

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	12 th September 2016



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Performance Management Report	N/A	Susan Guinness Garry Barclay	

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report demonstrates the progress made so far against the key service developments and performance indicators in the 2016/17 Business Improvement Plan (BIP).

The report shows progress as at the **end of July 2016** and therefore covers the first **4 months** of the year.

The report also sets out the Partnership’s projected out-turn financial position to the end of this financial year.

The Shared Services Partnership is a high corporate priority for both Councils.

RECOMMENDATIONS

That members note the progress on overall performance and comment as appropriate on the report.

DETAILS AND REASONING

The Joint Committee has previously approved the Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged. The Business Improvement Plan translates these outputs and measures into specific deliverables and targets which need to be achieved during 2016/17.

Full statements of the progress made on the key projects and the performance targets as at the end of July 2016 are shown in **Appendices One** and **Two**. The highlights from these statements are expanded upon in the body of the report.

EXECUTIVE SUMMARY

19 of the **21** key projects for this year have been completed or are on track and plans are in place to address the remaining **2**.

1 of the **28** performance measures are at “red” or “amber” status and explanations for these are provided below.

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

KEY SERVICE DEVELOPMENTS

There are 21 key projects included in the BIP which represent service developments for 2016/17. Using a traffic light system, the progress is summarised in the table below:

Detail	Assurance Services	Financial Services
Green Projects - on track	11	8
Amber Projects	-	1
Red Projects	-	1
Total	11	10

The following paragraphs provide commentaries on an exception basis for projects that are considered to have an Amber or Red status.

ASSURANCE SERVICES PROJECTS

There are no amber or red projects for Shared Assurance Services.

FINANCIAL SERVICES PROJECTS

RED PROEJCTS

Payment Card Industry – Data Security Standard PCI-DSS (version 3.1) Compliance (Chorley)

This project has been delayed due to unplanned staff absence. The project is currently being progressed and the system upgrade required to finalise it is due to be implemented on Sunday 25th September between 13:00 and 17:00.

AMBER PROEJCTS

Closure of Accounts - Review to reduce timetable and facilitate tested and successful completion by 30th May 2018

The planned deadline of 30th May 2016 was not adhered to unfortunately, the following changes will be made to the timetable to redress the issues encountered this year:-

What will be done differently

1. Review of SRBC HR processes for Flexi and Annual Leave – SFS to undertake the exercise on 3rd and 4th April 2017.
2. Slippage carry-over requests at CBC – Early agreement with the Chief Finance Officer with regard to the approach.

3. Interaction, preparatory work and liaison with Property Services at CBC and SRBC – Service Level Agreements to be re-established with new procedures in place at SRBC to reconcile the Asset Registers held by Property Services and SFS during the year.
4. Reporting of Accounting Policies to Committee during the year in advance of year end.
5. Managing disruption to work with SFS by changing the timing of Internal Audit work.
6. Processing of Internal Recharges at year end and profile of work during the year
7. Bring the Capital Out-turn position including financing decisions even further forward in the revised timetable for 2016/17.

An action plan has been drawn up to address all of these issues for the next dummy run year when the Statement of Accounts will be completed and signed off before 31st May 2017. The team is confident that the 31/05/17 deadline is achievable as the 31st May deadline has been achieved in a previous year.

PERFORMANCE TARGETS

The partnership has 30 performance indicators which are all local indicators and draw on the work of the National Audit Office (Value for Money in Public Sector Corporate Services 2007).

Again using a traffic light system, the progress against these indicators to the end of July 2016 is shown in the table below:-

Detail	Assurance Services	Financial Services
Green on target	12	11
Amber – within 5% of target	0	0
Red – more than 5% off target	1	0
Not measured (*)	1	3
Total	14	14

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

ASSURANCE SERVICES

Red Targets

Measure	Target to date	Actual to date	% Variation
% Planned Time Used – CBC	30%	25%	(16.7%)
<i>Comments: several audit reviews have been profiled to commence after the first quarter to enable the new management arrangements to embed following the recent re-structure</i>			

FINANCIAL SERVICES

Red Targets

There are no Red Targets for Shared Financial Services

Amber Targets

There are no Amber targets for Shared Financial Services

BUDGET PERFORMANCE STATEMENTS

The table below compares the projected out-turn position, estimated as at 31/07/16 to the partnership's budget. The subsequent budget variations are highlighted together with any actions required to bring performance back on track. The partnership's budget for 2016/17 is **£1.546m** plus **£0.010m** brought forward to support projects within the Business Improvement Plan (BIP). Comparing this revised budget against the forecasted out-turn of **£1.522m** the anticipated underspend is **£0.034m**.

Cost Category	Partnership Budget £m	Projected out-turn as at 31 st March 2017 £m	Under or (Over) Spend £m
Salaries Costs	1.368	1.328	0.040
Car Leasing	0.032	0.033	(0.001)
Employee Related Insurance	0.013	0.014	(0.001)
Lancashire County Council Audit Budget	0.010	0.012	(0.002)
Transport	0.011	0.009	0.002
Financial Management Information System	0.062	0.063	(0.001)
Supplies and Services	0.050	0.053	(0.003)
Sub - Total	1.546	1.512	0.034
Budget brought forward from 2015/16 Underspend	0.010	0.010	-
TOTAL	1.556	1.522	0.034

Estimated Budget Variations

The underspend on employee costs has been brought about by the following:-

	£m
Budget savings as a result of part-time working within a full-time post	0.021
Forecasted savings on additional capacity budgets – overtime	0.008
Amalgam of all the smaller budget variances across employee budget heads within both SFS and SAS	0.006
Staff turnover following the retirement of a member of staff	0.003
Additional annual leave purchased by a member of staff	0.002
Sub Total	0.040
Total of all other forecasted minor budget variations	(0.006)
TOTAL	0.034

WIDER IMPLICATIONS

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

FINANCIAL	<p>The wider implication of the financial performance of the Partnership is the full year impact on both Councils' Medium Term Financial Strategies. Any under-spend achieved at year end against the Partnership's budget will be passed on in total to both Councils by means of a reduced recharge.</p>
LEGAL	<p>The partnership has been established with an informal structure which has low complexity and a low cost set up. The Shared Services Joint Committee, established under Section 101 of the Local Government Act 1972, provides the overall governance for this with its terms being set out in an Administrative Collaborative Agreement which has been signed by both Councils. Sound performance management arrangements are required to enable the Shared Services Joint Committee to effectively fulfil its obligations.</p> <p>Schedule 1 to this Agreement sets out the Service Level Agreements which form a key part of the performance management arrangements.</p>
RISK	<p>A full risk assessment is set out in the Partnership Business Improvement Plan for 2016/17.</p>
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>

BACKGROUND DOCUMENTS

Partnership Business Improvement Plan 2016/17

KEY SERVICE DEVELOPMENTS 2016/17

SHARED ASSURANCE SERVICES

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Internal Audit						
Prepare the 2016 Annual Governance Statements in accordance with the latest CIPFA & SOLACE guidance (CBC/SRBC)	GB/DH	April 2016	June 2016	<ul style="list-style-type: none"> Revise policies, procedures and corporate assessment forms Undertake assessments & produce the AGS 	GREEN	Completed
Refresh the Service Assurance Statement process (CBC/SRBC)	GB/DH	April 2016	June 2016	<ul style="list-style-type: none"> E-enabled Middle management participation 	GREEN	Completed
Arrange induction training for any new Governance Committee members from 2016/17 (CBC/SRBC)	GB/DH	April 2016	June 2016	<ul style="list-style-type: none"> Identification of new members training needs 	GREEN	Completed
Implementation of My Tasks to monitor the implementation of agreed management actions (CBC)	GB/DH	April 2016	March 2017	<ul style="list-style-type: none"> Establish new records Arrange input access for Heads of Service Briefing & testing of new approach 	GREEN	On track
Risk Management						
Work with insurance providers to develop and implement risk management reviews (CBC/SRBC)	GB/KM	April 2016	December 2016	<ul style="list-style-type: none"> Arrange & facilitate new programmes for 2016 alongside ZM and AIG Focus on public / employers liability risks and the need for sound inspection regimes and record keeping 	GREEN	On track. Risk management reviews of stress and cemeteries planned for SRBC and CBC respectively

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Emergency & Business Continuity Planning						
Revise and re-issue the Emergency Plan (CBC)	GB/KM	April 2016	July 2016	<ul style="list-style-type: none"> Review & update documentation Arrange awareness training 	GREEN	Completed.
Participate in a multi-agency exercise to test the Redcliffe International Munitions Site COMAH Plan at Heapey (CBC)	GB/KM	April 2016	December 2016	<ul style="list-style-type: none"> Attend planning meetings if required Participate in actual exercise (Nov 2016) Undertake an internal debrief and participate in exercise follow up activity 	GREEN	On track
Revise and re-issue BCPs (CBC/SRBC)	GB/KM	April 2016	December 2016	<ul style="list-style-type: none"> Review & update documentation Arrange awareness training 	GREEN	On track
Undertake a rest centre simulation exercise (SRBC)	GB/KM	Sept 2016	March 2017	<ul style="list-style-type: none"> Obtain volunteers as evacuees Test whole arrangements (SAS, Leisure, Housing, PR) 	GREEN	On track
Insurance						
Procurement of appropriate insurance covers and brokerage services effective from 1 st January 2017	GB/KM	April 2016	December 2016	<ul style="list-style-type: none"> Utilisation of the CCS/YPO Second Generation Insurance Procurement Framework 	GREEN	On track. Now appointed AON as broker and working with them on the main insurance procurement exercise.
E-enablement of insurance claims administration	GB/KM	April 2016	March 2017	<ul style="list-style-type: none"> Appraisal of bespoke software solutions / procurement of preferred option / staff training & rollout 	GREEN	On track. Already received presentations from 2 software suppliers.

SHARED FINANCIAL SERVICES

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Financial Services As A Whole						
Annual development of the current level/programme of financial training packages for Members and Budget Holders. Members – Local Government Finance and implications of SR 2015. Budget Holders - to facilitate improved and speedier closure of accounts process including use of systems, process improvement, compliance and financial responsibilities and management techniques.	Head of Service	April 2016	March 2017	<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 	GREEN	
Management and Financial Accountancy Services						
Closure of Accounts : Review to reduce timetable and facilitate tested and successful completion by 30 th May 2018.	Principal Financial Accountant	April 2016	June 2016	<ul style="list-style-type: none"> Review timetable and reduce timescales by reviewing and changing procedures where appropriate Consider future changes and expected developments to 2017/18 Consider the impact on all key stakeholders and analyse actions required to achieve the new deadline Set out action plan. Communications Strategy. Training Strategy. <p>Weekly project meetings during closure.</p>	AMBER	An action plan has been drawn up to address all of these issues for the next dummy run year when the Statement of Accounts will be completed and signed off before 31 st May 2017. The team is confident that the 31/05/17 deadline is achievable as the 31 st May deadline has been achieved in a previous year.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<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 2016	March 2017	<ul style="list-style-type: none"> • Consult with CFO and Deputy S151 Officers • 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. <p>Review output and outcomes with regard to reporting including frequency, content and formats.</p>	GREEN	
Zero Based Budget Exercise	Principal Management Accountants	April 2016	August 2016	<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 HOS SFS • Report findings to CFOs and SMT (SRBC) and Strategy Group (CBC) <p>Feed into 2017/18 MTFS cycle in September 2016</p>	GREEN	

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Business Rates Retention – Pooling Agreement and new Developing Regime as part of SR 2015	Principal Financial Accountant	April 2016	November 2016	<ul style="list-style-type: none"> • Interpretation of implication of new arrangements and national NNDR regime. • 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 e.g. monthly monitoring of Appeals • Staff training including internal monthly monitoring and subject resilience improvement within the service 	GREEN	
Procurement Services						
Review of update of Staff Guide to Procurement	Procurement Officer	April 2016	July 2016	<ul style="list-style-type: none"> • Review current documentation. • Consult with specialist colleagues e.g. legal, insurance etc. • Update Guide. • Communicate changes. 	GREEN	Complete

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Successful implementation and embedding of Version 3 of The Chest	Principal Procurement Officer	April 2016	August 2016	<ul style="list-style-type: none"> • Work with regional colleagues and the system provider to identify and resolve technical difficulties. • Review process notes and revise where appropriate. • Roll out revised guidance and notes to users. • Liaise with users selected to be The Chest 'key users' • Undertake training as appropriate and provide any additional reference material and aide memoires to assist with remote self-serve support 	GREEN	
Systems Development & Exchequer Services						
Payment Card Industry – Data Security Standard PCI-DSS (version 3.1) Compliance	Financial Systems Manager	April 2016	June 2017	<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 	RED	This project has been delayed due to unplanned staff absence. The project is currently being progressed and the system upgrade required to finalise it is due to be implemented on Sunday 25th September between 13:00 and 17:00.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<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:</p> <ul style="list-style-type: none"> • Payroll services • Civica Financials network access review at SRBC • Budget Preparation Module • Asset Management Module • Payroll File Integration at SRBC • CIPD Code Update • Chart of Accounts Update for Statutory Returns • Disaster Recovery Procedures – update post FMIS developments • Review of authorisation restriction rules • Procure to Pay (P2P) Compliance Automation • Purchasing Developments: <ul style="list-style-type: none"> (1) Complimentary system integration (2) Review of Contracts Module (3) Review of Purchase Card Module 	<p>Principal Financial and Systems Accountant</p>	<p>April 2016</p>	<p>March 2017</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 	<p>GREEN</p>	

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<p>Outcome projects from 2015/16 project into 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>(1) Migration from CIVICA Creditors to Academy Creditors at SRBC and removal of cheque payments for SRBC</p> <p>(2) Digital Payments channel migration for CBC</p> <p>(3) Debtors process review at CBC and SRBC</p> <p>(4) Overtime self-service system and process</p>	<p>Principal Financial and Systems Accountant</p>	<p>April 2016</p>	<p>March 2017</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 	<p>GREEN</p>	

PERFORMANCE TARGETS 2016/17

SHARED ASSURANCE SERVICES

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2015/16	Target 2016/17	Target to date 2016/17	Actual to date 2016/17	Status	Comments
Internal Audit								
% Planned Time Utilised	DH	CBC	94%	90%	30%	25%	RED	Below target
		SRBC	94%	90%	30%	34%	GREEN	Target exceeded
		SS	100%	90%	16%	20%	GREEN	Target exceeded
% Audit Plan Completed	DH	CBC	100%	100%	18%	18%	GREEN	Target achieved
		SRBC	100%	100%	41%	41%	GREEN	Target achieved
		SS	100%	100%	0%	0%	GREEN	Target achieved
Percentage of Management Actions Agreed	DH	CBC	98%	98%	98%	100%	GREEN	Target exceeded
		SRBC	100%	98%	98%	100%	GREEN	Target exceeded
		SS	100%	98%	98%	100%	GREEN	Target exceeded

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2015/16	Target 2016/17	Target to date 2016/17	Actual to date 2016/17	Status	Comments
% customer satisfaction rating – assignment level	DH	CBC	92%	90%	90%	100%	GREEN	Target exceeded
		SRBC	91%	90%	90%	100%	GREEN	Target exceeded
		SS	97%	90%	90%	100%	GREEN	Target exceeded
% Professionally Qualified Staff as a % of Total Internal Audit Staff (FTE's)	GB	N/A	100%	82.5%	N/A	N/A	N/A	Not measured – annual indicator
Risk Management Services								
Average customer satisfaction score per insurance claim (max 5.0)	AA	N/A	4.7	4.7	4.7	4.7	GREEN	Target achieved

SHARED FINANCIAL SERVICES

Key Measures	Lead Officer	Actual 2015/16	Target 2016/17	Target to date 2016/17	Actual to date 2016/17	Status	Comments
Finance As A Whole							
% of professionally qualified finance staff as % of total finance staff (vfm Secondary 1)	SG	28.6%	19%	19%	33.33%	GREEN	Target Exceeded
Accountancy							
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (VFM Primary 3)	SG	0.88%	<(+/-) 5%	0	n/a	n/a	Not Measured – year end Annual Indicator
15 working days from period-end closure to the distribution of financial reports (VFM Primary 2)	JT/JB	100%	100%	100%	100%	GREEN	Target Achieved
Compliance with the Prudential Code for Capital Finance in Local Authorities	MLJ	100%	100%	100%	100%	GREEN	Target Achieved
Year- end statutory accounts to contain no material errors and have an unqualified audit opinion	SG	0	0	0	n/a	n/a	External Audit to be completed in September 2016. As at 30 th August no issues have been highlighted in our liaison and monitoring meetings with the External Auditor.
Statutory Grant Claims and Returns to be submitted on time	JT/JB/MJ	94.2%	100%	100%	100%	GREEN	24 returns have been submitted, of which:- 17 were submitted early = 71% 7 were submitted on time = 29%
Achievement of industry investment benchmarks	MLJ	0.530%	Outperform London Inter-Bank (LIBID) rate by 15%	0.360% x 1.15 = 0.414%	0.660%	GREEN	Target Exceeded

Key Measures	Lead Officer	Actual 2015/16	Target 2016/17	Target to date 2016/17	Actual to date 2016/17	Status	Comments
Systems Development & Exchequer Services							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	99.43%	99%	99%	99%	GREEN	Target Achieved
Supplier Payment within 10 days (local indicator)	LH	86.59%	83%	83%	83%	GREEN	Target Achieved
% of supplier payments by electronic means (VFM Secondary 7)	LH	99.37%	97%	97%	99.6%	GREEN	Target Exceeded
% of remittances to suppliers by electronic means	LH	95.33%	95%	95%	95%	GREEN	Target Achieved
% of Financial Systems availability	LH	99.96%	99.5%	99.5%	100%	GREEN	Target Exceeded
Procurement Services							
Professionally qualified staff as % of total procurement employees (vfm Secondary 1)	JH	100%	50%	50%	100%	GREEN	Target Exceeded
LIB/P12 Satisfaction with the corporate procurement function	JH	100%	90%	N/A	N/A	N/A	Measured later in the financial year