

Audit and Risk Committee – for assurance

Meeting agenda title: Finance Target Operating Model (TOM) Update

Meeting date: 17 October 2024

Time required: 10 minutes

Presenter: Sean Clayton

Approved by: Jen Green

1. Objective and recommendation

- 1.1. The objective of this report is to give the Audit and Risk Committee (ARC) assurance on the development and implementation of the Finance TOM.

2. Developing a common understanding

- 2.1. Since early 2022 there has been a turnover rate of over 30% within the Finance team as a whole, with a lack of stability in the Head of Finance role since July 2023 being a particular issue.
- 2.2. Feedback was gathered through exit interviews, customer feedback surveys and from colleagues within the team directly and this highlighted areas where the team needed to be strengthened to provide improved resilience and support to the Head of Finance, Director of Finance and the wider business.
- 2.3. The Director of Finance updated the ARC in June that work had been completed to develop a new Finance TOM to strengthen the Finance function. This report provides an update on the progress regarding the implementation of the TOM.

3. Matters to consider to achieve objective

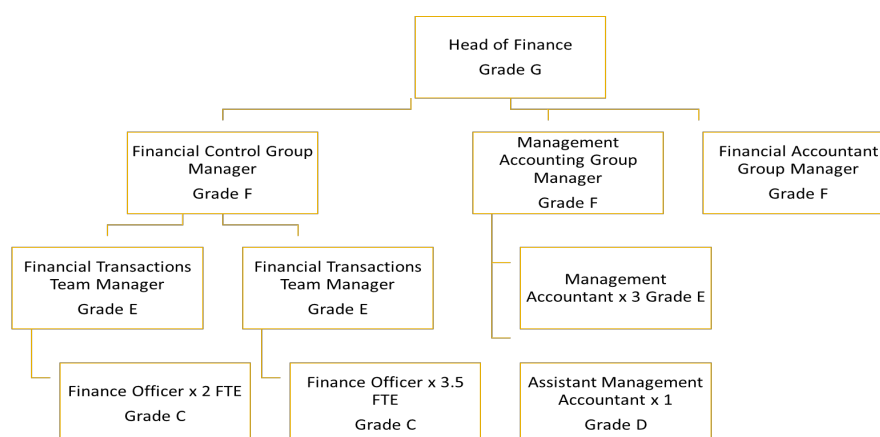
- 3.1. There are numerous elements to implementing the Finance TOM and each will be discussed in more detail below:
 - Team Structure – Capacity and Capability
 - Systems and Processes
 - Effective ways of working

Team Structure – Capacity and Capability

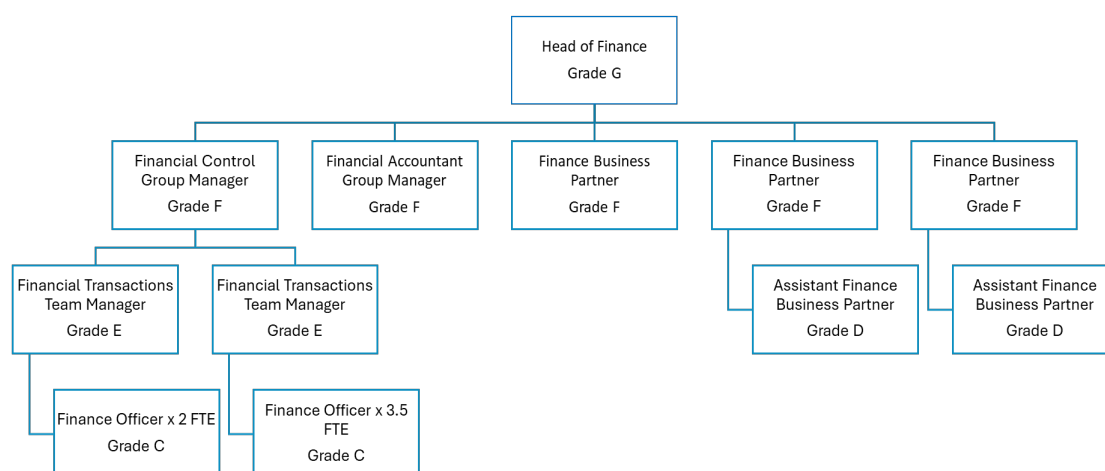
- 3.2. A change in the Finance structure was approved to provide greater support to the Head of Finance. This was actioned by

disestablishing the Management Accounting function and creating a strengthened Finance Business Partnering function. This change addresses feedback from the business about a perceived lack of challenge on financial forecasts from the Management Accounting function, and a lack of business understanding and support for problem solving. The Finance Business Partnering function will also provide greater support and resilience to the Head of Finance by providing more robust financial performance information and insights and supporting longer term financial planning.

- 3.3. The change brings the Finance function in line with other corporate services functions who already have business partners in place such as People Services, IT and Communications.
- 3.4. The Finance structure prior to the changes is shown in the chart below:



- 3.5. The revised Finance structure is shown in the chart below:



- 3.8. This revised structure was implemented in September following a period of consultation. We have also successfully recruited to most

of the roles in the structure, with a new permanent Head of Finance and Financial Accountant Group Manager both joining early September, and two new Finance Business Partners due to join early November. The final position to be filled is the maternity cover for one of the Assistant Finance Business Partners, and we expect to fill this during October.

Systems and Processes

- 3.9. Across the prior two financial years, the Finance team have been working on implementing and then fully embedding Workday our new ERP system. There were a number of challenges and lessons learned from this project which affected our resilience and capacity last financial year.
- 3.10. 2024/25 is a welcome year of stability from a systems perspective. The Finance team are continuing to make enhancements on a continual improvements basis to ensure that the system operates in the most effective way to support our work but this is far less resource intensive than it has been over the past two years ensuring we have our resources focussed on our core work.
- 3.11. This year the Finance team are working on developing fully documented processes, linking these to the government functional standards and including a full refresh to the Finance manual.
- 3.12. All of this work, both that completed and that in progress, will help to build greater resilience in the team for the future.

Effective Ways of Working

- 3.13. Now that we have the new Finance structure in place we will be embarking on a series of team building and management development events targeted at making improvements to decision making, accountability and empowerment, and effective cross team working.
- 3.14. Once we have the new Finance Business Partners in post from early November, we will be working to fully establish this new team and new ways of working, ensuring that we achieve improved performance and fully meet the business requirements. We will be conducting another stakeholder survey next financial year to measure the success of this.
- 3.15. We also have the valuable results from the ICO's recent people survey. These results confirm the priority areas we had identified for improvement as noted above. We will also focus on building a

Learning and Development culture where we can improve succession planning and work to improve the teams Psychological Safety in addition.

- 3.16. We have engaged our Learning and Development team and People Business Partner and are planning a series of workshops across the second half of the financial year to start working through these areas both as a whole team, and with targeted sessions for people managers.
- 3.17. These actions will strengthen the teams ways of working, build a more effective and resilient team, and ensure that we take action from the people survey.
- 3.18. We will also continue to keep the structure and capacity of the Finance team under review. This will ensure that we are able to propose changes if needed to ensure that the team has the right capacity and capability for ongoing success.

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Consultees: Sean Clayton, Head of Finance

List of Annexes: None

Publication decision: Report can be published internally and externally without redaction.