

COMMITTEE: Administration & Regulation

DATE: 17th July 2019

SUBJECT: Catering and Finance Organisational Assessment

REPORT BY: Atika Chowdhury

CONTACT OFFICER: Donna Obembe

IMPLICATIONS:

LEGAL X

EQUALITIES X

FINANCIAL X

STAFFING X

WARDS AFFECTED: NONE

PURPOSE

1. This report seeks the approval of the Administration & Regulation Committee to implement the proposals to make changes to the Accounts Payable Team in the Customer & Commercial Directorate Finance and Catering Services in the People Directorate.

RECOMMENDATION

2. **Administration & Regulation Committee is recommended to approve the outcomes of the Organisational Change Assessment (OCA) outlined in this report.**

BACKGROUND

3. Supplier invoices for Catering Services are currently processed manually within the service by an L3 Admin Assistant. This volume of work represents approximately 70% of the job role in question.

4. The current IT provider for the Council's accounts payable software, CIVICA financials, is moving to a web based product with the next upgrade of the software. This will have significant implications for the current catering services method of paying invoices as the web based system will not support the current process of inputting invoices manually. The system requires all invoices to be scanned via an intelligent scanner; therefore, for catering to still process their invoices directly they would need to invest in a scanner, a dedicated desktop computer and training as they would no longer be able to input the invoices.
5. A recent internal audit report identified that catering are the only area outside of accounts payable that have direct access to input their own invoices for payment. The report identified that this created a level of risk. The risk would be increased via scanning as the catering employee would be able to release the batches scanned without AP input; this would mean that the required corporate controls such as checking and validating VAT may not be undertaken correctly.
6. Therefore, the proposal is to align all payments through accounts payable. This will allow all catering invoices to be processed by Accounts Payable and to be scanned on to the system for payment, as is the case for all other invoices paid by Luton Council. This will ensure for the first time that all invoices across the Council are processed through the Accounts Payable team.
7. This will also ensure compliance with audit directions and improve the accuracy of the information. It should also help to minimize the risk in terms of incorrect VAT treatment and also reduce the risk of invoices being paid late.
8. In order to facilitate this additional work, Accounts Payable will require an additional full time generic Accounts Payable Officer (L4).

REPORT

9. The proposal consulted on was to delete the existing Administration Assistant L3 post within the Catering team and transfer and move this work, which will then be undertaken by an additional Accounts Payable Officer L4, within the Payments team in Corporate Finance.
10. The consultation was undertaken during the period 13th June through to 11th July 2019, with the staff outlined below.

Post title	Grade	FTE	Headcount	Vacant
Administration Assistant, Catering	L3	1.00	1.00	0
Total		1.00	1.00	0

PROPOSAL / OPTION

11. The proposal is to delete the existing Administration Assistant L3 post within the Catering team and transfer and move this work, which will then be undertaken by an additional Accounts Payable Officer L4, within the Payments team in Corporate Finance, Customer & Commercial, who are based in Apex House. This will allow

greater flexibility and provide appropriate cover as this work will be undertaken in a different way going forward.

12. The employee directly affected will have a Ring-Fenced interview for the L4 Accounts Payable Officer post and be interviewed against the Critical criteria only. If successful the employee will be subject to a 4-week trial or if they were unsuccessful the employee would be at risk of redundancy, but would be placed on the Council's Redeployment list for the duration of their notice period.

Post to be Deleted				
Post title	Grade	FTE	Headcount	Vacant
Administration Assistant, Catering	L3	1.00	1.00	0
Total		1.00	1.00	0

Posts to be created		
Post title	Grade	FTE
Accounts Payable Officer	L4	1.00
Total		1.00

13. The post needs to be office based as they need access to a printer, to the intelligent scanner, and the post. The Accounts Payable team also administer the Council's petty cash and the employee will therefore also have access to the safe as they will be jointly responsible for the council's petty cash.

EQUALITIES IMPLICATIONS / INTEGRATED IMPACT ASSESSMENT

14. Due to one employee being affected and to protect individual confidentiality an Integrated Impact Assessment has not been attached to this report.
15. Any reasonable adjustments under the Equality Act 2010 will be applied.
16. This report has been cleared by Maureen Drummond, Cohesion and Equalities Adviser on Tuesday 2 July 2019

STAFFING / HR IMPLICATIONS

17. There is 1 employee affected, the consultation commenced on Thursday 13th June 2019 which followed the joint TU/Management meeting on Wednesday 12th June 2019. The employee will be ring fenced for interview for the L4 Accounts Payable officer post. If successful the employee will be subject to a 4-week trial or if they are unsuccessful, the employee would be at risk of redundancy, but would be placed on the Council's redeployment list for the duration of their notice period where suitable alternative employment elsewhere in the Council will be sought.
18. A formal consultation one to one meeting was held with the affected employee on 21st June 2019, with management from both Catering and Finance and a Trade Union representative in attendance. The proposal was explained and understood by the employee and no changes to the proposal have been put forward.

19. This report has been cleared by Angela Claridge, Service Director of HR Monitoring Officer on Tuesday 2 July 2019

FINANCIAL IMPLICATIONS

20. As follows:

Post being deleted	Grade	Cost
Administration Assistant, Catering	L3	24,957
Post being Created		
Accounts Payable Officer	L4	25,480
Additional costs		523

21. The additional cost will be contained within the overall budget of the finance service.
22. There is a risk of redundancy if the affected employee is unsuccessful at interview for the new Accounts Payable Officer post, or do not find alternative suitable employment through redeployment. Any redundancy cost would be a one-off cost to the Council
23. This report has been cleared by Dev Gopal, Service Director of Finance on Tuesday 2 July 2019

LEGAL IMPLICATIONS

24. Consultation has been carried out in line with corporate guidelines for organisational change assessment procedures. There is the risk of one redundancy which may result in an internal appeal to officers and the Council may also need to deal with any potential Employment Tribunal proceedings.
25. This report has been cleared by Jasbir Josen, Senior Solicitor in Legal Services on Tuesday 2 July 2019

APPENDIX

Appendix 1 – OCA

LIST OF BACKGROUND PAPERS

LOCAL GOVERNMENT ACT 1972, SECTION 100D

None.