

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4700

Author:

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Department:

Finance and Resources

Contact:

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Subject:

Interim Support for the Finance Function

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£917,000 (Type: Revenue)

Decision Being Taken:

To approve an additional gross cost of £917,000, funded by a contribution from the Financial Resilience Reserve, for the appointment of interim cover for vacancies in the Finance establishment, pending a permanent recruitment process.

Reasons for the Decision(s) Section 114(7) of the Local Government Finance Act 1988 requires local authorities in England and Wales to provide their Chief Finance Officers (CFO) with "such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed". The CFO has a responsibility to lead and direct a Finance function that is resourced to be fit for purpose, and must promote financial literacy throughout the Council, including championing training and development of relevant skills at all levels of the organisation. This requires appropriately skilled and qualified finance staff; effective financial systems, processes and training; and support for non-financial managers to be responsible and accountable for the financial performance of the services that they provide. The Finance function must have a firm grasp of the Council's financial position and performance. The CFO must ensure that there is sufficient depth of financial expertise, supported by effective financial systems, to discharge this responsibility and challenge those responsible for the Council's activities to account for their financial performance. The resources available must be proportionate to the complexity of the financial environment.

The CIPFA Financial Management Model is a tool to assess the effectiveness of Financial Management arrangements in public sector organisations. It is structured around three styles of financial management: securing stewardship, supporting performance and enabling transformation. The Finance Service within the Council is currently in a crisis situation and is struggling to deliver even some of the basics of the business-as-usual service adequately. There has been a high level of turnover in recent months and staff morale is very low amongst remaining staff, who are bearing the strain of demanding workloads and are working long hours and unable to take annual leave, which is unsustainable. It is, therefore, not meeting some aspects of the basic statutory financial stewardship requirements. Whilst work is progressing to develop the Finance Improvement Plan and a restructure for Finance for the medium- and long-term, it is essential that management actions are taken immediately to stabilise the Finance Service and address the significant level of vacancies so that an adequate service is restored. In order to create an environment in which Finance Improvement can be planned and delivered, it is also necessary to address skills, knowledge, capability and capacity gaps in the current structure. There are 31 full-time equivalent (FTE) (30%) vacant permanent posts in an establishment of 104 FTE as at 8 July 2022. Of the 31 vacant posts: 6 have been filled as a result of the permanent recruitment process and are awaiting new appointees to take up their role, subject to medical clearance and notice periods; 7 posts have been filled by some form of internal secondment arrangement, with casual staff pool backfill; 3 critical roles have been filled on an interim basis for an initial period pending permanent recruitment; and 15 posts will, critically, need to be filled immediately on an interim basis pending permanent recruitment.

Other Options Considered: To fill the vacant posts without interim support: this option is rejected as permanent replacement has been attempted on a number of occasions and has been unsuccessful. In order to maintain an effective Finance function and fulfil statutory Section 151 duties, interim recruitment is necessary.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests:

None

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: The decision does not represent proposals for a new or changing policy, service or function.

Social Value Considerations:

Not applicable

Relates to staffing:

Yes

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

31/08/2022

Advice Sought:

Legal, Finance, Procurement, Human Resources

Legal Advice:

The proposal to allocate additional funding to cover the cost of interim cover for vacancies raises no significant legal concerns and, on the basis of the rationale outlined, is supported.

Advice provided by Malcolm Townroe (Director for Legal and Governance) on 18/08/2022.

Finance Advice:

This decision seeks approval to procure interim Finance support and resources to address vacancies in the existing finance structure. The value of this decision is £917,000 and is to be funded in full via the Finance Resilience Reserve. A recruitment exercise is running in parallel to secure permanent employed resources across Finance. Posts recruited to as part of this exercise will be at current budgeted levels for the post so the Finance Service is encouraged to proactively seek new permanent appointments for established posts at the earliest opportunity to reduce the cost of interim staff.

Advice provided by Philip Gretton (Finance Analyst) on 22/08/2022.

Procurement Advice:

Procurement will support the Finance team to identify a compliant process to procure the additional resources. Provided this process is followed this raises no significant Procurement concerns.

Advice provided by Steve Oakley (Head of Contracting and Procurement) on 18/08/2022.

HR Advice:

HR is working alongside management to bring together a long-term structure and resourcing plan for the Finance Division. However, as the report highlights, there is a critical need for short-term resources to stabilise the Service following recent resignations and a number of longer-term vacancies. Use of the interim market provides a swifter resolution and helps address some of the key issues identified within the report. A recruitment exercise to secure permanent, employed resources will also be progressed in parallel to ensure there is a longer-term, sustainable structure in place. Agency Worker Regulations require comparable conditions be provided for such workers following 12 weeks' engagement and so costs should be reflective of these conditions where the term indicates engagement of several months.

Advice provided by Paul Slater (HR Business Lead) on 12/08/2022.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)

SIGNED and Dated: 23/08/2022

Clive Heaphy (Interim Corporate Director for Finance & Resources)

SIGNED and Dated: 23/08/2022