

**NORTH LINCOLNSHIRE COUNCIL/NORTH EAST LINCOLNSHIRE COUNCIL**

**JOINT COMMITTEE FOR SHARED SERVICES  
BETWEEN NORTH LINCOLNSHIRE AND NORTH  
EAST LINCOLNSHIRE COUNCILS**

**ACCOUNTANCY SHARED SERVICE STRUCTURE**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To consider the proposed structure for an Accountancy Services shared service between North Lincolnshire and North East Lincolnshire.
- 1.2 The key points are:
- A full consultation exercise has been completed with unions, managers and staff.
  - The proposed structure delivers the financial and efficiency savings set out in the business case.
  - The structure includes sufficient resources, to deliver the core financial services required by both councils and which were identified in the business case.
  - The structure is more resilient than the services current form and brings a number of other benefits.

**2. BACKGROUND INFORMATION**

- 2.1. The shared back office services initiative between North and North East Lincolnshire Councils has grown out of the need to provide efficient and effective support services at minimum cost in order to protect frontline services to local people within Northern Lincolnshire. Arrangements are therefore being developed to implement shared services for information technology, finance, internal audit, human resources and legal services. These will also include member development and training and graphic design/publications.
- 2.2. Following the decision to proceed with the implementation of shared services in January/February 2015, each of the above services have produced business plans that set out in detail how each service will be structured, how it will deliver the joint service, what investment needs there are, how the target savings will be achieved, how the needs of stakeholders will be met, etc.
- 2.3. The current responsibilities for the Accountancy services at both Councils are comparable, they include;
- Providing financial support and guidance to all council services through a business partnering function
  - Management of each Council's Medium Term Financial Planning and budget setting processes
  - Production of Statutory Accounts and responsibility for the Audit process

- Management of the council cash flow, investment and loan portfolios
- Provision of specialist financial advice
- Accountancy Servicedesk and self-service facilities
- Management and development of Financial Accounting Systems
- Management of the budget monitoring process
- Setting financial strategies, practices, processes and procedures
- Provision of exchequer functions

2.4. The functions are both lead by appropriately qualified and experienced Accountancy Managers, reporting to a Group Manager (NELC) or Assistant Director of Financial Services (NLC).

2.5. The vision of the Accountancy shared service can be articulated as follows:-

- Operate as an integrated service with standardised systems and processes that utilises best practice across both Councils whilst recognising differing customer needs.
- Operate most of the service as teams shared between both councils only having council specific teams where necessary to meet customer needs
- Operate shared specialist teams so that knowledge and skills can be developed and applied to both councils at a reduced cost
- Utilise a streamlined shared management arrangement to reduce costs whilst maintaining efficiency
- Implement a single shared financial ledger system as soon as practicable
- Support the control and efficient use of financial resources across both councils
- Ensure delivery of the service's statutory functions in support of both Chief Financial Officers
- Support and enable employees, managers and leaders to deliver corporate strategies through robust and effective financial strategies, policies, systems and frameworks that meet the needs of both Councils.
- Operate a single Finance solution centre and self-help tool supporting the needs and demands of both councils
- Develop the wider Financial competence of staff and managers at both councils

2.6. The advantages of the proposed structure identified in the business case are:-

- It would allow staff to operate in one way rather than having to learn and adjust for different processes and procedures
- It would be easier to produce financial information and report on this in a consistent manner
- It would avoid duplication of effort and having to learn things twice
- It facilitates opportunities for shared management

- It would enable the service to operate with a smaller establishment
- Shared expertise and best practice could generate service improvements for both councils and encourage a one-council approach for other services
- It would facilitate a shared servicedesk
- It would increase business resilience
- There would be opportunities for joint training and development
- The structure would deliver systems maintenance and administration savings, in terms of cost and staff resource
- It could facilitate further efficiencies in the services supporting Accountancy. For example, internal audit (and potentially external audit) that would only have to audit one system and set of processes and similarly I.T. support.

2.7. The proposed structure is shown in Appendix A. The shared service would be led by an Accountancy Shared Services Manager, supported by six Strategic Leads each managing a team of staff. These teams would be the Finance Servicedesk, two Business Partnering Teams, a Financial Planning and Treasury team and a Financial Systems and Accounting team. Details of these teams are provided below:-

## **2.8. Accountancy Management Team**

The Accountancy Management Team is made up of seven posts. These are the Accountancy Shared Services Manager and six Strategic Leads each of whom leads a team delivering financial services. These teams are:-

## **2.9. Financial Systems & Accounting**

This team will support both councils and the services it will provide include:-

- Coordination of the closure of accounts process
- Production of the statement of accounts
- Management, maintenance and development of the Accountancy IT systems
- Maintaining, developing and documenting financial procedures
- Responsibility for Financial Governance and main reconciliations

## **2.10. Financial Planning & Treasury**

This team will support both councils and the services it will provide include:-

- Corporate financial planning
- Setting of the Treasury Management Strategy and Treasury Management Practices
- Responsibility for capital accounting and budgeting
- Production and monitoring of prudential indicators
- Management of council cash flows
- Management of both councils investment and loans portfolios

## **2.11. Financial Servicedesk**

This team will support both councils and the services it will provide include:-

- Provision of a financial services helpdesk and self-service function
- Development and management of efficient financial processes
- Prompt payment of creditor invoices
- Collection of sundry debtor income
- Provision of an Accountancy Commercial offer

## **2.12. Financial Business Partnering – North East Lincolnshire**

This team will support North East Lincolnshire Council and the services it will provide include:-

- Provision of financial support to council services including strategic and resource planning
- Forecasting, modelling and scenario building
- Monitoring resource use and managing budget execution in a disciplined way
- Supporting transformation
- Developing organisational financial competence
- Financial innovation

## **2.13. Financial Business Partnering – North Lincolnshire**

This team will support North Lincolnshire Council and the services it will provide include:-

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- Supporting transformation
- Developing organisational financial competence
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2.14. Job descriptions and job profiles have been aligned across both councils. Indicative grades have been used in the costings and it is not envisioned that the result of the formal evaluation will result in higher grades.

2.15. Staff will retain their current terms and conditions.

## **3. OPTIONS FOR CONSIDERATION**

3.1. To approve the structure as set out in this report.

3.2. Not to approve the structure and recommend changes, as appropriate.

## **4. ANALYSIS OF OPTIONS**

4.1. The approval of the proposed structure will allow the implementation of the structure on the 1 April 2016. If the shared service is to deliver the financial saving required in both council's financial plans it must be implemented by this date.

4.2. It will allow recruitment and retention of staff with the appropriate skills, experience and qualifications to deliver high quality financial services to both councils. The structure will also provide greater resilience for the accountancy service than would be the case for two separately provided services.

4.3. If the structure is not approved this will delay the implementation of the Accountancy Shared Service and may mean that the required level of savings in 2016-17 are not achieved.

## **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1. The efficiency savings that this structure will deliver are £275k for North East Lincolnshire Council and £105k for North Lincolnshire Council. To achieve this there will be a reduction in the current overall staffing establishment of approximately 12 FTE. Details of the proposed staffing structure and individual team responsibilities are outlined in the report.

5.2. The service will occupy the office accommodation they currently occupy at the Civic Centre and Hewson House in North Lincolnshire and the Municipal Offices in North East Lincolnshire. How this is utilised will change with shared teams being located at one council wherever possible. Agile working arrangements will operate where appropriate to maintain efficiency and allow services to be delivered to both councils.

5.3. Common ICT facilities and access to systems at all three sites will be required to ensure the service can be delivered efficiently and effectively.

## **6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

6.1. An integrated impact assessment has been undertaken. This did not highlight any major issues.

## **7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

7.1. Consultation has taken place with staff, managers and trade unions. Where possible feedback from these sessions has been incorporated into this report.

7.2. No conflicts of interest have been declared.

## **8. RECOMMENDATIONS**

8.1. That the Accountancy Shared Service Structure as set out in this report is approved, subject to confirmation of the grades as set out in the appendix.

### **REPORT FROM THE SHARED SERVICES BOARD**

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Date: 10 December 2015

**Background Papers used in the preparation of this report –**  
Accountancy Shared Services Business Case

# Appendix A – Accountancy Shared Service Structure



Accountancy Shared Service Manager  
NL Hay 5/NEL Hay 3



Posts 100% North East Lincolnshire

Posts 100% North Lincolnshire

Shared Posts

