



**REPORT of  
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

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**to  
STRATEGY AND RESOURCES COMMITTEE  
29 JANUARY 2020**

**SUPPLEMENTARY ESTIMATE - FIXED TERM FINANCIAL RESOURCE**

**1. PURPOSE OF THE REPORT**

- 1.1 A radical transformation programme has been undertaken to improve services to customers through a new delivery model, investment in IT and Agile working.
- 1.2 The new model is based upon a tiered approach to service delivery to reduce cost and increase customer service, moving internal and external customers to increased self-service and transactional processes to caseworkers leaving specialists free to deal with complex queries and statutory requirements. Go live date for the new model for the Resources Directorate was 25 February 2019.
- 1.3 Subsequently, upon appointment to the service the Interim Section 151 (S151) Officer and Tier 2 Resources Managers identified backlogs and gaps in service and a recent internal finance audit has highlighted several high level risks.
- 1.4 A review of the model and the way it is working within the Directorate is being undertaken with focus on areas that have gaps and issues in service delivery. Some adjustments to the model are required, alongside additional training and completion of the work to utilise implement new technology.
- 1.5 The requirement for a short-term additional resource has been identified to support the team in ensuring financial stability and to continue the process improvement work required in the transformation model.

**2. RECOMMENDATION**

That a budget requirement of £49,280 be agreed to fund and recruit a qualified fixed term finance specialist to support the finance function to ensure a robust financial service is in place and continue the handover of finance processes to caseworkers in accordance with the transformation model.

**3. SUMMARY OF KEY ISSUES**

- 3.1 The transformation model relies on 'fit for purpose' IT and efficient processes seamlessly crossing over between self-service, caseworkers and specialists. Some assumptions have been made in where the hand over is placed, the knowledge required by caseworkers and the headcount required in each area to support this.

- 3.2 The model relied on new staff and technology, process guides and training to increase knowledge for caseworkers. As part of this transformation new posts were created that have been difficult to recruit to meaning that the Finance area has been carrying vacancies for a lengthy period of time.
- 3.3 This has meant that the design of new technologies and handover training has been delayed leaving work to be completed by a reduced number of specialists. This has caused a backlog and some gaps in service.
- 3.4 The service currently has a number of high risks with delays in budget setting and management, a poor internal audit result, included a large number of improvements to be implemented and a backlog of reconciliations that must be resolved ahead of a complicated year end accounts closure due to the changes in service model mid-year. The Lead Finance Specialist role is still vacant and there is currently no full time or permanent S151 officer or deputy. Recruitment is ongoing and over the year several successful applicants have withdrawn with short notice.
- 3.5 This proposal for a fixed term post will provide additional support so that the critical finance requirements can be met and provide capacity to complete the handover of processes to caseworkers, assist in the implementation of additional IT functionality and provide additional capacity to reduce the financial risks in this area.

### 3.6 **Risks**

#### 3.6.1 Finance risks:

- Audits with Limited Assurance;
- Reconciliations outstanding causing financial risks;
- Year End delays in meeting statutory requirements;
- Statutory Returns delayed or inaccurate;
- Year End Audit Qualifications;
- Financial risks where issues not identified.

#### 3.6.2 Corporate Risks:

- Failure to realise the efficiencies from investment;
- Failure to deliver financial savings set out in the Medium Term Financial Strategy (MTFS);
- Failure to provide improved customer service and channel shift;
- Failure to meet performance targets;
- Reputational damage, impact on front line services and commercial projects;
- Increased customer complaints;
- Limited use of technological developments.

### 3.7 Options

No.	Option	Benefits	Risks
A	Do Nothing	No costs	The identified risks will remain and possibly increase with potential service failure, year end audit qualification and increased pressure on current staff
B	Utilise existing staff for process improvement	Absorbed costs as part of BAU	There is no capacity to do this alongside current backlogs and the complexity of finance work required by the changeover mid-year of service model.  In addition, the current staff have been operating with limited support over the last year and this may impact on well-being if continued.
C	Recruit a 1-year fixed term Finance Specialist to lead and own this work	Provide support to complete financial requirements and continue the handover of work to caseworkers	The post requirements should be Association of Accounting Technicians (AAT) qualified or fully qualified Consultative Committee of Accountancy Bodies (CCAB) qualified accountant with a few years' experience of local government finance.  The cost of this is estimated at £49,280.

## 4. CONCLUSION

- 4.1 The solution that would minimise risks and have the highest likelihood for delivery of the improvements to provide financial stability is option C.
- 4.2 It is proposed that a fixed term finance specialist is recruited for 12 months to assist in the handover of transactional finance processes to the resource's caseworkers and the implementation of new IT. The post requirements should be AAT qualified or fully qualified CCAB body qualified accountant with a few years' experience of local government finance.
- 4.3 Following this transfer and with the current vacancies filled an assessment can be made of the resources required for future and an analysis of the transformation model for whether the assumptions of the staffing numbers within the split of caseworker and specialist is as required for Maldon with its current supporting technology.

## 5. IMPACT ON STRATEGIC THEMES

- 5.1 This may have an impact on the MTFs as unplanned but business critical spending.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – This proposal safeguards the service delivered to customers.
- (ii) **Impact on Equalities** – This proposal has no impact on equalities.
- (iii) **Impact on Risk** – This proposal significantly reduces risk to the organisation of not being able to perform its statutory duties.
- (iv) **Impact on Resources (financial)** – This proposal has an impact on the corporate reserve.
- (v) **Impact on Resources (human)** – This proposal requires recruitment support from human resources.
- (vi) **Impact on the Environment** – This proposal has no impact on the environment.

Background Papers: None.

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