

REPORT TO	ON
CABINET	19 June 2019



TITLE	PORTFOLIO	REPORT OF
SHARED FINANCIAL SERVICES STAFFING REVIEW AND PROPOSALS	Finance, Property and Assets	Interim Chief Executive

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	No
Is this report on the Statutory Cabinet Forward Plan ?	No
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

PURPOSE OF THE REPORT

1. To brief members on the review of, and amendments to, the existing shared services for finance and assurance between Chorley Borough Council and South Ribble Borough Council.

PORTFOLIO RECOMMENDATIONS

2. Members to approve the creation of two new posts in Shared Financial Services so that the service can meet its statutory closure of accounts requirements in 2019/20 and provide additional capacity and succession planning for procurement services.
3. To note the Shared Financial and Assurance Services Service Plan 2019/20 in Appendix 1 that was approved at Joint Committee on 3 June 2019.
4. To note that a more detailed review is to be brought back to the Shared Services Joint Committee to report progress and make further recommendations for approval at both councils

REASONS FOR THE DECISION

5. The Shared Financial Services team has a responsibility to create the draft and final statement of accounts for both Chorley Borough Council and South Ribble Borough Council. A request for retirement has been made meaning for 2019/20 there will be no permanent staffing in place to provide the expertise to deliver both council's statement of accounts. This role is specialised and it is therefore imperative that the service looks to replace this post as soon as possible.
6. In addition, to provide the necessary staffing resources to close both sets of accounts it is proposed to create a new Senior Financial Accountant role.

- The procurement service continues to work at full capacity and has been especially stretched in recent months due to a number of large-scale projects requiring procurement support. The report proposes creating a graduate trainee post within procurement to provide the required additional capacity as well as ensuring there is sufficient succession planning within the service.

EXECUTIVE SUMMARY

- The Deputy Chief Executive Resources and Transformation (SRBC) and Director of Policy & Governance have met regularly in the past few months to discuss the issues facing Shared Financial and Assurance Services.
- In the short-term this requires the recruitment to a post that will become vacant due to an imminent retirement as well as creating a new post to support the closure of accounts at both councils.
- The report also proposes creating a graduate trainee post within procurement to provide the required additional capacity as well as ensuring there is sufficient succession planning within the service.
- The long-term ambition is to deliver efficiencies and improve performance, provide resources for growth and support the wider corporate objectives set by both authorities.
- Many of the actions within this report have already been factored into the Shared Financial and Assurance Services Service Plan 2019/20 - Appendix 1

CORPORATE PRIORITIES

The report relates to the following corporate priorities:

Excellence and Financial Sustainability	✓
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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BACKGROUND TO THE REPORT

- Shared financial services (SFS) was established alongside shared assurance services in January 2009 following the development of a shared service agreement between Chorley Council and South Ribble Borough Council. The service provides a high-quality financial management services to both authorities in relation to exchequer services, management and statutory accounting.
- In Summer 2017 a desktop review of shared financial services was carried out which was prompted by discussions between both councils about increasing the scope and extent of shared services arrangements and also that no significant review of the service had been done since it was established. The review was placed on hold pending further progression of the proposals to extend shared services.

15. There are several reasons for undertaking a review of the Shared Financial and Assurance Service.:

- To ensure that the service continues to provide value for money as well as its statutory requirements for both councils through the provision of resources, recruitment and greater alignment of processes at both councils
- To respond to the issues caused by having a number of temporary staffing arrangements in place within Finance and Assurance Services
- To future proof the service through developing skills within the team and through the recruitment of personnel with the necessary skills to lead the teams within the service and facilitate succession within the team.

PROPOSALS

REVIEW OF SHARED FINANCIAL SERVICES

Finance

16. There have been a number of key staffing changes which have resulted in some temporary arrangements being put in place for the service, which includes several staff acting up beyond their substantive posts and also a number of fixed term positions being filled both directly and via agencies. A couple of posts within the structure have remained unfilled.

17. The current staffing has several temporary, agency and honoraria arrangements that may need to be made permanent in the future. In addition, most job descriptions have not been updated for a number of years and require aligning with the actual work being undertaken by staff.

18. Vacancies within the service have meant that temporary and expensive recruitment of agency staff was required to meet the service's statutory requirement to produce the statement of accounts for both councils. In addition, a request for retirement has been made meaning there will be no permanent resource to produce the technical elements of the closure of accounts at either council. Additional resources and permanent recruitment for this expertise is therefore crucial.

Procurement

19. Procurement have developed a three-year policy statement adopted by both councils

20. At both councils there are several large-scale projects currently being undertaken and more planned over the coming years. A key ambition at SRBC is to monitor and increase the proportion of council spend that is sourced locally. All these projects require support from procurement and the team is already at full capacity.

21. There is a need to begin succession planning within the procurement team

22. A contracts register is being developed at both councils to inform budget managers regarding arrangements coming to an end and to facilitate more effective management of future procurement needs.

Proposals

23. There is a need to start to address these temporary arrangements and put in place a permanent structure which ensures there is the right capacity and skills in place to deliver the services going forwards. This report requests approval to:

- Create a new post called Senior Financial Accountant, this post will report directly to the current Principal Financial Accountant post and will support the closure of accounts at both councils.
- Create a new Graduate Procurement Trainee post to provide additional capacity and succession planning to the joint procurement service

24. This report will be followed up later in the year with a more detailed review of Shared Financial Services

Funding

25. The new graduate trainee role will be funded for two years through carried forward underspends within Shared Financial Services in 2018/19.

26. The grade of the new Senior Financial Accountant role is likely to be aligned with the current senior roles in the team, POE. This will be funded by the vacant Principal Systems/Financial Accountant role (POH). Some of this role has successfully been absorbed into the current System and Exchequer team. The remaining element of the role will be undertaken by the new Senior Financial Accountant role. The next review for Joint Committee will outline any plans for recruitment to or deletion of vacant posts. It will be proposed then that the Systems/Financial Accountant role (POH) should be deleted.

REVIEW OF SHARED ASSURANCE SERVICES

27. The desktop review carried out in Summer 2017, covered both Shared Financial Services and Shared Assurance services.

28. Like shared financial services there have also been staffing changes which has resulted in various temporary arrangements being put in place for shared assurance services.

29. There is now a need to revisit the review and which will address allocation of roles between staff to ensure adequate cover for the three main sectors of work. These being

- Audit
- Risk Management and Insurance
- Emergency Planning and Business Continuity

30. The service requires a level of staff investment to bring in Best Practice audit techniques and the associated IT systems to support this development.

Proposal

31. It is proposed to bring a review of Shared Assurance Services back to Joint Committee.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

32. The changes to the structure outlined in this report do not require staff or union consultation. Future reviews and changes will be undertaken with full staff or union consultation.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

33. Do nothing – the council would be at great risk of not meeting its statutory obligations, external agency could be brought in to cover vacant positions however this would be expensive and would not provide a permanent solution for the service.

FINANCIAL IMPLICATIONS

34. The proposals can be met from existing budgets and therefore there are no financial implications.

LEGAL IMPLICATIONS

35. Please see comments of Monitoring Officer

AIR QUALITY IMPLICATIONS

36. No implications

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

37. The report does not propose any changes to roles currently filled and there is therefore no need to undertake formal consultation. The created posts will be recruited to in accordance with council policy.

ICT/TECHNOLOGY IMPLICATIONS

38. No implications

PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

39. No implications

RISK MANAGEMENT

40. The council would be at great risk of not meeting its statutory obligations if there is insufficient technical resource within the shared finance team.

EQUALITY AND DIVERSITY IMPACT

41. No implications

RELEVANT DIRECTORS RECOMMENDATIONS

42. These proposals are detailed in the body of the report.

COMMENTS OF THE STATUTORY FINANCE OFFICER

43. The report explains the urgent need to correctly resource the financial accounts team in order to meet both council's statutory responsibility to close the accounts in 2020. In the longer-term the finance and assurance services, through the ambitions outlined in the service plan, will explore and consult on options to resources the wider team correctly whilst ensuring the services are delivered efficiently and effectively.

44. All new posts will be managed within existing budgets

45. There are no expected redundancy costs or early retirement costs relating to the changes outlined in this paper.

COMMENTS OF THE MONITORING OFFICER

46. This report was presented to Joint Committee on 3 June 2019 for consideration. Under the terms of the Shared Services Agreement, any issues affecting the delivery of the Services should be placed before the Joint Committee.

47. However, the decision on staffing of the services and the structure sits with the employing Council – in this case Chorley Borough Council. However, changes to the structure need to be agreed by both councils.

BACKGROUND DOCUMENTS

Shared Financial Assurance Business Plan 2019/20	3 June 2019
Shared Financial Service Staffing Review and Update and Proposals pdf icon	

APPENDICES

Appendix 1: Shared Financial and Assurance Services Service Plan 2019/20

Gary Hall
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