

URGENT ACTION 06-10 - SERVICE REVIEWS ACCOUNTANCY SUPPORT

EXECUTIVE MEMBER: Councillor E Woodburn
LEAD OFFICER: Brian Dinsdale – Interim Chief executive
REPORT AUTHOR: Keith Parker – Acting Corporate Director

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

The Urgent Action taken ensures the Council has the capacity in place to conclude its year end closure processes, which if not carried out effectively could incur additional audit fees at taxpayer's expense. It also ensures the Council has skills available to support the services reviews essential for creating a sustainable budget into future years.

WHY HAS THIS REPORT COME TO THE EXECUTIVE? (eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

It is a requirement of the Council's Constitution that Urgent Actions are reported to the next available Executive meeting.

RECOMMENDATION:

That Executive note the Urgent Action taken to procure additional accountancy support and the sources of funding to be utilised.

1. INTRODUCTION

- 1.1 Shortly after the Head of Finance and Management Information Systems left the Council's employment it became apparent the interim working arrangements put in place were insufficiently robust to manage the year end closure processes and to underpin the Service Reviews required to support a sustainable budget following the anticipated spending constraints to be imposed on local government post the General election. It should be noted the requirements of new accounting procedures and uncertainties over the interpretation of untested accountancy policies make this years processes particularly challenging. At the same time the need to commence the very urgent work on Service Reviews within

departments means that it would have been impractical to wait until year end closure was complete before commencing these.

- 1.2 In order to expedite matters the Acting Corporate Director sought to secure additional accountancy support from a number of sources, as a matter of urgency. In the event a combination of resources from Carlisle City Council and a highly regarded freelance interim were obtained in mid May.
- 1.3 Due to the criticality of the year end closure processes to the effective running of the Council time did not permit adherence to normal contract procurement timescales and the Council's Urgent Action rules were used as the only viable alternative.

2. ARGUMENT

- 2.1 Had this Urgent Action not been taken year end closure arrangements would have been impaired, the accounts qualified and its Use of Resources assessment and reputation damaged. Equally Service Reviews would not be supported adequately and the Council may fail to meet its savings targets.

3. OPTIONS TO BE CONSIDERED

- 3.1 The 'do nothing' option was not considered to be a viable alternative to the action taken.

4. CONCLUSIONS

- 4.1 Members are asked to note the action taken to secure satisfactory accountancy support for the Council's immediate needs.

5. WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

- 5.1 There are no major legal or HR implications of this report. Costs of the support are estimated to be in the order of £23-26,000 with the majority of the finance being released from the North West Improvement and Efficiency Partnership funded Choosing to Change Programme with the balance being funded by the vacancy management savings from the former Head of Services's post. This matter was reported to the Choosing to Change Board on 18 May.

6. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 6.1 There are no particular additional project management issues arising from these arrangements although the Interim Chief Executive and Acting Corporate Director are guiding the work of the Interim Accountant.
- 6.2 By putting these arrangements in place risks to the Council's performance and reputation have been minimised.

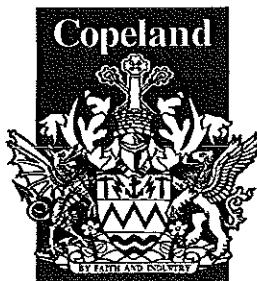
7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 Service Reviews will be supported and therefore the Council's budget requirements met and capacity is gained to ensure the year end closure of accounts processes are concluded and the accounts signed off.

List of Appendices

Appendix A - <Appendix Title>
Appendix B - <Appendix Title>

List of Background Documents:



Ref Number	Date Issued	Officer/Dept	Rec'd by Secretariat	Reported to the Executive
06-10	11 May 2010	K Parker	11/5/10	29/6/10

Prior to processing this form it must be referenced by the Secretariat

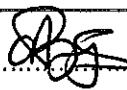
REQUEST FOR AGREEMENT TO URGENT ACTION UNDER EXECUTIVE PROCEDURE RULES

STAGE A

Portfolio: Leader	Originating Officer: Brian Dinsdale/Keith Parker
Date of next Executive meeting: 29 June	
Action proposed: <p>To waive Contract Standing Order 5.5 & 8 requiring three prices to be obtained following a formal tender process, on the basis of urgency.</p> <p>To put in place additional support arrangements for the Council's finance team to ensure a) Year End closure processes are carried out effectively and to commence preparatory systems work for the 2011/12 budget b) capacity is in place to support the Service Review process as a business critical activity to consolidate the Council's financial position and the requirements of the revised medium term revenue budget, considered by Resource Planning Working Group on 8 April. This cannot be performed internally without adversely affecting the accounts closure programme</p>	
Financial/Resource Implications: <ul style="list-style-type: none"> a) Support from Carlisle City Council finance team for 2 days a week for 8 weeks, at cost, estimated at £5,000..... b) Additional interim qualified accountancy support to the end of August, estimated at £23,000. - £26,000 <p>It is proposed the estimated £28,000 - £31,000 be met by a combination of the Choosing to Change budget earmarked to support service reviews and vacancy management savings from the Head of Finance and Management Information Systems post remaining unfilled</p>	
Reason(s) for urgency: <p>Following the departure of the Council's Head of Finance and Management Information Systems in April it has become clear the interim arrangements put in place must be strengthened to ensure the Council's Year End Closure Processes are safe and secure. Working to the statutory deadline of 30 June there is insufficient time to allow for advertisements to be placed, tenders received and evaluated and decisions confirmed as would be required from strict compliance with Contract Standing Orders.</p>	
Implications of not taking action before next Executive: <p>Year end closure arrangements are impaired and the Council's accounts are qualified, affecting its use of resources score and damaging its reputation. Service reviews are not supported adequately and the Council fails to meet its savings targets.</p>	

Comments of Head of Legal & Democratic Services on grounds of urgency::

Imparative that statutory deadline of 30/06/10 is met. If date not met additional audit fees will be incurred.

Certified and Agreed as Urgent: Signed: 

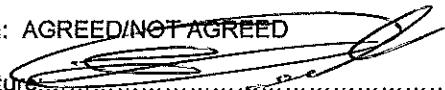
Dated: 11/05/10

STAGE B

Ref No

Portfolio Holder

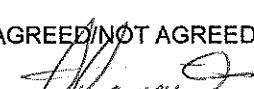
Comments on action proposed:

Action: AGREED/NOT AGREED 

Signature..... Dated:.... 11/05/10

Overview and Scrutiny Chair

Comments on action proposed:

Action: AGREED/NOT AGREED 

Signature..... Dated:.... 11/05/10

Head of Finance and Management Information Systems

Comments on action proposed:

Action: AGREED/NOT AGREED 

Signature:.... Am..... Dated:.... 11/05/10

Head of Legal and Democratic Services (Monitoring Officer)

Comments on action proposed:

Action: AGREED/NOT AGREED 

Signature:....  Dated:.... 11/05/10

Other Consultees (State Name)

Comments on action proposed:

Action: AGREED/NOT AGREED

Signature:..... Dated:.....

STAGE C

Ref No

To be completed by Originating Officer

I certify that Stages A and B of this procedure have been completed and the Urgent Action proposed will be implemented on or after the date of this certification

Signature:..... Dated:..... 11/5/10