

Bolsover District Council

Meeting of Extraordinary Council on 5th September 2023

Creation of a new Senior Accountancy Assistant post

Report of the Portfolio Holder for Resources

Classification	This report is public.
Report By	Director of Finance and Section 151 Officer
Contact Officer	Director of Finance and Section 151 Officer

PURPOSE/SUMMARY OF REPORT

To seek approval to create and fund a new position of Senior Accountancy Assistant – HRA and Capital.

REPORT DETAILS

1. Background

- 1.1 The Accounts and Audit Regulations 2015, require every Council to produce and publish an annual statement of accounts by 31st of May, immediately following the end of the financial year. This deadline is achieved by our finance team liaising with other departments within the Council to prepare the information for the accounts. We work hard to ensure we meet this deadline every year and this is a real measure of the finance team's performance.
- 1.2 There is a further requirement for the accounts to be audited and published by 31st of July of the same year. The finance team provide very detailed working papers to our external auditor Mazars, to try and limit the number of queries raised and therefore shorten the time taken to carry out the audit. Generally speaking, the longer an audit takes, the higher the cost. Unfortunately, because the pension fund audit is done by the County Council auditors not ours, this can cause delays in our auditor signing off the accounts to meet the statutory deadline. This is currently outside of our control.
- 1.3 The Department for Levelling-Up, Housing and Communities (DLUHC) has moved these statutory deadlines around quite a bit in the years since the Covid-19 pandemic started in 2019/20, for a number of reasons. The main reason was to try and ease the pressure put on finance teams as a result of the extra reporting responsibilities caused by government schemes and returns related to the

pandemic and by the increasingly complex accounting requirements for financial reporting.

- 1.4 Below is a table showing the recent history of the statutory deadlines and ours and the auditors performance against the dates:

	Prepared by finance		Audit sign off	
	Deadline	Achieved	Deadline	Achieved
2018/19	31/5/19	17/5/19	31/7/19	31/7/19
2019/20	31/8/20	28/5/20	30/11/20	30/11/20
2020/21	31/7/21	14/6/21	30/9/21	30/9/21
2021/22	31/7/22	27/5/22	30/11/22	28/11/22
2022/23	31/5/23	19/5/23	30/9/23	awaited
2023/24	31/5/24	next year	31/7/24	next year

- 1.5 To put the performance of this Council's finance team into context, for the 2019/20 accounts 45% of Councils in England were signed off by the 30th of November deadline. This reduced to 9% for the 2020/21 accounts and in 2021/22 we were in the 12% of authorities who were signed off by the auditors in time to meet the statutory deadline.
- 1.6 After Sir Tony Redmond's independent review into local financial reporting and audit, DLUHC have acknowledged there is a major problem with audit delays in England. Measures are being worked through with the National Audit Office in consultation with the Chartered Institute of Public Finance and Accountancy (CIPFA), to try to resolve the backlog of local audits and to embed timely audits in the future.
- 1.7 This Council will not currently be affected by these new proposals because we have worked hard at being efficient in our work to ensure internally, we meet the deadline, and we continue to work with our auditors to ensure we meet the audit statutory deadline.
- 1.8 However, throughout the early part of the 2023/24 financial year, the capacity of the finance team has been greatly stretched as we've been heavily involved in setting up the financial arrangements for the Council's wholly owned company, Dragonfly. Staff were still preparing working papers for the external auditors so have had to work over-time to complete the extra work commitments. This was in addition to answering queries from the Council's auditor as well as carrying out year-end processes for Dragonfly and liaising with the external accountants undertaking their audit.
- 1.9 This extra workload meant the Financial Outturn 2022/23 report and the Quarter 1 Budget Monitoring report did not get reported in July as originally intended but will be reported to Members during September. In addition, the team are currently

behind in their preparatory work for the Revised Budget process which starts towards the end of September and this delay is expected to continue into the Medium-Term Financial Plan timetable. Currently, the biggest worry is that by the time work is due to start on year-end for 2023/24 (normally in January straight after the budget process) we may struggle to start this before March. To add to this, a substantial amount of work needs to be done this year before the 31st of March to prepare Group Accounts for the first time, now we are classed as having a subsidiary.

- 1.10 We are hoping to have the position filled by early November to enable us to get the new person familiar with our working practices and increasing capacity straight away. Should we fail to attract a suitable candidate we may need to make use of a recruitment agency while we consider our options.

2. Details of Proposal or Information

- 2.1 The finance team currently consists of 6 full-time, permanent staff and 2 full-time apprentices on fixed-term contracts. Historically there have been more staff in the team but as with other services within the Council, reductions have been made in the interest of efficiency where staff have left and not been replaced.
- 2.2 Unfortunately, the extra burdens placed on the finance team due mainly to the new company, mean we have no choice but to propose an increase in the permanent staff to 7 full-time officers. **Appendix 1** attached shows the proposed structure with the proposed new post highlighted.
- 2.3 It is expected that the duties of the new post will mirror those of the Senior Accountancy Assistant – General Fund but on the HRA and capital programme and on that basis, human resources are satisfied that the job doesn't need to be separately job evaluated and can be the same grade.
- 2.4 It is therefore proposed that the post will be a grade 7 post, full-time and permanent within Financial Services. The cost to the Council at the bottom of the grade will be £40,487 rising to £44,117 at the top, both of these amounts are subject to the settlement of the 2023/24 Local Government pay award.

3. Reasons for Recommendation

- 3.1 If approval for this new post is not received it is the Section 151 Officer's view that the current excellent performance of the finance team will be difficult to maintain. If statutory deadlines started to be missed this could result in reputational damage for the Council. It could lead to unacceptable workloads for staff, leading to stress and potentially lost sick days. It may cause staff to look for employment elsewhere.
- 3.2 It is in the interests of the Council to ensure it has a properly resourced finance team to allow the provision of essential services to Members and other departments of the Council, as well as its wholly owned company.

4 Alternative Options and Reasons for Rejection

4.1 There are alternatives which could be considered

- Do nothing – this could eventually lead to missed statutory deadlines causing reputational damage to the Council. This will probably also lead to an unacceptable workload for staff, potentially leading to stress and lost work days
- Outsource – there are no small, isolated bits of work that this could apply to, the duties of the finance team are all interrelated so it would have to be the whole team outsourced which is not an acceptable alternative.
- Use agency staff – this would be expensive to fund in the long-term and skills would be lost as temporary contracts were completed and the agency staff left.

RECOMMENDATION(S)

1. That Members approve the creation of a new Senior Accountancy Assistant – HRA and Capital post permanently on the establishment.
2. That the cost of the new Senior Accountancy Assistant – HRA and Capital post, be added to the Medium-Term Financial Plan as a General Fund cost.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Resources

IMPLICATIONS.

Finance and Risk: Yes No

Details:

Financial implications are covered throughout this report but the cost of this post to the Council is £40,487 at the bottom of the grade, rising to £44,117 at the top of the grade, per annum. This is subject to the 2023/24 Local Government pay award.

There will be a charge to Dragonfly Developments for the services provided by the Council under the Service Level Agreements, this figure has not yet been finalised but it will help mitigate this new cost.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

Section 151 of the Local Government Act 1972 requires that “every local authority shall make arrangements for the proper administration of their financial affairs” this includes ensuring the Section 151 Officer has a finance function that is resourced to be fit for purpose.

The Accounts and Audit Regulations require the Council to produce, publish and have audited the statement of accounts by statutory deadlines.

The Local Government Act 1992 require that billing authorities complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report.

Staffing: Yes No

Details:

The Council’s policies and procedures will be followed for recruitment to this post.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	No

District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details: Portfolio Holder for Resources

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	Title
1	Proposed Structure of Financial Services

Background Papers
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>
None