

LGSS Consultation Document

Proposals for the Professional Finance Service

6th May 2015

The following documents will be available for your information:

- Proposed job description for new roles (will be released and published as they are finalised)
- LGSS Protocol for Assimilation and Selection processes agreed with Unions in 2014
- Community/Equality Impact Assessment

These can be found through the following links:

<http://intranet.northamptonshire.gov.uk/services/lgss/hr/pages/lgssconsultationrestructure201415.aspx>

http://camweb.ccc.cambridgeshire.gov.uk/cex/section188/lgss_%2820142015%29.htm

The purpose of this consultation is for employees and Trade Unions to provide feedback and comment on the proposals in order to shape and finalise them ahead of closing the consultation.

Responses to this consultation are invited to be made to each Head of Service as set out below by **Friday 5th June 2015** following which any responses received will be considered by the Directorate Management Team and answers will be circulated before the final decisions are taken:

- Cambridgeshire Finance Team – Chris Malyon, Head of Finance (S151 Officer) at chris.malyon@cambridgeshire.gov.uk
- Northamptonshire Finance Team – Jon Lee, Head of Finance (Deputy S151 Officer) at jolee@northamptonshire.gov.uk
- Northampton Borough Finance Team – Glenn Hammons, Head of Finance (S151 Officer) at ghammons@northamptonshire.gov.uk

If you have any general responses or comments then alternatively these can be sent to Matt Bowmer (Director of Finance).

Background and Context

As previously communicated the LGSS Strategic Plan includes operational efficiencies based on the outcome from some high level service reviews undertaken at the request of the Managing Director. As a result the Finance Directorate has been given the following savings target.

	2015-16 £000	2016-17 £000	2017-18 £000
Finance	210	215	215
Strategic Assets	75	75	75
Pensions	63	64	64
Total Finance Directorate	348	354	354

This consultation document is focussed only on the Finance savings that are required to meet the LGSS Strategic Plans. Strategic Assets and Pensions are being consulted on separately.

For 2015-16 it has previously been communicated that the £210k saving will be delivered through 'housekeeping', which in the main consists of removing vacancies where the opportunities have existed, which have totalled £154k encompassing the following:

- Aligning the budget in respect of the reduced hours of the Strategic Finance Manager (Strategic Finance, VAT and Treasury);
- The removal of 2 vacant Group Accountant posts – one from the Strategic Finance team and one from the Northamptonshire Professional Finance team;
- The removal of a Financial Advisor post in the Cambridgeshire Professional Finance team; and
- The removal of a term time only Schools Finance Administrator post also in the Cambridgeshire Professional Finance team.

In addition there is an income contribution to deliver the 2015-16 saving requirement. However the housekeeping type measures do not provide a sustainable approach to deliver the level of savings that are required. As a result this document sets out the proposals for the Finance Service to deliver the remaining savings and efficiencies required after adjusting the structures in respect of this housekeeping measures outlined above.

In addition to this it should be noted that the Northampton Borough Finance team savings of £125k per annum as contracted have been delivered ahead of schedule.

Principles

In developing the proposals contained within this consultation document the Finance Directorate Management Team have identified the following guiding principles as a framework for the construction of these proposals.

1. **Increasing integration / convergence** – given the nature of the work undertaken by the professional finance teams to tailor our service to, and respond to, customers requirements, integration and convergence has been contained to some specific areas of the team (mainly the Strategic Finance team including VAT, Treasury and specialist project and strategic funding advice). The proposals set out in this document identify further opportunities for convergence where it is considered that additional value through knowledge and expertise sharing can be gained whilst also increasing resilience in some key areas.
2. **Organisational design** – another key driver shaping the proposals is the Finance team response to its service review (required by the Managing Director) to ensure as far as possible it meets the key LGSS design principles. These are that the structure has no more than 5 organisational layers and that spans of control should be between 4 and 8 direct reports (i.e. is pyramid in shape). Again the professional nature of the finance teams, in particular the business partner model, makes the design principles difficult to achieve in some instances. However the proposals set out seek to meet them as closely as possible. Appropriate opportunities will be taken to align structures/remuneration across the two host authorities where appropriate / possible. The new organisational design must reduce operating costs in line with LGSS target for next 3 years
3. **Future direction** – the proposed structures have been designed to meet the anticipated requirements of our customers over the Strategic Planning horizon. For the host authorities this relates to the need for higher level financial advice and support that right sourced and alternative organisational structures will demand both in respect of their development, transfer and ongoing support.
4. **Additional trading** – where possible opportunities to generate additional income should be maximised. This may involve the introduction of charging for some aspects of the team's work for anything considered to be in addition to business as usual.
5. **Commercial Opportunities** – the service will develop a commercial element to the service offered to its clients and this will be reflected in the structure.
6. **Career progression** – the CIPFA graduate scheme in the Cambridgeshire team has been in place for a number of years and has proven successful for succession planning and career progression through the 'grow your own' ethos. This has provided a steady stream of high quality newly qualified Accountants in the Cambridgeshire team providing business continuity and almost immediate replacements when vacancies arise, which it is planned to replicate across other finance teams.
7. **Refinement of Services** – reduced resources requires a refinement of the service offered to clients and this will need to be reflected in a revision to the core service offering and what could be 'chargeable work' outside of the core offer, which links to the commercial opportunities referred to above. In addition some routine financial administration work will not be supported in the future and the structure will reflect this

change in emphasis. The service offer will also have to move to a more risk based approach of support and the structure will reflect this.

With these principles in mind the next section sets out the proposals for the Finance teams.

Proposal Rationale

This section of the document sets out the rationale for the proposal in respect of each team with the Professional Finance Service. It should be noted that the integrated Strategic Finance team providing services such as VAT advice, strategic funding and treasury management is not included in any of these proposals, other than a proposed change in reporting line, due to this team recently being reorganised.

It is important to note also that given the careful deliberations by the Directorate's Senior Management to respond to the savings target imposed that these proposals do not deliver those savings proposals in full. Other areas of income generation and cost reductions have also been identified to meet the Finance team savings targets. The approach to these proposals has been carefully considered to ensure the statutory responsibilities of the S151 Officers continue to be delivered.

The proposals for the Finance teams aim to maintain our highly regarded service to our customers and to deliver high level strategic financial advice to support the future direction of the host authorities and partners. This is all against the backdrop of meeting as far as possible the organisation design principles whilst achieving the savings required for the LGSS Strategic Plan. The proposals are based on ensuring the value added high level financial advice to our customers is maintained, whilst recognising the move to more self-service processes facilitated by Collaborative Planning and the next generation ERP. This is a difficult balance to achieve without having some impact within the structure. At a high level the changes include:

- Changes within all Professional Finance teams to deliver the design principles outlined above, in particular enhancing the strategic finance capacity through the removal of some tiers within the teams whilst also moving to greater consistency in the structure across the teams;
- A converged Closedown team to deliver Cambridgeshire and Northamptonshire's statutory statement of accounts and associated processes; and
- A converged Schools Finance team operating across Cambridgeshire and Northamptonshire to deliver strategic schools finance, corporate schools finance and the traded services within these teams.

In developing these proposals our approach has been to put as few posts and individuals at risk of redundancy as possible by holding vacancies and creating alternative opportunities in some instances for some groups of staff. However there will be some posts that will be at risk of redundancy.

Integrated Schools Finance Team

Currently both the Northamptonshire and Cambridgeshire Professional Finance teams have individual Schools Finance teams. These teams cover three broad areas of work which are:

- Strategic schools finance covering the Dedicated Schools Grant, schools funding formulae, high needs funding, early years single funding formulae and advice to the host authorities on these areas;
- Corporate schools finance dealing with the reporting requirements from schools such as VAT returns, bank reconciliations, and year end returns. This aspect of work also includes the funding transfers to school bank accounts on a monthly basis, making cash advances when appropriate to do so as well as supporting and challenging schools that are in financial difficulty / deficit. Supporting and facilitating schools conversions to academy status is also undertaken; and
- Schools traded services currently being delivered to both maintained schools and academies, which is vital as the team's interface with schools and academies to provide support, offer challenge and maintain critical relationships. The traded work generates income from the services offered covering the costs of the team and making a contribution to wider overheads.

Whilst the areas of work undertaken by the teams are consistent, the teams are currently structured differently. For example the corporate work is undertaken by a combination of the traded team and the strategic finance team in Northamptonshire whereas there is clear distinction between these areas in Cambridgeshire with designated corporate and traded teams. In addition the Northamptonshire traded service provides a SIMS (Schools Information Management System) helpdesk, which is currently provided by the host authority itself in Cambridgeshire rather than LGSS.

In reviewing the structure and functions of both the Schools Finance teams it is considered that there is an opportunity to converge the teams into a single Schools Finance team working across both Northamptonshire and Cambridgeshire. This is in line with the principles set out at the start of this document, in particular increasing integration, aligning more closely with the organisational design and additional trading and commercial opportunities. In respect of the latter having a fully integrated team will enable a consistent traded offer to be developed for trading with the host authority schools and academies and potentially wider. The integrated team will also offer the benefit of greater resilience in respect of the traded teams in order to ensure the service is in a position to deliver its traded commitments. The underlying processes of the teams are also currently different and a converged team will provide opportunities to review, harmonise and create efficiencies within these processes.

The changes proposed are to:

1. Converge the two Schools Finance teams for the reasons outlined above into a single Schools Finance team reporting to the Strategic Finance Manager (Children's, Schools and Capital) in the Cambridgeshire Professional Finance team;
2. Structure the team so that it reflects the functions that it undertakes by creating:
 - a. A Schools Strategy / Corporate team; and

- b. A Schools Traded team, focussing purely on the delivery of traded services.

Each of these teams would be managed by a Group Accountant reporting into the Strategic Finance Manager (Children's, Schools and Capital).

- 3. The three existing Accountants would report to the Group Accountant Schools Strategy / Corporate. This group of staff would not be at risk as the three Accountant posts are proposed to be maintained in the new structure;
- 4. Within the Schools Strategy function it is proposed that a new Assistant Accountant (Schools Strategy) post would be created to provide additional capacity and support to the Accountants in the review and development of the Schools funding formulae, high needs arrangements and the early years single funding formula. This post would be filled through redeployment or recruitment;
- 5. Within the Corporate function of the team the following proposals are made:
 - a. A new Assistant Accountant (Schools Corporate) post would be created and located in the Northamptonshire office to ensure sufficient corporate resource exists to facilitate the separation of the traded and corporate work in the current roles in the existing Northamptonshire team. This post would be filled through redeployment or recruitment;
 - b. An Accounting Technician in the Northamptonshire office would be identified as part of the Corporate team, represent a change in the work functions undertaken. Currently all of the Accounting Technician roles in the Northamptonshire team cover both traded and corporate work. The proposal would be that one of the existing Accounting Technician roles would be changed to focus purely on the corporate work; and
 - c. The two Accounting Technician posts in the existing Cambridge team currently supporting the schools corporate function are proposed to be part of the new corporate team representing no change to these posts.
- 6. Within the Traded function of the team the following proposals are made:
 - a. Two Schools Support Team Manager posts will report to the Group Accountant Schools Traded post with one post based in Northamptonshire and one in Cambridgeshire. Within the current structures this post currently exists within the Northamptonshire team but the post proposed to be based in Cambridgeshire would be new. It is proposed that this post would be recruited to from the existing Schools Financial Advisors in the Cambridgeshire team;
 - b. The Schools Support Team Managers would manage a pool of 6 FTE Assistant Accountants (Schools Financial Advisors) to deliver the traded commitments of the team. This pool of Assistant Accountants will be a mix of staff based in Northamptonshire and Cambridgeshire. These posts already exist as Schools Financial Advisors in the current Cambridgeshire team and there are two Assistant Accountant roles in the current Northamptonshire team, one of which is currently vacant. Any vacant posts are proposed to be filled through a redeployment or recruitment process;

- c. The deletion of the Accounting Technician roles in the Northamptonshire team (with the exception of 5 (b) above. It is proposed that this group of staff would be at risk of redundancy but would have the opportunity to apply for any new or vacant Assistant Accountant posts in the Schools team; and
- d. The deletion of the Schools Finance Support Officers in the Cambridgeshire team. It is proposed that this group of staff would be at risk of redundancy.

The following table summarises the changes in respect of the current and proposed structures for the Schools Finance team.

The current and proposed structure charts are provided at Appendix E.

	NCC Current FTE	CCC Current FTE	Total Current FTE	Proposed FTE	Total Change FTE
Service Finance Manager	0.0	1.0	1.0	0.0	-1.0
Group Accountant	1.0	1.0	2.0	2.0	0.0
Accountant	1.0	2.0	3.0	3.0	0.0
Schools Support Team Manager	1.0	0.0	1.0	2.0	+1.0
Assistant Accountants (Schools Financial Advisors)	1.8	5.2	7.0	8.0	+1.0
Accounting Technician	3.3	2.0	5.3	3.0	-2.3
Schools Finance Support Officer	0.0	1.7	1.7	0.0	-1.7
Total	8.1	10.9	21.0	18.0	- 3.0

Trade Union Consultation

Formal Trade Union consultation on these proposals will start concurrently with the consultation with the staff. Union representatives will be consulted on the proposed structures and will be available to support their union members.

The detailed proposals will be considered at the LGSS Consultation Forum at its meeting on 11th May 2015. All formal proposals will go through the members of the LGSS Consultative Forum only, local representatives are there to discuss issues and inform proposals with employees and managers.

The consultation will last for a minimum of 30 days.

If you wish to speak to your Trade Union you should contact your local representative in the first instance. If you do not know the name of your local representative you should contact your local branch official. Details of which are provided below.

Trade Union	Contact	Telephone	e-mail
Unison Cambs	Robert Turner	01223 717075	Robert.Turner@cambridgeshire.gov.uk
GMB Cambs	Kevin Roberts	01223 458208	GMB.GMB@cambridge.gov.uk
Unite Cambs	Brian Smith		Brian.smith@unitetheunion.org
Unison Northants	Steven Bennett and Bob Spearman	01604 670400	northantscounty@unison.org.uk BSpearman@northamptonshire.gov.uk
GMB Northants	Dave Hewitt	01604 474986	n/a Address; 77 The Drive, Kingsley, Northampton. NN1 4SJ

Timescales

This will be a minimum of a 30 day consultation process, and it is anticipated that consultation will end on or around **5th June 2015**. As this is a meaningful consultation process, individuals will need to understand the full impact of the structure proposals, and have time to consider the detail, therefore consultation will not close until such time that this requirement has been satisfied, which in exceptional circumstances may mean that the consultation period may be extended beyond the 30 days. Any extension will be discussed with members of the LGSS Consultation Forum.

During the consultation period, individuals directly affected by the proposals will have the opportunity to request 1:1 meetings with the relevant manager(s) to discuss their own situation. Relevant briefings with affected groups of staff will be set up as appropriate.

Key Dates

- 6th May 2015 – consultation begins - detailed proposals including structures shared with the team and issued to the LGSS Consultative Forum.
- By 4th June 2015 – 1:1 discussions held; queries raised are responded to
- 5th June 2015 – deadline to submit Preference Forms (refer to Appendix G) including voluntary redundancy
- 5th June 2015 – consultation ends
- 12th June 2015 – advise staff of the outcome of the consultation
- 21st June 2015 – deadline for submission of application forms
- By 17th July 2015 – completion of initial interviews and allocation of roles
- By 29th July 2015 – interviews of all impacted staff concluded and final decisions made
- From 10th August 2015 – implementation of new roles and structures taking into account relevant notice periods

Further Information

If there are any immediate questions in respect of the proposals please contact your relevant Head of Service as set out in the section above.

An initial equality impact assessment is provided at Appendix H.

The LGSS HR Advisory Team will support this restructure. Contacts are: Anna Syson, HR Business Partner (anna.syson@cambridgeshire.gov.uk) and Sue Lomas, Senior HR Advisor, (slomas@northamptonshire.gov.uk)