

# Lambeth Finance Training Curriculum

## Introduction

Maltway are proud to have worked in partnership with The London Borough of Lambeth (“Lambeth”) to develop and deliver its Finance Training Curriculum. This article describes in detail the nature of the training provided. It is taken from our partnership submission to the 2005 National Training Awards.

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## The Organisation

The London Borough of Lambeth (“Lambeth”) provides services in one of the most vibrant and diverse London boroughs which includes Brixton, Streatham and Norwood.

Lambeth is the largest inner London borough with a population of around 260,000 of which 34% are from ethnic minorities - the seventh highest figure for a London borough. With the fifth highest population density in the country, Lambeth has been one of the most problematic authorities in the UK. Exceptional problems relating to crime, income deprivation and unemployment afflict the borough, whose residents have divergent needs and expectations.

As a local authority, it employs 3898 staff across seven directorates and spends in excess of £1billion annually serving the local community.

**maltway** is a bespoke training consultancy, employing five full-time staff and a network of some 20 associates. It specialises in finance training and management development and has many years of experience in providing high quality training and HR solutions to the public and private sectors.

## Organisation and community needs

Previously, Lambeth was in financial difficulty. It had a significant deficit on its general fund and a long history of financial mismanagement including large overspends on its budget. Consequently, the Office of the Deputy Prime Minister was closely monitoring performance and the Audit Commission had issued it with the lowest Comprehensive Performance Assessment (CPA) rating possible.

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“The 2002/03 budget did not make for happy reading. The borough had failed to provide for £21m of bad debt, street lighting and CCTV cameras were underfunded, and nothing had been done to replace the pension fund hole created by the council taking an eight-year pension holiday from 1986. In addition, a general fund deficit of £28m was reflected in the 2001/02 accounts, along with long-term debt of £850m. The qualified accounts included seven s11s, expressions of serious district audit concern.” (*Accountancy Age, Dec 2003*)

Linked to this, Lambeth experienced high staff turnover and staff lacked skills and knowledge in key areas of financial management. There had been an absence of structured financial training for its finance community and as such development of finance staff was identified as a key priority in the Lambeth recovery plan.

It was against this backdrop that **maltway** worked with the head of training for Finance at Lambeth to develop a comprehensive Finance Training Curriculum (“FTC”), covering all aspects of the finance role.

The aims of the FTC were to see a boost in staff performance and morale, alongside a linked improvement in financial performance. The proof would be a change in Lambeth’s financial position and its CPA rating.

The top ten objectives for finance for 2004/05 were as follows:

<b>Financial management</b>	
1.	Delivering budget savings and increasing our reserve
2.	Embedding and sustaining financial management and improving capital scheme delivery
3.	Developing a strategic and sustainable financial regime for the council
<b>Financial systems</b>	
4.	Implementing interfaces between financial systems
5.	Developing better controls and levels of security
<b>Improving income collection</b>	
6.	Improving council tax and business rates collection
7.	Improving sundry debt collection

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### Improving leadership and culture

8. Ensuring equalities is at the heart of our service delivery
9. Investing in training and communications
10. Retaining our Investors in People status

The organisational aspirations for all these objectives included a significant change in behaviour and attitudes towards learning – not just the acquisition of new knowledge and skills but also their application with commitment and enthusiasm into the workplace. Ultimately Lambeth residents will benefit from a better-managed borough with skilled, motivated and enthusiastic staff managing its financial resources.

### Required learner performance

The target audience for the FTC is Lambeth's finance community, more than 700 staff – this includes both finance technicians and accountants, and reaches others with financial accountability (e.g. business unit managers) and responsibility (e.g. those who use Lambeth's finance system, to process transactions).

Three broad areas of subject matter focus were identified as:

- Finance monitoring,
- Financial systems and controls and
- Finances and financial tools.

The initial 14 programmes (now 16) were categorised accordingly and detailed objectives were developed for each event (see Section 4).

Underpinning the curriculum was a desire for participants, as a result of training, to be able to demonstrate:

- A solid understanding their role and the impact of their actions on Lambeth's financial performance and its ability to provide services to the community
- Applying the learning and using their knowledge of the wider impact of their role to improve the way they worked with each other
- Application of Lambeth financial procedures and best practice guidance, where appropriate, after training had taken place

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- Commitment to their own ongoing learning and development

### Learning design

Our first stage of developing the curriculum was to establish the high level content through discussions with key stakeholders. We did this using a range of inputs, principally:

- Experience of past finance training at Lambeth and elsewhere
- Past needs analysis work
- Detailed discussions with the Lambeth Finance training team
- One-to-one meetings to validate and develop initial suggestions
- Presentations and discussion with the Lambeth Finance Strategy Board (“FSB”).

For each programme we followed a similar design process:

- **High level design** (“HLD”) – i.e. specific course aim and high-level objectives identified through the initial training needs assessment work (described above). Objectives related to knowledge, skills and attitude, dependent on the specific issues to be addressed by the training and these provided a means to evaluate the target audience’s learning.
- **Sponsor validation** - the HLD was critically reviewed to ensure it met business and training objectives by a course sponsor (usually a senior manager from the Finance team).
- **Detailed design** – details by session the objectives, methods/activities and key learning points for each individual event.
- **Training development** – after further sponsor review, detailed trainer and participant materials are developed.

The FTC is structured around developing knowledge, skills and attitude at three levels:

1. **Induction** – essential training for new joiners or existing employees moving roles (e.g. new joiners with no public sector accounting experience are encouraged to attend a ½-day course, “*Finance in local authorities*”, which uses a highly interactive board game to achieve its objectives);
2. **Technical development** – develops skills in core areas of technical finance competence (e.g. Lambeth’s procedures for accounts closure in a 1-day event “*Closing accounts*”);
3. **Specialist areas** – develops specialist skills to meet specific business unit needs (e.g.

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those with credit management responsibility attend the 1-day workshop “*Managing and improving credit control*” (MICC)).

The learning activities are classroom-based reflecting both learner preferences and difficulties using e-learning due to constraints in the IT infrastructure and consequent cost implications.

All the events are designed to be highly interactive – and different from previous experiences, if any, of Lambeth finance training. This was a key requirement because:

1. The nature of the subject matter required engaging activities for participants to maintain interest and enthusiasm; and
2. Training attendance is purely voluntary. Previous finance training demonstrated poor take-up and punctuality and over 20% “no shows”. We had to develop training that would be useful, engaging and make participants come back!

Consequently, our methods include:

- Role play (e.g. simulating staff meetings with Lambeth auditors),
- Facilitated case studies and discussions,
- Board game to facilitate understanding local authority accounting
- Numerous quizzes/energiser activities.

The rollout of the FTC was accompanied by an internal communications and marketing strategy, incorporating professionally designed branding – the training required a strong image and it was vital that it be seen to be professional, in line with the other initiatives taking place internally.

Learning assessment during training was a key feature of the design process. Within sessions and as summary activities, we used open, non-threatening exercises (e.g. quizzes and recap activities) to assess learning. Formal assessment was discounted because of the conflict with Lambeth’s culture.

A key resource requirement was for excellent finance trainers with a local authority background and preferably Lambeth experience. Access to training equipment and venues was available through the existing resources within Lambeth.

### Learning delivery

In the year to 31 March 2005, 652 participants undertook learning as part of the FTC, with 52

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training events delivered.

Our course feedback specifically measures personal learning objectives, course content, trainer skills and application to future work. To summarise (scale 1 = v.poor, 4 = v.good):

- Achievement of personal learning objectives - 85%
- Satisfaction with course content (structure, relevancy, value to work) – 3.5
- Trainer skills – 3.6

Our target is 2.75 for new programmes and the scores reflect the undoubted success of the programme in the eyes of participants.

After a slow start, the FTC rollout was very successful in terms of both participant feedback and continued booking levels. Participation and engagement with the target audience improved significantly once positive feedback was shared around the target group and also as a result of communication and marketing efforts.

Sponsor involvement had a direct impact on both the impact of delivery (e.g. opening and closing events) and also the effectiveness of targeting specific staff.

The original designs have proved robust although we have continuously improved them based on constructive feedback. We have developed new courses in response to needs and have had to run significantly more courses than originally anticipated to keep pace with demand.

### Achieved learner performance

We surveyed various stakeholder groups (including course sponsors, staff attending at least four FTC programmes and members of FSB) and there is strong evidence to support the positive impact of training on learner performance. This is consistent with anecdotal feedback received throughout the year.

Required behaviours / competence	Evidence supporting change
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Required behaviours / competence	Evidence supporting change
Applying the learning and using their knowledge of the wider impact of their role to improve the way they worked	<ul style="list-style-type: none"> <li>• “The <i>Budgeting basics</i> course was identified as critical, since we were implementing a new budget process. .... All the participants have applied the learning to their jobs by taking part in the budget process, and it has encouraged them to think more critically about other areas of their work.” Conrad Hall, revenue and grants manager, <i>Budgeting basics</i> course sponsor.</li> <li>• Participants attending <i>MICC</i> have applied the learning by “ensuring that bona fide invoices are dispatched – this cuts down on disputes and leaves the customer with no reasons not to pay. There is more use of proactive and reactive telephone calls to our high risk customers” Richard Hay, credit manager and course sponsor.</li> <li>• All staff surveyed responded that they had been able to apply the learning to their role</li> </ul>
Application of Lambeth financial procedures and best practice guidance	<ul style="list-style-type: none"> <li>• Improved understanding of procedures was the third most widely quoted way in which participants applied their learning</li> <li>• “<i>Effective budget monitoring</i>...outlined a structured approach .. essential as this is the purpose of my work” Paula Garraway, participant.</li> </ul>
Commitment to learning and development	<ul style="list-style-type: none"> <li>• Repeat bookings of participants (over 30 staff members have attended four or more of the curriculum programmes during the year).</li> </ul>

### Benefits for the organisation and the community

“In the last two years, Lambeth has made an enormous financial turnaround, and our accounts for 2003/04 were unqualified by the District Auditor for the first time in decades. Our training programme has made a valuable contribution to this.” Jonathan Williams, FTC and course sponsor.

“The finance department has balanced the budget and linked financial resources to reflect the council's priorities. This has been achieved through a cooperative approach that involved departmental managers, members and finance staff working together” *Accountancy Age*

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(AA11/11/04).

Lambeth has also successfully moved up one CPA category as a result of its 2004 inspection.

Objective	Training's contribution
<b>Financial management</b>	<ul style="list-style-type: none"> <li>• The new budget setting process in 2004/05 has been successfully implemented. "The training has made a major contribution. Everyone across the council has understood the whole process much better. You don't get good outcomes just by teaching people to tick boxes in their own field of expertise – they have to understand the overall objectives and process so they can contribute in a more positive and creative way.....The budgeting process has been much tighter. Targets have been met, enabling the council to meet its overall expenditure and taxation objectives." Conrad Hall.</li> <li>• Lambeth met statutory deadlines for financial reporting for the first time in a number of years and produced unqualified audited accounts for 2003/04. "Headed by Ennis, the Lambeth finance team has transformed the council's finances. The general fund deficit of £28m has been turned into a credit of £19m. There were no s11s in 2002/03 and Lambeth is confident this year's accounts will have no qualifications.....The 2003/04 accounts were approved on 29 July 2004, one month ahead of the statutory deadline ...The government monitoring board noted approvingly that 'Lambeth's finances and financial management are beginning to turn around from a high-risk area to a source of strength'." AA 11/11/04.</li> </ul>
<b>Improving income collection</b>	<ul style="list-style-type: none"> <li>• Training was specifically designed to improve Lambeth's sundry debt collection. In the period, outstanding debt levels have fallen by £10m (a 13% reduction with no corresponding reduction in activity levels). Looking at specific targets, debt collection levels have improved from 78% to 85% in the period and training was identified by Richard Hay as a contributor to this improvement.</li> </ul>
<b>Improving leadership and culture</b>	<ul style="list-style-type: none"> <li>• There has been a significant investment in training during the period as evidenced by the volume of course activity and attendance rates.</li> <li>• Lambeth's liP status was retained during the period.</li> </ul>

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### Why was this exceptionally effective learning?

The FTC stands out as exceptional for a number of reasons:

- From being openly criticised for the lack of development of its finance staff, Lambeth, with **maltway's** help has successfully implemented one of the most comprehensive tailored finance training programmes for a UK local authority. "We are very excited about our FTC, which we believe to be the strongest local authority finance training programme in London. The success of our training stems from a very strong partnership, and one which we are proud to continue." Jonathan Williams
- The FTC has met and exceeded its objectives: without exception, feedback from both participants and managers has been positive, with clear evidence that staff have applied learning to their roles, with demonstrable results.
- The remarkable turnaround in Lambeth's financial performance has been fully supported by the FTC, contributing to the team being named Accountancy Age Finance Team of the Year in 2004.
- The FTC has transformed the way Lambeth finance staff view their development, with specific Lambeth-relevant training solutions available to meet real needs.
- The FTC offers exceptional value - average cost per head of approximately £60 per event compares to typical costs of generic finance training of £250-400.

The FTC continues to develop: content is continually updated and we are currently developing a Lambeth Finance "qualification" to incorporate management skills to improve the application of the technical skills included in the FTC