

FINANCE AND MANAGEMENT CASE STUDY

Final Test of Professional Competence

03 June 2008

QUESTION 1

Time allowed: 40 minutes

From: 12.20pm – 1.00pm

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded to those candidates displaying such knowledge.

The weighting of the question is indicated in the parentheses at the end of the question.

Candidates should submit all papers produced during the examination, but they should distinguish clearly between formal answers (including appendices) and working papers.

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NOTES TO CANDIDATES

- (i) Answers to be prepared as on 03 June 2008 by Pat Rockelus, Principal Accountant (Technical) at Hellespont Housing Society.
- (ii) The question below is intended to test the candidate's understanding of the situation in the case.

QUESTION

1. Prepare a briefing note for the Chair as requested in his e-mail of 03 June 2008 [attached], addressing the various points raised in the letter of 02 June 2008 from Mr Spartacus of LAPSO [also attached]. (19%)

HELLESPONT HOUSING SOCIETY - INTERNAL E-MAIL

From: Perry Cleese, Chair of HHS Board
To: Pat Rockelus, Principal Accountant, Technical
Date: 03 June 2008, 12.14
Subject: Office Accommodation – letter from LAPSO

I am sorry to have to interrupt your work, but, in the absence of many of our senior managers on a training away day, I need your help urgently.

At 2.00pm this afternoon, I have a meeting with the LAPSO Branch Officer, Dave Spartacus. This meeting has been in my diary for some time so that Mr Spartacus and I could have an informal chat about various staffing issues. However, I was somewhat startled to receive this morning a letter from him (copy attached) in which he outlines specific and serious concerns about office accommodation proposals.

I must admit to not having kept fully abreast of this particular matter, although I am, of course, aware of the intention to complete the Hades House project by 2013.

It will be necessary for me to tread very carefully this afternoon in order to stay within agreed procedures, but I do need to understand more of the situation we are facing.

Can you therefore please let me have by 1.00pm today a briefing note covering the various points raised in Mr Spartacus' letter:

- a) The alleged lack of communication with staff representatives on this issue.
- b) The current status of the proposal to centralise office accommodation at Argosy House for an interim period. Please also outline the type and standard of accommodation that would be provided at Argosy House.
- c) The travel and car parking arrangements that would apply to staff transferred from the Caesar Centre, including the arrangements for allocating parking spaces. What is the legal position that would apply if staff were required to transfer without compensation?
- d) Your estimate of the maximum costs that HHS would incur if it decided to pay compensation for extra travel costs and to provide car park spaces for all staff who could be based at Argosy House for the interim period. I want to see some quantified cost estimates, please, on these aspects and would also like you to list any factors or options that might be available to mitigate these costs.
- e) The reasons why we cannot continue with the existing arrangements at Argosy House and the Caesar Centre, both until 2013 and, indeed, for the indefinite future. Also, is it really worth spending £10 million on creating Hades House and how many years will it take for this outlay to be recouped from savings in running costs as compared with the two existing buildings?
- f) The effect of possible future changes to work patterns. Please explain whether Hades House is at risk of becoming a "white elephant", as Mr Spartacus suggests.

Perry Cleese
Chair

L. A. P. S. O.

**Lydia Association of Public Service Officers
Troy Housing Branch, Treadmill House, Troy TY4 3XQ
Branch Officer: Dave Spartacus**

Perry Cleese
Chair
Hellespont Housing Society
Argosy House
King Priam Street
Troy TY1 4DG

02 June 2008

Dear Mr Cleese

Office madness

I hope you won't mind that on this occasion, knowing your reputation for straight dealing, I've decided to write direct to you, such is the strength of feeling amongst LAPSO's membership at HHS.

Our members are reasonable people. They recognised that changes were necessary to provide the best service to local residents and have supported the merger scheme between Trojan Horse and Odyssey, despite the stress it has caused for all of our members, and even accepting without complaint the redundancy of long standing and respected colleagues in the direct labour force.

However, currently, our members are absolutely sick and tired of the procrastination, u-turns and total lack of communication demonstrated by your Corporate Management Team in relation to the office accommodation issues.

In particular, their patience is being sorely tried by the latest proposal. A senior manager has made no secret of the fact that all central staff are to be shoe horned into the Argosy House site for the next five years, once his proposal has been rubber stamped by the Corporate Management Team.

The result will be that many of our members will be put to work in sub-standard temporary cabins. Those currently based at Pergamon will be forced each day onto the already crowded roads to travel to Troy, whilst they and many colleagues already based at Argosy House will have to pay through the nose for private car parking spaces.

No doubt, senior managers and their cronies will soon grab the few remaining parking spaces that will still be available at Argosy House.

LAPSO is taking its own advice on this proposal from top lawyers (the Athens' based Solon Partnership). They have already assured us that an employment tribunal here in Lydia would take a very dim view of unilateral action by management to withdraw employment terms established by longstanding custom and practice, even where they are not specifically included in our members' contracts.

We feel that, at the very least, our members in Pergamon should receive reasonable compensation for their extra travel costs, if forced to work at Argosy House, whilst all of our members should be provided with free and easily accessible alternative car parking. The benefit in terms of staff morale from taking this course would surely far outweigh the modest costs involved.

All of this upheaval is, of course, only necessary to enable the CMT to proceed with their "white elephant" Hades House project. Greater Troy residents need affordable homes not a £10 million office palace!

I can assure you that our members at both existing locations are basically happy with their current accommodation. Provided communication networks are improved and a small amount of money spent to refurbish Argosy House, they do not see that any further action on office accommodation can be justified.

LAPSO members want to know just what is the case for creating such an edifice as Hades House at this time when flexible/homeworking and similar initiatives may well make office provision on this scale totally redundant in any case?

We should be looking forward to twenty first century solutions, not harking back to the nineteen seventies!

So, come on Mr Cleese, live up to your reputation and demonstrate your leadership skills by answering these perfectly reasonable questions and then sitting down with my colleagues and me to reach a fair and equitable outcome.

Yours truly

Dave Spartacus

LAPSO Branch Officer
Troy Housing Branch