

 Employment Committee 20 March 2019		Agenda Item No. 5
Title	Project Accountant	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4/3/2019	Andrew Jones
Head of Service	4/3/2019	Mike Snow
CMT	4/3/2019	
Section 151 Officer	4/3/2019	Mike Snow
Monitoring Officer	4/3/2019	Andrew Jones
Human Resources	4/3/2019	Sue Firminger
Portfolio Holder(s)	4/3/2019	Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report proposes the creation of a Project Accountant post for a period of three years to provide financial and accountancy support for some of the major projects that the Council currently has in progress, and has planned for the medium term.

2. **Recommendation**

- 2.1 That the Employment Committee agrees to the establishment of a Project Accountant for a three year period.

3. **Reasons for the Recommendation**

- 3.1 Members will be aware of the many large and significant projects that are currently being worked upon. These include the following:-
- Office Re-location and Covent Garden Redevelopment.
 - Car Parking Displacement – Leamington and Warwick
 - Europa Way and Community Stadium
 - Kenilworth School and associated developments
 - Leisure Development Phase 2
 - Tachbrook Community Park
 - Commonwealth Games
- 3.2 The Head of Finance and Accountancy Team have endeavoured to support these projects with the existing staff resources. However, the support available has been limited due to the turnover within the team. In addition, members will be aware of the delays and problems encountered in closing the 2017/18 accounts. As a consequence of this, the main concentration of the Accountancy Team currently is preparing for the 2018/19 closure of accounts and subsequent audit.
- 3.3 The problems with the closure of the 2017/18 Accounts have highlighted how much more complicated and time consuming this has become in recent years. The date has been brought forward for the completion of the draft accounts from 30 June to 31 May, and for audited accounts from 30 September to 31 July. However, to enable this to be done, far more planning for closedown is required in advance. In addition, more work is now required to be undertaken prior to the year end. The accounts each year are increasingly complicated. New requirements are included each year in the Code of Recommended Practice that is issued by CIPFA, compliance against which the Council is judged by the auditors. For 2018/19 new requirements relating to Revenue from Contracts with Customers and Financial Instruments have been introduced.
- 3.4 The current and planned significant projects require more dedicated accountancy support. Whilst the Team do input to the projects, they do not have the capacity to input the time that is required. It is important that projects are properly resourced, with project teams of the right experience and qualifications. To continue to seek to resource projects without adequate resources, increases the risk to projects.

- 3.5 It is therefore proposed to establish the post of Project Accountant for a three year period. This post should help to support some of the key projects. This will help to ensure that projects are properly resourced and receive the right Accountancy/Finance input. It should also help to reduce the draw on the current Accountancy Team to provide support to all projects. It is unrealistic to expect such a post holder to have the capacity to support all these projects. The Accountancy Team will still need to support some projects.
- 3.6 The specific input to project from a Project Accountant will vary for each project. However, the remit is likely to include working upon:-
- Feasibility study
 - Business Case
 - Cashflow forecasting and monitoring
 - Financial due diligence
 - Monitoring progress of projects
 - Investigating variances of project costs
 - Producing project accounts and reports
- 3.8 Given the length of time many of the key projects are expected to take, a three year post is proposed. Within this time, the Accountancy Team should become more established, with the new members of the team abler to support the strategic projects.
- 3.9 Within the Final Accounts Action plan being reported regularly to Members and CMT, there is the requirement to "To review the Council's organisational arrangements for strategic finance and report to Executive and Employment Committee". The creation of the post of Project Accountant will help to address this and provide strategic finance support.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local

Cohesive and active communities	Improved air quality Low levels of crime and ASB	economy Increased employment and income levels
Impacts of Proposal		
The proposal should help to ensure all projects relating to all FFF strands receive appropriate accountancy and finance input.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The proposal should help to ensure all projects relating to all FFF strands receive appropriate accountancy and finance input.		

4.2 **Supporting Strategies**

The proposal should help to ensure the Council is able to meet the relevant strategies.

4.3 **Changes to Existing Policies**

No changes to existing policies are proposed.

4.4 **Impact Assessments**

Not applicable.

5. **Budgetary Framework**

- 5.1 This can be funded from the Service Transformation Reserve, for which the Chief Executive has delegated authority.

6. **Risks**

- 6.1 The many projects, currently underway and proposed, can have significant financial implications. These may include investment of many millions of pounds. It is important that the financial risks for all projects are fully explored and understood, with appropriate mitigations in place. Not to provide full accountancy/finance input to these projects means that risks may be overlooked and members do not receive the full details on which they are being asked to make decisions.

- 6.2 With the current resources within Finance, the Accountants are struggling to balance many aspects of their work, including the strategic projects. Aside from this being a risk to the projects, it also presents a risk to other aspects of the Accountants' work, including closure of accounts and budget setting. If mistakes are made to any of these aspects, there is full likelihood of damage to the authority in terms of costs and reputation.

7. Alternative Option(s) considered

- 7.1 The Council could choose not to agree to the proposed Project Accountant post. This will leave projects continuing to not receive the full financial input that is required and exposed to the risks discussed in Section 6.