



more for York



Blueprint for Financial Management

City of York Council

March 2010

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Introduction

City of York Council is committed to improving the way it works. The corporate strategy includes the key theme of Effective Organisation – being a modern council, professional in all it does, living up to its values and being a great place to work.

More for York is the corporate-wide change programme to implement that strategy, designed to modernise City of York Council, transforming it to become a more effective organisation over the next three years (2009-2012).

Its mission is to transform the organisation to deliver the best quality services, save the council at least £15m by 2012 and meet three core objectives:

- more for our customers
- more for our employees
- more for our money

More for York is based on a corporate efficiency review which has taken a comprehensive look at all aspects of the council's work. The programme will now build upon and co-ordinate all of the work being done to improve services and to make them more accessible to customers.

Purpose

This document describes the work that will be undertaken to create a new Financial Management function within CYC. This work is based on the principles outlined in the Audit Commission paper 'World class financial management', research undertaken of other Local Authority financial management models and consultation with stakeholders. The blueprint will set out how the Financial Management service will be structured in the future.

Challenges for the Financial Management function include;

- Supporting the delivery of more cost efficient services, given the continuation of tight financial settlements
- The need to support the delivery of the Councils strategic priorities, including the provision of direct support to the More For York transformation programme

In the extremely challenging financial climate that the Council faces, both now and over the medium term, it is critical that the Financial Management function is configured to deliver an efficient, effective and professional service to the organisation. This document will describe how the service will work towards achieving an annual efficiency saving of £170k, through a restructure of the service and standardisation of processes and procedures.

CYC Strategic Context

This blueprint contributes to the Council's business strategy in the following ways:

- It is targeted to deliver an annual efficiency saving of £170k
- It is targeted to deliver performance improvements
- It presents the opportunity to support cultural change through the adoption of a 'one organisation' corporate approach to financial management
- It supports the More for York transformation programme

Scope of the blueprint

The Financial Management blueprint considers the Financial Management function, including Corporate Finance and directorate finance teams.

Functions included in the Financial Management blueprint

All Finance Managers and staff currently reporting to Finance Managers are included in the blueprint, with the exception of staff which perform excluded functions, as detailed below.

Three members of staff which do not currently report to Finance Managers are included in the blueprint since they perform similar roles to the Finance function. The posts are

- 1 FTE Senior Accounting Technician within ICT
- 2 FTE Technical Support Officers in Property Services, whose tasks relate mainly but not wholly to financial management

Discussions with Service Managers are ongoing to confirm the above.

Financial Management staff included in this blueprint equate to 81 FTE, which includes 4.1 FTE vacant posts.

Functions excluded from the blueprint

Workplans covering Cashiers, Debtors and Creditors are covered in existing blueprints. The functions of Cashiers, Debtors, Creditors and Financial Procedures are managed by the Assistant Director (Customer Services and Governance). Line management of these functions will be considered in the context of the wider Organisation Review from the 1st April 2010.

Some Finance Managers have additional responsibilities for functions which are excluded from the Financial Management blueprint, as detailed below.

The Customer Finance Team provides financial assessments for home care and currently report to HASS Finance Manager. The Customer Finance team are not included in this blueprint since the existing Adult Social Care Blueprint includes a project relating to achieving efficiencies in this area.

Neighbourhood Services Finance Manager has responsibility for a Business Support team which includes Payroll, Creditors, Debtors, HR and ICT. The functions of this team are covered by existing blueprints and are therefore not included here.

City Strategy Finance Manager has responsibility for ICT which is covered in the ICT blueprint.

The External Funding, Grants and Partnership team currently report to the Technical Finance Manager within the Capital and Treasury Management team. They provide assistance and training to council officers and external organisations to find external funding. In addition, the team monitor partnerships into which the council enter, to improve partnership working and ensure sufficient governance arrangements are in place. These functions are more closely aligned to the objectives defined in the Chief Executive's Office blueprint and are therefore included therein.

Staff which report to Finance Managers and perform any of the functions excluded from the blueprint will continue to report to Finance Managers until changes in line management are determined by either the Organisation Review or as a result of the implementation of workplans relating to existing blueprints.

Financial Management Vision

The Financial Management function will adopt best practice, to deliver a professional support service to meet the changing demands of the council and the city, enabling the prioritisation of resources to focus on the authority's strategic aims.

The Financial Management Vision was developed based on consultation with internal and external stakeholders. It is based on principles set out in the Audit Commission paper 'World class financial management' which identifies best practice and standards which organisations should aspire to in order to achieve excellence in financial management.

'World class financial management' was developed based on good practice drawn from both the public and private sector. Principles of good financial management are universal and apply equally across the private, voluntary and public sectors. In world class organisations, these principles are fully embedded and the basic routines and processes are carried out more quickly, more reliably and more frequently.

Financial Management is about managing performance and achieving an organisation's objectives, as much as about managing money. It forms the basis of accountability to stakeholders for the stewardship and use of resources.

There are 5 key principles to achieving this vision;

1. Financial governance and leadership

Financial Management will provide support and leadership to foster a corporate culture in which individual and collective responsibilities for the stewardship and use of resources and financial accountability to external stakeholders are taken seriously, and financial skills are valued and developed.

2. Financial planning/ budgeting

Financial Management will lead the financial planning process to reflect the council's strategic and service priorities and will be developed in the context of a longer term financial strategy, following the introduction of three year financial settlements.

3. Finance for decision making

Financial Management will provide information to enable the council to understand its cost profiles and have robust investment appraisal processes to provide an understanding of the financial implications of current and potential alternative policies, programmes and activities.

4. Financial monitoring and forecasting

Financial Management will provide support to budget holders to enable each service area to monitor financial performance, in order to identify any unplanned departure from the budget and ensure that any variances (positive or negative) can be managed in accordance with corporate priorities.

5. Financial reporting

Financial Management will co-ordinate timely financial reporting, demonstrating the clear links between the information provided and the corporate strategy.

Financial Management objectives

Summarised below are the core responsibilities of the Financial Management function, which are required to provide a service which delivers the Financial Management vision and will meet our customers expectations. These responsibilities are not new and many of these actions are already in place. The purpose of outlining these in the blueprint is to;

- define the responsibilities of the Financial Management function
- ensure objectives are regularly reviewed
- initiate workplans to improve standards in line with best practice

Financial governance and leadership

- Ensure that Finance staff are appropriately qualified and their financial knowledge is continuously developed
- Provide templates, offer guidance and regular training to budget holders to develop their financial skills
- Offer training, support and advice to officers and members on Financial Regulations, including their roles and responsibilities

Financial planning/ budgeting

- Lead the process to produce the overall council budget and set a timetable, including links with service planning
- Challenge budget holders financial assumptions
- Challenge budget holders to provide clear links to strategic priorities and the corporate plan
- Advise on developing strategies to avoid or mitigate risks
- Explain the impact of any changes in funding
- Advise on pension or redundancy issues
- Maximise income streams from treasury management activities

Finance for decision making

- Provide information on unit costs
- Provide benchmarking / comparative costs to challenge whether the council is securing value for money
- Provide advice relating to capital financing and challenge assumptions on costs or how schemes deliver corporate priorities
- Assist budget holders to understand the whole life costs of capital investment, including environmental and sustainability assessments

Financial monitoring and forecasting

- Produce a budget monitoring timetable
- Provide appropriate, accurate and timely financial information to enable effective budget monitoring

- Provide a budget monitoring system which allows budget holders to access up-to-date information
- Produce budget monitoring information in a standardised format
- Provide routine challenge of financial assumptions and performance against budgets, focusing resources on large, high risk or volatile budgets
- Provide budget monitoring training to budget holders

Financial reporting

- Produce reports that are easy to understand and highlight the key financial issues
- Make the most effective use of technology to reduce manual processes in the production of reports
- Produce an annual closedown timetable highlighting the key issues for services
- Produce closedown guidance notes and advise on an ongoing basis
- Assist with the completion of grant returns

Background to development of the Financial Management business cases

In order to develop the proposals extensive consultation took place, including all Finance Teams, DMTs, a range of Service Managers and the S151 Officer. Further details of the consultation are included in Appendix 5. Specific models were not discussed, but feedback was requested on options including priorities for the service, location of finance staff, line management and flexible deployment of staff between service areas.

Current service

The Corporate Finance function is headed by AD Resources (Finance). The three areas within the Corporate Finance team which report directly to the AD Resources (Finance) are Corporate Accountancy, Capital and Treasury Management and FMS Development.

Four Finance Managers are responsible for the delivery of locally based Finance support to Directorates. Directorate based Finance Managers report to their Service Director or Assistant Director and have a professional (dotted line) report to the AD Resources (Finance).

The proximity of Finance staff and budget holders varies between directorates. A number of Finance staff are already located some distance from budget holders. For example Resources and Chief Executive Finance staff are located in different buildings and sites to some directorate staff. Within the remaining directorates the approach varies due to the diverse locations of budget holders.

Directorate Management Teams consider their Finance Manager an integral and vital member of their team and the service provided by their Finance function is highly regarded. The devolved structure works well in delivering a tailored and responsive service to directorates.

The Audit Commission's 2009 Use of Resources assessment scores the council at 2; performs adequately.

The Audit Commission's Annual Governance Report recognised that good progress was made in the last financial year to address weaknesses and inconsistencies relating to year end closedown. However, the report also noted that there are still some improvements to be made, which are detailed below.

The Audit Commission's Certification of Claims and Returns Annual Report also noted that a number of improvements had been made since the previous financial year. This was achieved by better consistency across the council in the standard of working papers and clear evidence of reviews being undertaken.

Areas for improvement

The following issues have been identified with the current service, which need to be addressed in the new Financial Management structure.

- A requirement to provide a more cost efficient service, given the continuation of tight financial settlements
- The Audit Commission's Annual Governance report expressed concern that devolved financial management arrangements meant that a comprehensive quality assurance approach for the financial statements had not been fully implemented
- The Audit Commission's review of Financial Planning and Financial Monitoring noted that, while current procedures met their minimum standards, there is room for improvement
- The Audit Commission noted that the inconsistent methodology for producing forecasts increases the risk of an over or under projection and results in a lack of comparability between services
- The Audit Commission noted that budget holders use of the financial system is sporadic and most rely on finance teams to provide information
- Many Finance staff comment that there could be an improvement in communication between Corporate Finance and Directorate finance
- Many working practices, processes and procedures have evolved in directorates without a corporate lead in the past, which has resulted in inconsistencies between directorates resulting in duplication of work, lack of knowledge sharing and difficulties in consolidating information
- Inconsistent working practices can make it difficult and time consuming to extract information
- Improved access to up to date financial information and reports would assist budget managers to carry out their financial duties and forecasting responsibilities

Options

Option 1: Retain current structure

Advantages of the current service

The current structure provides the following benefits for service directorates;

- A tailored approach which suits the requirements of individual budget holders
- Responsive to directorate needs
- Finance staff have a detailed knowledge of the service area
- Finance staff have a good working relationship with budget holders

Disadvantages of the current service

However, the devolved structure, particularly the current line management arrangements, result in the following issues;

- It does not foster a 'one organisation' culture
- Directorate finance teams sometimes focus on directorate needs rather than corporate priorities
- A devolved structure can create conflicts of interest which may weaken the challenge role of the Financial Management function
- The AD Resources (Finance) has no input into setting targets or objectives for Directorate Finance Managers through the appraisal process because there is only a professional (dotted line) report and this can result in an uncoordinated approach across the overall Finance function
- The current line management arrangements can make it difficult and time consuming to resolve issues of Financial Management policy because there is no overall decision maker
- A devolved structure promotes a 'them and us' culture, which is not productive

Option 2: Restructure the Financial Management function

Alternative models

Research was undertaken of other Local Authority Financial Management models and some examples of these are summarised at Appendix 2.

Appendix 2 includes authorities which have had a similar structure for a number of years, those which have reviewed their Financial Management service in the last year and authorities who are at a similar stage in the review process as CYC.

As all authorities face similar financial challenges many reviews are driven by the requirement to make savings. Leeds City Council have reviewed its Finance function recently and agreed an efficiency target of 10%. Hartlepool Borough Council and Leicester City Council have just initiated reviews and are aiming to achieve a 10-14% saving.

A common theme in all recent restructures and models researched was for all Finance staff to report directly to the S151 Officer. The benefits of this approach were noted as;

- Efficiencies achieved through removal of duplication
- Improves consistency
- Facilitates a 'joined up' approach
- Encourages sharing of best practice
- Enables flexible deployment
- Allows a holistic view of the finance position

Of the authorities that were researched, there were various approaches to the location of Finance staff. Both co-located and service based models are successful. The important factor in any model is for Financial Management staff to maintain knowledge and awareness of the directorates and their customers issues.

Conclusion

The 'areas for improvement' identified by both internal stakeholders and The Audit Commission would be difficult to resolve under the current structure because;

- Elimination of duplication and improved efficiency is best achieved by consolidation of the function
- Flexible deployment cannot work effectively in a devolved model
- Current line management arrangements do not promote a one team approach, which could hinder the adoption of standard processes and procedures

Therefore in order to address the areas for improvement and deliver the Financial Management vision, a restructure of the Financial Management function under a single control is recommended, as detailed in Business Case 1.

Business Case 1: Restructure the Financial Management function under a single control and co-locate staff

Restructure

The restructure is proposed in 2 phases, in accordance with the Council's Change Management policy.

Phase 1:

As of 1st April 2010, AD Resources (Finance) will have line management responsibility for Finance Managers. Consequently all Finance staff (and associated budgets) currently in directorates will transfer to Customer and Business Support Services Directorate and be accountable to the Director of Customer and Business Support Service as the S151 Officer. Finance Managers and other staff affected by this change will be consulted and formally notified.

Initially, changes in line management for some Finance staff are likely to be required to align staff to the new organisation structure. It is not expected that there would be a significant change in roles in the first phase. All staff will be advised of the changing organisation structure through group briefings led by the responsible Finance Manager.

Phase 2:

This will take place in parallel to the ongoing Organisation Review, which is due to have a Chief Officer structure determined by July 2010. This will enable the Financial Management service to shape itself to the new structure in the most appropriate way in consultation with directorates. As before, this will include a range of group and individual briefings, where appropriate, to affected employees.

The review of processes and procedures, as described in business case 2, will highlight areas where efficiencies are achievable and posts will be deleted as a result of this work.

Location

In the current structure, the proximity of Finance staff and budget holders varies from one service to another. A significant number of Finance staff are already located some distance from budget holders.

In the initial phase Financial Management staff will remain in their current location. Following completion of the restructure, consideration will be given to co-location of Finance staff if suitable accommodation can be identified.

Financial Management staff will co-locate when the organisation moves to the new HQ. Co-location of all Financial Management staff will assist the cultural transition to a one organisation corporate approach to financial management.

Financial Management staff will continue to maintain close links with their service through regular meetings and contact with budget holders.

What will the service look like?

Each directorate will have a named Finance Manager who will be a member of the Directorate Management Team.

Finance staff will continue to be assigned to specific service areas because it is recognised that staff with service knowledge will provide a good quality service for the customer.

Through the introduction of standardised processes, staff will acquire transferable skills which will permit deployment to different service areas, as required. This may be on a short or long term basis. This will allow the Financial Management service to respond quickly to council priorities, financial risk, service developments or improvement initiatives in specific services.

Deployment of resources between services would be determined by AD Resources (Finance) and Finance Managers, in discussion with the Director of Customer and Business Support Services, based on service requirement. Resources will be allocated to services based on an assessment of risk (For eg. large, high volume or volatile budgets).

Deployment of resources will be subject to regular review, and meetings will be held with each Service Director, the Director of Customer and Business Support Services and the AD Resources (Finance) to assess the service provision.

A roles and responsibilities manual will set out the expectations of both Financial Management staff and budget holders.

As part of the Service Planning cycle the Financial Management function will review its service annually to ensure continuous improvement. Service standards to measure Financial Management performance will be reported to the Executive member and will include;

- Timeliness of budget monitoring information
- Timeliness and quality of grant returns
- Timeliness and quality of the financial statements
- Progress on improvements to the Financial Management service, as recommended by The Audit Commission and Internal Audit

Benefits

Adoption of a centralised Financial Management function will deliver the following benefits;

For the organisation

- In conjunction with an overall review of processes and procedures, efficiencies leading to an annual staff budget saving of £170k
- Independence from the directorate puts Finance staff in a better position to perform a challenge role
- Management of Finance staff under a single control will enable rapid adoption of standard processes and procedures, which is essential to achieve efficiencies

- Management of Finance staff under a single control will improve efficiency because it will speed up decision making and reduce unnecessary debates
- A more flexible approach to resource management, which is able to respond quickly to new demands and pressures and divert resources to areas of strategic priority
- Promote a culture of financial accountability by clearly defining roles and responsibilities for Financial Management staff and budget holders
- AD Resources (Finance) input into appraisals will improve cohesion and coordination of the Financial Management function
- Facilitate peer review to improve the quality assurance approach for the financial statements, as recommended by the Audit Commission
- Encourage collaboration and sharing of best practice between service areas

For Staff

- Deployment between services will allow staff to gain more developmental opportunities
- A consistent and structured approach to staff training and development will assist staff to obtain continuous professional development
- Improve standards of communication between services by encouraging a team approach
- Will promote a one organisation culture

Business Case 2: Review and standardise processes and procedures

A review will take place to standardise processes and procedures, where appropriate.

The review will consider efficiencies which can be achieved by;

- a review of outputs to determine if these provide 'added value'
- a review of processes to optimise the use of technology and replace manual processes
- standardisation of working practices

This is the most effective method to achieve savings, whilst maintaining the quality of the service.

The review will cover many functions, but initially will focus on financial monitoring and forecasting which accounts for the most significant proportion of Finance staff time.

Financial monitoring and forecasting

Financial monitoring and forecasting is one of the 5 key principles in which the Financial Management function have committed to adopt best practice. A review of this area will not only identify efficiencies but will improve the service we deliver to our customers.

Current methods and processes vary in each directorate. This approach is inefficient and has been identified by the Audit Commission as an area for improvement. Some standardisation has taken place but further work is required. The review will aim to;

- Create a budget monitoring timetable which standardises reporting timescales for all services, based on risk
- Standardise the approach to variance analysis and projection assumptions
- Create a standard budget monitoring template that will meet the requirements of the different stakeholders (Members, CMT, Directors, AD's, Service Managers, Budget holders etc)
- Prioritise Financial Management resources to provide professional support and advice to the organisation, rather than undertake transactional processing
- Provide budget monitoring training to budget holders

The development of new reporting templates will involve staff from all service areas and include consultation with DMTs.

Other Projects

The processes and procedures review will also consider the following;

- Continue the work to standardise closedown working papers, as recommended by The Audit Commission
- Review the process to produce statutory returns to make more effective use

- of technology
- Simplification of the internal recharge process
- Further standardisation of the chart of accounts

Benefits

Adoption of standard processes and procedures will deliver the following benefits;

For the organisation

- Focus resources on providing professional support which will 'add value' to the customer
- Optimising the use of technology to improve efficiency, quality and timescales of financial information for both Finance staff and budget holders
- Reduce reliance on local spreadsheets which will improve control of data
- Encourage 'enabled managers' through the most effective use of FMS
- Reduce duplication and improve efficiency, enabling more effective use of financial information
- Facilitate flexible deployment because staff will be familiar with working practices in other service areas
- Reduce inconsistencies, as recommended by The Audit Commission (for eg Budget Monitoring Forecasts)
- Provide visibility to all levels of the organisation and reduce silo information
- A reduction in audit fees, as evidenced by other authorities

For staff

- Reduction of transactional processing will enable staff to direct their time to the provision of professional advice which will 'add value' to the service and improve their job satisfaction

Risks

Achievability of savings target

The savings target is based on achieving a reduction of staff costs from September 2010. Therefore it is important to implement more efficient processes as soon as possible and finalise the restructure. If there are delays the saving will be achievable but could be delayed.

Organisational resistance

Some aspects of change required could lead to organisation resistance and could inhibit the impact of the plan.

Capability of FMS to deliver

The FMS system must be capable of enabling automated processes to replace manual systems if efficiencies are to be achieved. This has been achieved by other authorities using the same financial system.

Staff turnover may temporarily increase as a reaction to change

This will be mitigated by open and transparent communication. Likewise union response and reaction will have to be considered and managed through effective communication.

Capacity of existing resources to handle additional workload during the implementation period

The review of processes and eventual implementation of these will require short term input from staff in addition to their current activities. It will be important to communicate the benefits of this change.

Affordability

It is not expected that there will be significant investment costs. Any additional costs incurred will be covered by efficiency savings over the life of the project.

Achievability

The proposed model, is already adopted and operating successfully in other Local Authorities, therefore this proposal is low risk. Appendix 2 includes examples of similar models in other Local Authorities.

Savings are based on an annual reduction in staff costs of £170k. The saving is based on achieving a reduction of 10% of total staff costs at grade 9 or below. If efficiencies are achieved from the LCCS traded service to schools they will be passed directly on to schools. Savings achieved as a result of staff reduction at grade 10 or above are included in the Organisation Efficiency Review target.

The staff reduction is based on efficiencies achieved or forecast in other authorities after conducting similar reviews, as outlined in Appendix 2. The saving is effective from September 2010.

Appendix 3 (Milestone plan) outlines the high level key projects and timescales.

Benefits Realisation Plan

The benefits realisation plan is included at Appendix 4

The delivery of the plan will be led by the Blueprint Implementation Team. This will initially be made up of the current members of the Group, supplemented with appropriate additional members as required.

Background Papers

Audit Commission discussion paper 'World class financial management'

Audit Commission reviews of CYC:

Review of Financial Planning and Monitoring March 2009

Annual Governance Report 2008/09

Certification of Claims and Returns Annual Report 2008/09

Key decisions required

The CMT/EXEC is asked to agree to:

1. The Financial Management Vision
2. Phase 1 of the restructure, as outlined in business case 1
3. Phase 2 of the restructure, as outlined in business case 1
4. Co-locate all Financial Management functions at the optimal opportunity, as outlined in business case 1
5. The proposal to review and standardise processes and procedures, as outlined in business case 2

Appendices

Appendix 1- The Blueprint Implementation Team

Appendix 2- Examples of Financial Management models in other authorities

Appendix 3 -Milestone Plan

Appendix 4- Benefits Realisation Plan

Appendix 5- Pre Executive Consultation Plan

Post Executive Communication Plan

Appendix 1 - The Blueprint implementation team

Keith Best
Sarah Kirby
Phil Davidson
Lindsay Horsman

In consultation with:

Ian Floyd, S151 Officer

All Finance Managers

All Finance staff at team meetings

All DMTs

At least one Service Manager representative from each directorate

Peter Weck, Unison representative

Appendix 2 –Examples of Financial Management models in other authorities

Detailed below are descriptions of models operating in unitary or metropolitan authorities

Authority	Use of Resources	Managing finances	Governing the business	Managing resources	Brief Description of Model
East Riding of Yorkshire Council	3	3	3	3	<ul style="list-style-type: none"> • All finance staff report to S151 Officer • Finance staff are co-located but meet regularly with service managers • Lead finance officer for each directorate • Enables sharing of best practice
Wakefield Metropolitan City Council	2	3	2	2	<ul style="list-style-type: none"> • All finance staff report to S151 Officer • Finance staff are co-located • Lead finance officer for each directorate • Encourages 'enabled managers'
Hartlepool Borough Council	3	2	3	3	<ul style="list-style-type: none"> • Centralised restructure proposed to implement this year to achieve a joined up approach to Finance • All finance staff report to S151 Officer • Lead finance officer for each directorate • Target efficiency saving of 14%

Authority	Use of Resources	Managing finances	Governing the business	Managing resources	Brief Description of Model
Leeds City Council	3	3	2	3	<ul style="list-style-type: none"> • Recently implemented a restructure with target saving of 10% • All finance staff report to S151 Officer • Finance staff located in the service • Lead finance officer for each directorate • Flexibility to move resources between services • Improved staff development opportunities
Kingston upon Hull City Council	2	2	2	2	<ul style="list-style-type: none"> • All finance staff report to S151 Officer • Finance staff are co-located • Lead finance officer for each directorate • Flexibility to move resources between services • Rotation good for staff development
North Lincolnshire Council	2	2	2	2	<ul style="list-style-type: none"> • All finance staff report to S151 Officer • When restructured, noted improved control and consistency and achieved efficiencies • Some Finance staff located in the service • Flexibility works well for staff cover

Appendix 3

Milestone Plan - Financial Management

		Activity	Owner	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11						
Efficiency		Blueprinting		▲ CMT approval	▲ Executive sign on																				
		Restructure - Phase 1		▲ Interim Reporting Lines	▲ Realign Budgets							▲													
		Restructure - Phase 2							▲ Agree New Structure			▲ Implement new Structure													
		Standardise Process and Procedures				▲ Baseline all procedures												▲ complete first stage review							
Operational		Training - Budget Monitoring			▲ Roles and responsibilities Manual					▲ Training for staff and budget holders															
Systems		FMS development to support standardisation					▲ to produce standard budget report																		
Misc		Communication		See Appendix 5																					
			▲ Milestone Completed	▲ Milestone on Target	▲ Milestone Overdue / missed	▲ Milestone at Risk	▲ Date TBC	▲ Milestone on hold	Milestone baseline and progress reported to Project Board																

Appendix 4 Benefit Realisation Plan: Financial Management

Financial Efficiency	Benefit Name	Benefit Type	Description
	Staff Reduction	Cost Reduction	An overall review of processes, procedures and outcomes will result in efficiencies enabling a reduction of staff numbers. This will result in a saving of £85k in 2010/11 and a further £85k in 2011/12.
	Development of standard procedures, formats and working practices	Cost Reduction	This has not been quantified but it was stated in the Audit Commission Annual Governance Report that an improvement in consistency of working papers has led to a reduction in audit fees in other authorities
Non - Financial Efficiency			
	Deployment of staff between services	Flexibility	Flexible deployment of staff will enable the service to respond quickly to demands and pressures
	Clearly define roles and responsibilities of Finance staff and budget holders	Enabling	Will enable Finance staff and budget holders to perform their duties with a clear understanding of their accountability
	Centralisation of staff	Risk reduction	Will promote independence of staff from the service and therefore Finance staff are in a better position to provide a challenge role
	Centralisation of staff	Strategic objective	AD Resources (Finance) input into appraisals will improve cohesion and coordination of Financial Management function
	Centralisation of staff	Staff Efficiency	Will enable rapid adoption of standard processes and procedures because it will speed up decision making
	Centralisation of staff	Strategic objective	AD Resources (Finance) input into appraisals will improve cohesion and coordination of Financial Management function
	Centralisation of staff	Quality	Will facilitate peer review, as recommended by the Audit Commission, and improve quality
	Centralisation of staff	Quality	Will encourage collaboration and sharing of best practice
	Focus resources on 'professional advise' rather than transactional processes	Quality	Focus resources on providing a 'professional' service will improve quality and 'add value' to the customer
	Optimise technology to replace manual processes with automated procedures	Quality	Will improve efficiency, quality and timescales of financial information for both Finance staff and budget holders
	Optimise technology to make better use of financial system (For eg Budget Monitoring Procedures)	Quality	Less reliance on local spreadsheets will improve control of data
	Optimise technology to make better use of financial system (For eg Budget Monitoring Procedures)	Enabling	Will encourage 'enabled managers' through the most effective use of FMS
	Development of standard procedures, formats and working practices	Staff Efficiency	Will reduce duplication and improve efficiency, enabling more effective use of financial information
	Development of standard procedures, formats and working practices	Staff Efficiency	Will facilitate flexible deployment because staff will be familiar with working practices in other service areas
	Development of standard procedures, formats and working practices	Quality	Will reduce inconsistencies (For eg Budget forecasting, as recommended by the Audit Commission)
	Development of standard procedures, formats and working practices	Quality	Will provide visibility to all levels of the organisation and reduce silo information
Staff			
	Deployment of staff between services	Morale	Will allow staff to gain more developmental opportunities
	Centralisation of staff	Quality	Will support staff to gain relevant continuous professional development
	Centralisation of staff	Morale	Will improve standards of communication between services by encouraging a team approach
	Centralisation of staff	Morale	Will promote a one organisation culture
Sustainability			
	Reduction in paper	Sustainability	An automated budget monitoring system will reduce paper usage

Appendix 5 Consultation & Communication Plan

PRE EXECUTIVE CONSULTATION AND COMMUNICATION TO DATE

TIMESCALE	ACTIVITY	TO WHOM	CHANNEL	MESSAGE	OWNER
November 2009					
	All	Finance Managers	Meetings	Discuss scope of blueprint and obtain initial feedback on line management and location of Finance staff	Sarah Kirby
	All	Directors	Meetings	Discuss scope of blueprint and obtain initial feedback on line management and location of Finance staff	Sarah Kirby
	All	CMT	Paper	Brief paper outlining scope and timescales	Sarah Kirby
December 2009					
	All	CMT	Paper	Paper outlining purpose, scope, objectives, requirements for data collection	Sarah Kirby
January 2010					
	All	All Finance staff, including TU representation	Team Meetings	Inform staff of purpose of blueprint and obtain feedback on line management, location of	Sarah Kirby

TIMESCALE	ACTIVITY	TO WHOM	CHANNEL	MESSAGE	OWNER
				Finance staff and Finance vision/ objectives	
	All	DMTs	Meeting	Obtain feedback on line management, location of Finance staff and Finance vision/ objectives	Sarah Kirby
February 2010					
	All	Service Managers (reps from each directorate), including TU representation	Workshop	Obtain feedback on line management, location of Finance staff and Finance vision/ objectives	Sarah Kirby
	All	Finance Managers	Meeting	Discuss outline business cases	Sarah Kirby
	All	Finance staff	Team briefings	Brief staff on outline business cases and opportunity to feed back	Finance Managers
	All	CIPFA Trainees	Presentation	Obtained feedback on line management, location of Finance staff and Finance vision/ objectives	Sarah Kirby
April 2010					
	Temporary arrangements to align service to new directorates	Finance staff	Team briefings	Brief staff on any temporary changes in line management to realign service to the new organisation structure	Keith Best/ Finance Managers/ HR

POST EXECUTIVE COMMUNICATIONS AND IMPLEMENTATION

TIMESCALE	ACTIVITY	TO WHOM	CHANNEL	MESSAGE	OWNER
May 2010					
	Implementation	Finance staff and Trade Union	Briefing note/ newsletter and team meetings	Brief staff on next stages of implementation	Keith Best/ Finance Managers
July 2010					
	Staff restructure	Directors	Meeting	To discuss directorate requirements	Keith Best
	Implementation update	Finance staff and Trade Union	Briefing note/ Team meetings	Brief staff on implementation and begin consultation	Keith Best/ Finance Managers/ HR
August 2010					
	Implementation update	Finance staff and Trade Union	Briefing note/ Team meetings	Brief staff on implementation and ongoing consultation	Keith Best/ Finance Managers/ HR
September 2010					
	Implementation update	Finance staff and Trade Union	Briefing note/ Team meetings	Brief staff on implementation and ongoing consultation	Keith Best/ Finance Managers/ HR
October 2010					
	Implementation update	Finance staff and Trade Union	Briefing note/ Team meetings	Brief staff on implementation and ongoing consultation	Keith Best/ Finance Managers/ HR