

REVIEW OF CORPORATE SERVICES – THE FINANCE ROADMAP

1. A full alignment of finance functions is made challenging by the use of different financial management systems (Civica and Frontier (for payroll) in EBC, and Agresso, iTrent (for payroll) and Civica (cash receipting) in LDC. LDC hosts the Agresso system which is shared with Rother and Hastings.

2. A fundamental change in financial management system for one or other authority would demand a full business case taking into account of wider organisational costs of change. The cost of changing a financial management system will be significant, comprising the procurement of user licences, developing interfaces to feeder systems (eg council tax, housing management, bank), training users in both the Finance department and across services, etc. Any change would require around 18 months' of implementation work, and would require input from existing staff, which would affect delivery capability. However, decisions on wider transformational change in the organisations in the next year, for example the replacement of current feeder systems, may alter this equation.

3. Therefore, a series of more targeted steps are proposed to begin alignment of operations in EBC and LDC in the short to medium term.

Decision on future options for s.151 officer in LDC to be considered by Cabinet on 29 September and Council on 15 October 2014.	September/October 2014
Assessment of options for strengthening resilience, capacity and technical knowledge in 'non-system dependent' specialist activities for example Insurance, VAT, and Treasury Management (and so potentially reducing third party spend on expert advice)	October 2014
Alignment of operating models in regard to business partnering / customer department liaison, with an aim of greater delegation of day-to-day customer department support activity to more junior Finance staff in LDC.	October 2014
Review of the potential for aligning key reporting processes, timetables and documentation, e.g. budget reports to CMTs and Cabinets, annual published accounts, strategic financial plans and risk reporting.	October 2014
Consideration of growth areas such as land and property transactions; Teckal accounts and opportunities to share project accountancy.	October 2014

Consideration of a joint management structure – under the new senior structure – with potential for Heads to lead on defined functions eg Treasury Management, budget monitoring. Proposal to Cabinet on 20 November 2014.	November 2014
Development of a joint approach to appropriate ‘up-skilling’ or development of managers with a view to improving resilience	March 2015
Collaboration on specific management tasks eg identifying examples of ‘good financial management’, modernising financial regulations, understanding and responding to Government consultation papers and changes in accounting practice.	March 2015
Assess decisions on technical change under the LDC transformation programme (New Service Delivery Model Project) with a view of considering options for core systems integration.	May 2015

Other Key Issues

- In a 2013 consultation exercise (<http://localaudit.readandcomment.com/>), the Government explored the possibility of requiring councils to publish their accounts one month earlier – by the end of May. If implemented, this would significantly affect the capacity of both teams. Both will be similarly pressured, with less time to deliver similar workloads, potentially reducing the potential for sharing.
- There may be merit in moving to a single integrated HR/payroll system, which could bring efficiencies and greater resilience (and potential for outsourcing). The ambitions of the HR collaboration (with a migration to both Councils using the iTrent HR system) will need to consider the consequences and costs for EBC payroll (Frontier). However it is noted that Hastings BC use iTrent for payroll, which may open up a further option for future collaboration). The employment of significant number of casuals by EBC (e.g. in Tourism) was noted as a workload demand which would need to be adequately addressed in any merged payroll.