share a series of senior management posts (including Section 151 Officer and Monitoring Officer), and sharing policy, communications, legal, HR and financial and assurance services. The aim being to move away from a traditional transactional focused managerial way of working to one that is strategic, flexible and resilient, developmental and focused.

Following the more detailed work that was undertaken in respect of the operating models for the extended services it became clear that it was possible to provide an alternative Senior Management Structure that was more cost effective and allows each individual organisation to maintain their own approach to the transformation stage. The new proposed structure would mean that the Deputy Chief Executive for Resources and Transformation will not now be shared as most of the transformation

work will be done individually, although the two councils will look to work collaboratively where appropriate.

In addition due to the scale and nature of sharing predominately transactional elements it is also possible to combine two of the Directors roles into one as there are limited opportunities to share Policy and Communications resources at this time. The shared services Directors will be the statutory Officers for both Councils, with one Director post having some responsibilities for non-shared service roles.

Therefore the shared services agreed to being in scope for phase one (2018) are:

- Legal Services
- Finance and Audit
- HR (transactional)
- Business continuity
- Emergency Planning

In addition Democratic Services for both council's will report into the Director of Legal Services. This is considered to be a well-established Leadership approach for both Shared and non-Shared Services operations and high performing teams. The approach maximises leadership capacity and also facilitates review and alignment of services that the councils may wish to bring under the shared services umbrella in the future.

Whilst staff will continue to be employed by their current employing council, a new Memorandum of Understanding and Agreement will be established and will clearly define how the employment contract for shared services employees is to be managed and resourced.

Each sovereign Council will need to manage its own transformational change agenda, developing new service delivery models, in line with resident need and political desire. Once this direction is understood, further discussions will take place to explore further opportunities to create efficiency of a shared service approach. Members agreed that it would be prudent for each Council to scope out a set of services that could be considered and agreed on by this Committee with the aim of progressing wider shared services proposals.

Some Members were disappointed that progress had slowed although it was accepted that there were different approaches by the two authorities. However, there was still a joint aim to develop a full shared services agenda at some point and both Councils agreed to discuss a joint programme of sharing opportunities at a future meeting.

Members also agreed that more meetings would improve relations and help each authority to better understand each other's direction of travel.

Before the vote was taken Councillors Paul Foster and Matthew Tomlinson stated that they wish to abstain.

**RESOLVED:**

- 1) **The report was noted.**
- 2) **The operating model outlined in the report was noted.**

- 3) **Approval for the respective sovereign Councils to implement the alternative shared senior management restructure as detailed within the report.**
- 4) **Approval to the convening of an urgent meeting of the new Shared Services Appointments Panel to agree the process and timescales for the two Statutory Officer and respective deputy posts.**
- 5) **Approval of two reserve Members for each sovereign Council to be appointed to the new Shared Appointments Panel**
- 6) **That subject to the appointment process, approval that detailed business plans for each of the services identified in section 5 be developed and brought forward to the Shared Services Joint Committee by early summer 2018.**
- 7) **Approval to expand the scope of shared services as detailed in Appendix A of the report.**
- 8) **Approval that both Councils develop a joint programme of sharing opportunities to discuss at a future meeting of the Shared Services Joint Committee in line with the previous aim for the two Councils to agree a joint aim to develop the full shared service agenda.**

Chair

Date

## **Shared Services Joint Committee: Terms of Reference**

### **Purpose**

1. The Shared Services Joint Committee will oversee shared services delivered jointly between Chorley and South Ribble Councils, including investigating opportunities for extending shared services to new services areas and service delivery options.
2. The Shared Services Joint Committee will operate in accordance with relevant powers contained within the Local Government Act 1972 and the Local Government Act 2000 and all enabling powers and in line with the Shared Service Agreements adopted between the two Councils.
3. The Shared Services Joint Committee will monitor the work and the effectiveness of shared services, the development and delivery of a shared services programme and make recommendations to each of the relevant Council's Cabinet meetings.

### **Membership**

4. The Joint Committee will consist of 10 councillors, five from each Council, appointed at each Council's Annual meeting.
5. Each Council should appoint their five councillors to the Joint Committee in line with the political balance of their own Council.
6. At its first meeting in the Council year, the Joint Committee will appoint a Chair and Vice Chair who will serve for the year. These should be from different Councils and each Council should take the Chair on an annual rotational basis.
7. Observer councillors will be permitted to attend meetings of the Committee.
8. In addition, relevant council officers may attend the meetings to present and advise the Committee on their work.

### **Business**

9. The Joint Committee will oversee and review current shared financial and shared assurance services, including monitoring their performance against the Shared Service Agreement in place.
10. To investigate the opportunities and business benefits of other services being run on a shared basis between the two Councils and make recommendations to respective Cabinet meetings.
11. To oversee the implementation of any additional shared service arrangements including the management and delivery of a shared services programme and monitoring the effectiveness and performance of the services.
12. To act as arbiter (in the first instance) in the event of any disagreement regarding the delivery of shared services.
13. To manage the resourcing of shared service arrangements to an agreed Resource Plan; and to consider any additional funding requirements.

### **Voting**

14. When required, voting will be on a simple majority. In the event of a tied-vote, the Chair will have a casting vote (or in his/her absence, the vice-Chair).
15. Observer councillors and officers do not have a vote.

### **Calendar of meetings**

16. The Joint Committee is scheduled on a quarterly basis and dates are contained within each Council's calendar of meetings. Changes to meetings, including additional meetings, may be agreed by the Chair as needed.

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# Draft Specification

# Development of Shared Services

## Specification for consultancy support for shared services transformation

### Introduction

1. South Ribble Borough Council and Chorley Council have a long track record in shared services, primarily around financial and assurance functions but extending across a number of different service areas.
2. The two councils have been in discussions about extending the arrangements for some time, and have recently agreed to progress with sharing some senior posts and starting to share Legal and HR services. In addition, the councils have agreed in principle to significant further sharing.
3. The councils wish to jointly commission work to help to plan for making these commitments a success and to enable us to agree a strategic framework of services to share that can be considered in the context of two organisations own change programmes.

### The challenge

The councils are seeking support in two phases:

1. To develop models for how the first phase of shared functions (the existing shared services of finance and assurance in addition to HR and Legal) could work. This would include:
  - Understand the scale of opportunity available from sharing those functions and how the benefits of that opportunity are shared
  - Developing a proposed operating model that would work for both councils, including proposed structures and staffing models
  - Identify the key differences in perspective that must be reconciled before proceeding
2. An assessment and target operating model for future expansion of shared services, including the ICT infrastructure and systems as an enabler and consideration of all services. This would include:
  - a. An initial **opportunity assessment**, which seeks to establish quickly the scale of the opportunity from coming together and a shared vision for how the two organisations will operate together. To identify areas where there is a lack of compatibility or approach. This would include:
    - shared view of the appropriate operating model for bringing the two organisations together. The deliverable will also show how resources would be distributed across the combined operation
    - A high-level view of the benefits that would be delivered from a shared service arrangement and how that might be attributed to the two councils

- A high-level view of the scale of technology change likely to be required to achieve the benefits
  - A high-level view of the strategic/political alignment/mis-alignment that might need to be reconciled before proceeding further.
  - A high level assessment of the As- is position in terms of scope, cost of service, capacity and performance
  - Appropriate risk share and risk alignment including the principles for determining costs, investment, charges and distribution of financial benefits between the two councils. ( this may be what is intended in the second bullet point but is a little unclear)
  - A set of working principles regarding appropriate performance management mechanisms, standards and metrics
  - An approach to future assessment for rollout of other services to enable scalability using business case methodology. This should include service baselining prior to expansion.
  - Ability to flex service provision “change control” responding to a changing environment that respects a declining resource base
3. Once the opportunity assessment is completed, we anticipate undertaking work to develop more detailed proposals:
- a. A **target operating model** which describes the councils in terms of:
    - The organisational structures, roles and capabilities and the way work is distributed. This will also show the allocation of resources to different parts of the organisations
    - The customer journey and process model; defining framework processes and scoping the list of detailed processes that would need to be re-designed in implementation
    - The technology model; defining the key building blocks, the key functionality and integration and providing an assessment of whether the current infrastructure needs to be upgraded
    - Culture and ways of working; describing key attributes of the new organisation
  - b. An **implementation plan** outlining the development path for the transformed organisation.
  - c. A **business case** pulling all of the deliverables together and outlining the costs and benefits of creating the transformed organisation
4. At this stage organisational culture and development are excluded, but we recognise that once an agreement is reached on the next stages, these will be important issues to consider.

## Proposals

1. The councils are seeking proposals and costs for work that address the challenge set out above.

- **Approach:** the councils would want an inclusive approach that actively engages councillors and officers from both organisations in setting the vision and approach for service delivery. We are seeking proposals that set out how this can be achieved.
  - **Timescales:** the councils would like the work for the first phase shared services and the opportunity assessment to be undertaken by December 2018, with the further work undertaken by March 2019.
  - **Experience:** the councils wish to appoint a consultant with experience in supporting the development of shared services
2. Proposals should outline a plan to address the challenges outlined, as well as including a breakdown of costs for each element, and information about the experience of the company and the key individuals who would deliver the work.

# Draft Specification Development of Shared Services Agreement

The existing Administrative Collaboration Agreement (SSA) between CBC and SRBC was signed in December 2008 and is nearly a decade old. It has not been updated to reflect any shared learning or changes that have taken place in that period. There are 2 trigger events which have necessitated a review of the documents

- the proposed extension to the Shared Services arrangement and
- the recent employment difficulties with a shared post.

## Issues

1. The SSA is specific to Shared Financial (including Procurement) and Shared Assurance Services. It does include provision for variation of the terms but this is not suitable for extensions to the shared service. There is no process for adding additional services.
2. It has become apparent that the agreement does not adequately address (or at all) the liability for the management of staff working for one council but working at the others offices. In practice, the “managing authority” may not be the employer. However, the employer would still be responsible to the employee for any issues arising as a result of the managing authority’s conduct. In this situation the indemnity in the agreement may not apply as there is no specific agreement leaving the parties to rely on implied duties and goodwill in a continued joint working environment.

## Options – form of document

1. Many of the clauses are still applicable and relevant it is simply that the agreement does not deal with issues that have arisen nor does it provide a process for the extension of the shared service.
2. Amend the current agreement through a supplemental document.
  - a. Pro – keeps at its core a document the councils are familiar with and is arguably a simpler piece of drafting as it will only need to cover the additional areas.
  - b. Cons – will mean cross referencing documents which adds to complication.
3. Have a new Collaboration Agreement drafted to replace entirely the current agreement.
  - a. Pro – single document for future governance arrangements, there is an opportunity to revisit the shared services sla’s to ensure they still meet the needs of the councils.
  - b. Con – will still need to incorporate existing arrangements, likely to be more costly and there will be a question over how to end existing agreement (can be done as clause in new agreement).

## Recommendation

1. There does not appear to be confidence in either council in the operation of the existing document a new agreement gives an opportunity to recast the existing and ensure it meets the needs for the agreed changes and will include a process for further extensions. Whilst it may be of higher cost it is better to have a single document governing the whole relationship.

## Options – drafting

1. There are 2 options for drafting either the supplemental or new agreement
  - In house delivery by council's legal teams.
  - Joint instruction of specialist firm to draft.
2. It has to be recognised that this is a specialist area of law and whilst the legal teams would be competent to draft the agreement, the experience of an external adviser would be valuable. It is acknowledged there is a cost to this but the benefits outweigh this,

## Recommendation

1. Joint instruction of specialist firm (eg Addleshaw Goddard, Brabners, Gateleys Hill Dickinson)

## Proposal

1. Council's legal officers agree specialist firm.
2. Letter of instruction is prepared to
  - Re-establish existing arrangements
  - Incorporate new roles into shared service
  - Provide a process for the Councils to agree to extend the shared service further, to include governance structure, definition of roles, decision making/ authority and operational implementation.
  - Define and fix the liabilities of the Council's to each other in relation to employment disputes concerning employees working within the shared service or pursuant to the shared service.

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<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Shared Services Joint Committee	6 <sup>th</sup> September 2018



Report template revised June 2008

<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Shared Financial & Assurance Services Business Plan 2018/19	N/A	James Thomson & Garry Barclay	

**SUMMARY AND LINK TO CORPORATE PRIORITIES**

This report summarises and explains the content of the attached Business Plan for Shared Financial and Assurance Services which covers the tenth complete financial year of its operation.

The Committee will receive update reports during the course of the year highlighting the actions taken to deliver the service priorities and performance targets specified in the Business Plan, culminating in a detailed Annual Report at the year-end.

The Shared Services arrangement is a key corporate priority for both Councils.

**RECOMMENDATIONS**

That the Joint Committee approves the Business Plan for 2018/19.

**DETAILS AND REASONING**

**Performance Management**

The Committee has previously received and approved the formal legal agreement incorporating a service level agreement which sets out the key outputs required of the service and the individual performance measures against which it will be judged.

The main aim of the attached Business Plan is to translate these outputs and measures into specific projects and targets which need to be achieved during 2018/19.

**WIDER IMPLICATIONS**

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

<b>FINANCIAL</b>	The resources required to deliver the Business Plan 2018/19 have already been approved as part of the budget setting processes at each Council.
<b>LEGAL</b>	The Shared Services Joint Committee, established under Section 101 of the Local Government Act 1972, provides the overall governance for this with its terms being set out in an Administrative Collaborative Agreement which has been signed by both Councils. Sound business planning and performance management arrangements are required to enable the Shared Services Joint Committee to effectively fulfil its obligations.
<b>RISK</b>	A dedicated Risk Register has been produced in order to identify and mitigate the risks associated with the ongoing development of the shared services arrangement.

<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>

# Shared Financial & Assurance Services

**Business Plan**  
2018/19

**CORPORATE PRIORITIES**

**Chorley Borough Council**

**An ambitious Council that does more to meet the needs of its residents and the local area**

**South Ribble Borough Council**

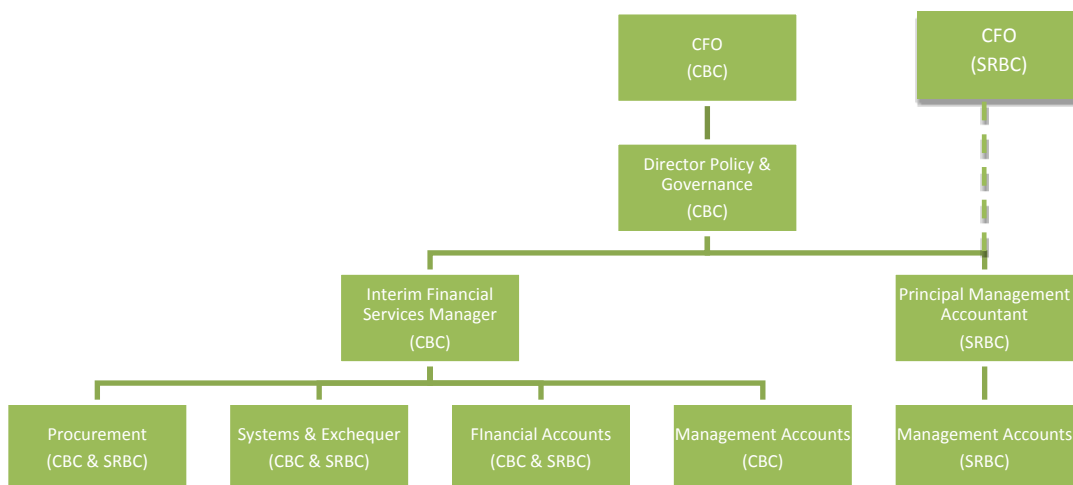
**Excellence and financial sustainability**

**SERVICE PRIORITIES FOR 2018/19**

- Provide high quality, compliant and best practice financial and assurance services to both councils
- Ensure both councils remain compliant with financial and assurance regulatory requirements as well as both of the council's financial and contracts procedure rules.
- Ensure the team remains focussed, motivated and sufficiently skilled during any period of transition and beyond
- Support the financial planning process
- Undertaking a review of the current shared services arrangements and making recommendations to both council seeking to identify:
  - where appropriate, cost savings in service delivery
  - areas for improvement and change to improve the efficiency and effectiveness of the functions
  - changes that would ensure the services are best placed to support the expansion of shared services

**STRUCTURE CHART\***

**Shared Financial Services**



\*Shared Assurance Services is currently under review

## SERVICE OBJECTIVES

### Shared Financial Services

The shared financial services team can be broadly split into four areas. These areas all support the other and staff resources are shared during busier periods, for example during the closure of accounts process. The management accounts teams are split into dedicated teams at CBC and SRBC however whenever possible best practise is shared between these teams.

Service Area	Main Tasks	Service Delivers	Budget FTE*
Procurement	<ul style="list-style-type: none"> <li>• Provide effective support and guidance to ensure that all procurement is in accordance with EU rules, the Council's Contract Procedure Rules, Best Practice, is market aware and delivers sustained competitiveness and value for money.</li> <li>• Deliver an effective service which maximises efficiency for joint procurement, collaborative working and the establishment of shared services.</li> <li>• Maintenance and promotion of procurement guidance documentation</li> <li>• Training and support.</li> <li>• Provision and maintenance of template procurement documents.</li> <li>• Management and support of the Chest e-procurement portal.</li> <li>• Maintenance and timely publication of a quarterly Contracts Register.</li> </ul>	Advice, Training and support Procurement strategy Procurement guidance Template Documents Quarterly updated contracts register e-procurement portal	2.00 Shared Across Both Councils
Financial Systems & Accounts Payable	<ul style="list-style-type: none"> <li>• Support the maintenance, development and upgrade of the finance, debtor, creditor, cash management systems in line with statutory financial regulations.</li> <li>• Ensure that all payments are paid within the performance indicator timescales, adhering to the financial regulations compliance controls to prevent fraudulent payments.</li> <li>• Training and support for financial system users and officers involved in the 'procure to pay' process.</li> </ul>	Improvements to financial systems Timely and accurate payment of invoices Training and support for system users Tax returns to HMRC	7.00 Shared Across Both Councils
Financial	<ul style="list-style-type: none"> <li>• Lead on the closure of accounts process.</li> </ul>	Statement of Accounts	3.00

Accounts and Treasury Services	<ul style="list-style-type: none"> <li>Reconcile expenditure and income to both council's bank statements.</li> <li>Manage both councils cash flow including transfers to and from money markets, banks and the treasury.</li> </ul>	VAT returns to HMRC	Shared Across Both Councils
Management Accounts	<ul style="list-style-type: none"> <li>Manage the budget setting process.</li> <li>Support the council's transformation programme.</li> <li>Support budget holders in managing their business plans and budgets.</li> </ul>	Balanced budget Medium Term Financial Strategy Quarterly budget monitoring reports	4.00 (CBC) 5.00 (SRBC)

\*Excludes CFOs, Head of Shared Service and Interim Financial Services Manager

### Shared Assurance Services

Shared Assurance Services is broadly split into two teams, covering Internal Audit and Risk Management (including emergency planning, business continuity and insurance administration).

Service Area	Main Tasks	Service Delivers	Budget FTE*
Internal Audit	<ul style="list-style-type: none"> <li>Review &amp; improve internal control arrangements</li> <li>Review key business processes</li> <li>Advisory &amp; consultancy services on governance &amp; control matters</li> </ul>	Internal Audit Plan & reports Annual Governance Statement Action Plan	4.00 Shared Across Both Councils
Risk Management	<ul style="list-style-type: none"> <li>Review risk management strategies in relation to corporate and service planning, partnership working, project management and procurement</li> <li>Oversee maintenance of emergency &amp; business continuity plans</li> <li>Arrange insurance covers and process claims</li> </ul>	GRACE risk management system administration CONNIE business continuity system administration Insurance programme	3.00 Shared Across Both Councils

## KEY ACHIEVEMENTS 2017/18

### Shared Financial Services

#### Procurement

- 100% satisfaction received from a satisfaction survey sent to 68 customers (35 at Chorley and 33 at SRBC) with 34 respondents (19 at SRBC and 15 at CBC).
- Produced a pocket procurement guide for members at both SRBC and CBC.
- Completed a review of SRBC procurement, including a full spend analysis of above £10,000 supplier procurement spend for the 2017 calendar year. Presented a Procurement Update report to SRBC ELT (May 18) presenting the key findings of the analysis of the 2017 above £10,000 supplier procurement spend and identifying key messages, issues and recommendations moving forward. A similar exercise is currently underway at CBC.
- Assistance provided to both Councils to achieve efficiency savings through compliant procurement processes.
- Professional procurement advice and support provided at both Councils including significant and detailed level of support provided to Major Contracts e.g. the Digital Office Park project at CBC.

#### Financial Systems and Exchequer Services

- Successful upgrade of the Councils payment system, Civica Icon.
- Implementation of the new purchase card module.
- Introduction of a new secure file transfer process between the financial system, the Bank, and other council systems.
- Managed the cash and chip and pin transactions and controls for the Councils flower show 2017.
- Introduced more stringent accounts payable controls to accommodate the national banking system changes to sort codes and bank accounts.
- Successful upgrade of the Councils barcode payment system, Allpay.

#### Financial and Management Accounts

- Closure of accounts and production of both Councils' statutory statement of accounts to the required statutory deadline with no material errors.
- Completion of base budget review at both Councils achieving budgetary savings for both councils
- Produced a Fees and Charges Policy for CBC as well as a review of some of CBC's fees and charges leading to additional £50k income.
- Providing key financial support to Chorley council's transformation programme including support for major capital projects.
- Providing the financial support for the City Deal arrangements between South Ribble, Lancashire County Council and Preston City Council.

## Shared Assurance Services

### Internal Audit

- Retention of the ISO 9001 quality standard for Internal Audit.
- Confirmation of compliance with Public Sector Internal Auditing Standards following an independent peer review. This established no instances of non-compliance and only 3 instances of partial compliance with an overall checklist of 327 assessment areas.
- Further embedding the GRACE system enabling risk and control self-assessments by services.

### Risk Management

- Revision of the Risk Management Frameworks at both councils and approval by each Governance Committee.
- Excellent Internal Audit reports for the risk management arrangements in situ at both councils.

### Emergency & Business Continuity Planning

- A successful rest centre workshop event attended by key officers from both authorities.
- Update and roll-out of Flooding Response Plans.
- Implemented the new CONNIE business continuity software at Chorley supported by officer training and a simulation exercise.
- Established a rota and trained a strategic tier of officers at South Ribble to provide more resilience to their emergency response arrangements.

### Insurance

- Introduced procedures to ensure compliance with new information disclosure requirements contained in the Insurance Act 2015.



## SERVICE PRIORITIES 2018/19 – SHARED FINANCIAL SERVICES

The following service priorities outline what the service hopes to deliver in 2018/19 over and above 'business as usual' outcomes

### Procurement

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Refresh the 2015/2018 Joint Procurement Strategy	Janet Hinds	Sep 2019	Mar 2019	Updated strategy at both councils, current strategy expires 2018.	New Joint procurement strategy approved.
Implement an electronic Process for intermediate value procurement waiver requests at SRBC, similar to the process at CBC	Janet Hinds	April 2019	Mar 2019	Work with IT Services and relevant stakeholders to develop, test and implement the system, using the workflow previously developed in in consultation with Legal Services, Finance, Democratic Services and IT Services.  Arrange with SRBC colleagues for promotion, awareness and training of the new system as appropriate.	E-process in place for intermediate value waiver requests.
Investigate the potential to introduce a simple user friendly contract management system and implement if appropriate	Janet Hinds	April 2019	Mar 2019	Consult and obtain ELT agreement and commitment to implement and use a simple e-system.  Develop e –workflow in consultation with Legal Services.  Work with Legal and IT Services and relevant stakeholders to develop, test and implement the system.  Arrange with SRBC colleagues for promotion, awareness and training of the new system as appropriate.	System implemented if agreed.

## Financial Accounts and Treasury Services

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Create a new Capital Strategy report for both councils	Michael Jackson	Aug 2018	Feb 2019	Draft strategy presented to relevant committees with approved treasury and investment performance indicators.  Final report submitted with budget setting reports.	Approved capital strategy report with updated treasury and investment performance indicators.
	James Thomson				
Ensure compliance with updated International Financial Reporting Standards (IFRS)	Michael Jackson	Aug 2018	Dec 2018	Review all leases including leases embedded in contracts.  Review all financial assets.  Make necessary adjustments in statement of accounts.	A full register of all leases including embedded leases
	James Thomson				Adjustments carried out in the finance ledger.
					Compliant statement of accounts.
Investigate the use of Civic Bank Module for SRBC (already implemented at CBC) to provide faster and more accurate bank reconciliations	Michael Jackson	Aug 2018	Dec 2018	Review bank reconciliation processes at SRBC.  Liaise with SRBC ICT service to assess the efficiency of implementing the new module.  If it provides VFM and an approach can be agreed with ICT services, implement module.	Review of bank reconciliation processes at SRBC.
	James Thomson				A new bank reconciliation module with a training programme to relevant officers.
					Faster and more accurate bank reconciliations.

## Financial Systems & Exchequer Services

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Implement new procurement card module and procurement card processes	Richard Birchall	Jun 2018	Jul 2018	Complete the training with officers involved in the credit card process.	New procurement card module.
				Give continued support to officers using the new purchase card module.	New requisition and authorisation processes.
					Additional credit card transactions controls.
Upgrade Civica Financials to version 18.5	Richard Birchall	Jul 2018	Aug 2018	Upgrade the test financial system.	Eliminating the possibility of corrupt data.
				Test core functionality.	Eliminating the possibility of introducing system bugs in the new version.
				Upgrade the live financial system.	
Implement GDPR module to Civica Financials	Richard Birchall	Aug 2018	Sep 2018	Set up and test the GDPR module in the test system.	Data held on system is encrypted and deleted in line with data retention policies at both councils.
				Set up the GDPR module in the live system.	GDPR and DPA compliant database.
				Execute encryption and removal tools.	
Streamline Lease Car Processes	Richard Birchall	Aug 2018	Dec 2018	Review Lease Car processes.	Improved guidance and automation and improved service satisfaction.
				Investigate methods of automating processes and empowering leaseholders to carry out more tasks themselves.	Less time spent by the finance services carrying out lease car tasks.
National Fraud Initiative Audit	Richard Birchall	Aug 2018	Dec 2018	Carry out in depth analysis of finance database.  Conduct data cleansing exercise.  Support the audit process.	The Councils' financial data is matched to public and private sector bodies to prevent and detect fraud.

Support the implementation of InPhase performance management software at SRBC	Richard Birchall	Jul 2018	Sep 2018	Evaluate InPhase project management tool integration with financial systems.  Support any implementation projects for an InPhase / Financial system integration.	A successful implementation of InPhase project technology that integrates with the financial system.
Investigate the possible joint procurement of the cash income management systems at both councils	Richard Birchall	Jul 2018	Dec 2018	Document the requirements of the current system at both councils.  Evaluate the risks and benefits of a joint procurement approach including issues surrounding control, security and adaptability of such an approach.  Make a recommendation to the relevant committees at both councils.	Recommendation to the relevant committees at both councils as to the feasibility of this approach.

## Management Accounts (Chorley Borough Council)

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Review Establishment	Dave Bond	Jul 2018	Ongoing	<p>Reconcile the establishments held by finance and HR.</p> <p>Create and agreed establishment.</p> <p>Monitor changes to the establishment on a monthly basis.</p>	Monthly updated establishment.
Review Fees & Charges	Dave Bond	Jul 2018	Jan 2019	<p>The 2018/19 review will continue from last year and where possible review all fees and charges.</p>	Review of all current fees and charges.
				<p>This work will link in with various reviews of services including community centres, licensing, Astley Hall and health and wellbeing.</p>	Report to Exe Cabinet Jan 2019.
				<p>Review, benchmark and model the impact of potential changes to fees and charges.</p> <p>Approve changes with SMT and brief members for approval.</p>	Updated fees and charges register.
Business Rates	James Thomson	Jun 2018	Draft Budget Jan 2019	<p>Model the impact of potential changes to business rates retention in 2020/21.</p>	Up-to-date, accurate and agreed business rates information included in MTFS.
			Final Budget Feb 2019	<p>Brief Senior Officers and Members outlining assumptions made.</p> <p>Include in draft and final budget 2019/20.</p>	
Review Financial Procedure Rules (FPR)	James Thomson	Aug 2018	Sep 2018	FPRs have been reviewed at SRBC and they need updating for CBC.	Report to Full Council with updated FPRs.

## Management Accounts (South Ribble Borough Council)

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Review the format of the budget monitoring reports	Jane Blundell	Aug 2018	Sep 2018	<p>Review with Directors and senior officers the current format of the budget monitoring corporate report.</p> <p>Analyse the potential benefits/dis-benefits of alternative approaches.</p>	<p>Approved format for budget monitoring reports going forward.</p> <p>Higher engagement from senior officers in the budget monitoring process.</p>
Update chart of accounts in the finance system	Jane Blundell	Aug 2018	<p>July 2018</p> <p>On going</p>	<p>Update chart of accounts as a result of the management restructure.</p> <p>Support the organisations through change.</p>	Updated finance and procurement system.
Support the update of the Constitution	Jane Blundell	Aug 2018	Mar 2019	FPRs and the Scheme of Delegation have been reviewed and the redrafted documents need to be finalised to take into account the new management structure and then formally agreed and implemented.	Final approved FPR and Scheme of Delegation.

## SERVICE PRIORITIES 2018/19 – SHARED ASSURANCE SERVICES

The following service priorities outline what the service hopes to deliver in 2018/19 over and above 'business as usual' outcomes

### Internal Audit

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Finalise the peer review of Internal Audit Service by the Audit Managers of neighbouring authorities	Dawn Highton	April 2018	May 2018	<ul style="list-style-type: none"> <li>Review of policies and procedures (April 18)</li> <li>Arrange stakeholder interviews (April 18)</li> <li>Receive report and agree actions (May 18)</li> <li>Report to Governance Committees (May 18)</li> </ul>	Implementation of learning opportunities leading to service improvements
Review compliance with new CIPFA Guidance on Audit Committees	Dawn Highton	June 2018	July 2018	<ul style="list-style-type: none"> <li>Review current arrangements (June 18)</li> <li>Produce report making recommendations for each AGS (July 18)</li> </ul>	Implementation of learning opportunities
Arrange anti-fraud & corruption awareness training for officers	Garry Barclay	Oct 2018	Dec 2018	<ul style="list-style-type: none"> <li>Develop MILO/EMERGE packages (Oct 18)</li> <li>Arrange &amp; monitor training by officers (Nov / Dec 18)</li> </ul>	Positive feedback in the post training questionnaires

## Risk Management

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Revise Risk Management Frameworks & update risk documentation on intranets	Dawn Highton	April 2018	May 2018	<ul style="list-style-type: none"> <li>Obtain Governance Committee approval of new Risk Management Framework (April 18)</li> <li>Deliver Member Learning Hours</li> <li>Remove obsolete documents &amp; update CONNECT with new Framework (May 18)</li> </ul>	Production of clear, concise and consistently applied procedures for risk management
Arrange residual roll out of the GRACE Risk Management System (SRBC)	Dawn Highton / Garry Barclay	June 2018	December 2018	<ul style="list-style-type: none"> <li>Identify risk register owners for Key Projects, Service Plans, Key Partnerships and Procurements (June 18)</li> <li>Oversee GRACE population by officers (Dec 18)</li> <li>Provide generic risk management training to officers as necessary (Dec 18)</li> </ul>	A fully devolved and embedded approach to the management of risk within the Council

## Insurance

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
E-enable insurance claims administration	Andy Armstrong	TBA	March 2019	<ul style="list-style-type: none"> <li>Agree timescales in the SRBC ICT Strategy</li> <li>Place order with chosen supplier</li> <li>Arrange staff training</li> <li>Rollout the system</li> </ul>	Elimination of paper processing & storage / significant time saving / improved data interrogation & reporting facilities / risk management information / improved data security via the cloud



## Emergency & Business Continuity Planning

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Establish the Councils' arrangements for the death of a senior national figure	Kerry Maguire	May 2018	June 2018	<ul style="list-style-type: none"> <li>Produce local procedures in compliance with national guidance (May 18)</li> <li>Update the Emergency Plan / Briefing Cards &amp; issue to relevant staff (June 18)</li> </ul>	Production of clear and concise procedures that are understood by the relevant officers
Chair LASeR South Cluster Group & co-ordinate action plan development	Andy Armstrong	June 2018	Ongoing	<ul style="list-style-type: none"> <li>Compile a risk of areas of concern</li> <li>Undertake a risk assessment of each area of concern in conjunction with the Police CTSA</li> <li>Present draft action plan to the Strategic LASeR Group</li> </ul>	Introduction of appropriate physical anti-terrorism control measures to mitigate the risks
Update Business Continuity Plans following completion of restructuring (SRBC)	Andy Armstrong	January 2019	March 2019	<ul style="list-style-type: none"> <li>Update Service Plans on CONNIE (Mar 19)</li> <li>Update Building Plans (Mar 19)</li> <li>Update Customer Services Plan (Mar 19)</li> <li>Update ICT Disaster Recovery Plan (Mar 19)</li> </ul>	Production of a more streamlined & user friendly process that is responsive to ongoing organisational changes

## PERFORMANCE MEASURES

### Shared Financial Services

Ref	Performance Measure	Target
SFS 01	% variation between the forecast outturn at month 6 and the actual outturn at month 12	Less than 5%
SFS 02	15 Working days from period end closure to the distribution of financial reports	100%
SFS 03	Year-end statutory accounts to contain no material errors and have an unqualified audit opinion	
SFS 04	Compliance with The Prudential Code	100%
SFS 05	Statutory Grant Claims and Returns to be submitted on time	100%
SFS 07	Supplier Payment within 30 days	99%
SFS 08	Supplier Payment within 10 days	83%
SFS 09	% of supplier payments by electronic means	97%
SFS 10	% of remittances to suppliers by electronic means	95%
SFS 11	% of Financial Systems availability	99.5%

### Shared Assurance Services

Ref	Performance Measure	Target
SAS 01	Planned Internal Audit Time Used	90%
SAS 02	Audit Plan Completed	100%
SAS 03	Management Actions Agreed	98%
SAS 04	Average customer satisfaction score per insurance claim (max 5.0)	4.7