



Haringey Council

Agenda item:

Annual Council

On

24 May 2010

Report Title: **Appointment of Section 151 Officer / Chief Financial Officer and Lead Finance Officer**

Forward Plan reference number (if applicable): **N/A**

Report of: **The Chief Executive**

Wards(s) affected: **All**

Report for: **Non-Key Decision**

1. Purpose (That is, the decision required)

1.1 To appoint a Section 151 Officer / Chief Financial Officer and approve arrangements for the appointment of a Lead Finance Officer.

2. Recommendations

2.1 That with effect from 25th May 2010 the statutory responsibilities of the section 151 officer be assigned to the Director of Corporate Resources.

2.2 That the appointment of a consultant to the post of Lead Finance Officer on an interim basis be delegated to the Director of Corporate Resources and the Chief Executive in consultation with the Cabinet Member for Resources and Chair of the General Purposes Committee. This to be pending a permanent appointment as detailed in para 6.14.

2.3 That the procedures for appointment and termination of employment in Part 4 Section K of the Council's Constitution be waived in relation to the Interim Lead Finance Officer post having regard to the reasons given in paragraphs 6.5 and 6.11 below.

Report Authorised by: **The Chief Executive**

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3. Comments of the Interim Chief Financial Officer

3.1 The cost of the interim Lead Finance Officer can be contained within the agreed

budget.

4. Head of Legal Services' Comments

- 4.1 Under section 151 of the Local Government Act 1972 the Council must appoint an officer to have personal responsibility for the administration of the Council's financial affairs. That officer must have the appropriate professional qualification. In the Council's Constitution the section 151 Officer is described as the Chief Financial Officer. There is no legal reason to prevent the Director of Corporate Resources taking on the duties of the section 151 Officer.
- 4.2 Part 4, Section K of the Council's Constitution (the Officer Employment Procedure Rules) does not apply to the situation where the duties of a Chief Officer already in post are extended to include a related statutory role. The Rules in Part 4, Section K would apply to the appointment of an external candidate to the position of interim Lead Financial Officer because this will be a post at Deputy Chief Officer level. For the reasons given in the body of this report, full Council is being requested to waive the Rules in Part 4, Section K with respect to the appointment and dismissal of the interim Lead Financial Officer.
- 4.3 It is within the powers of full Council to delegate the appointment of a post at Deputy Chief Officer level to the Chief Executive and a Director acting in consultation with the Cabinet Member for Resources and Chair of the General Purposes Committee.

5. Local Government (Access to Information) Act 1985

- 5.1 Background documents:
The Council's Constitution

6. Report

- 6.1 The s.151 officer/Chief Financial Officer (s.151/CFO) is a "statutory officer" of the Council and, as such, a member of the Chief Executive's Management Board. The Council must ensure that an officer with the appropriate professional (CIPFA) qualification is appointed to act personally in the role of the s.151/CFO which means that the post holder should be a Council employee or an individual contracting personally with the Council. Until now the s.151/CFO post has reported directly to the Director of Corporate Resources and, therefore, has counted as a Deputy Chief Officer.
- 6.2 Part 4, Section K of the Council's Constitution applies to the recruitment and appointment of Chief Officers and Deputy Chief Officers. The procedure requires the advertisement of the post, the short-listing of candidates and the selection of the successful appointee after interviews by a Member "4K Panel". This is, inevitably, a time consuming process and impracticable where an urgent temporary appointment needs to be made.
- 6.3 Prior to the departure of Gerald Almeroth, the last permanent s.151/CFO, on 1 April 2010, there was a report to the full Council on 22 February 2010. At that meeting

Members agreed the appointment of Janice Willis as s.151/CFO on an interim basis, and as a temporary Council employee, for a period of 6 months.

- 6.4 Members also agreed that Janice Willis would fulfil the non-statutory management role undertaken by Gerald Almeroth in addition to his s.151/CFO role. This non-statutory management role was undertaken by Janice Willis as a consultant.
- 6.5 Because of the limited and very fast moving market for suitably qualified and experienced candidates able to take on the s.151/CFO role or the related non-statutory management role in a London Borough, the 22 February Council meeting resolved to waive the usual recruitment procedures in Part 4, Section K of the Constitution.
- 6.6 In order to provide greater continuity and stability in the key post of S151/CFO, it is felt that it would be more appropriate for the statutory s.151/CFO role to rest with the Director of Corporate Resources, Julie Parker.
- 6.7 The s.151/CFO reporting in this way is in line with the CIPFA statement on the role of the CFO in local government which states that the Section 151 officer should report directly to the Chief Executive and be a member of the leadership team. Where this is not the case an explanation is required in the statement of accounts.
- 6.8 As Janice Willis was recruited as both s.151/CFO and the lead finance consultant, she has indicated that as the s. 151/CFO role will be discharged by the Director of Corporate Resources, she wishes to terminate the non-statutory management role she is undertaking as consultant as soon as alternative arrangements can be put in place.
- 6.9 It is proposed that the statutory s.151/CFO role be separated from the non-statutory management role. The non-statutory management role includes the supervision and line management of the following Services within the Directorate of Corporate Resources: (i) Corporate Finance, (ii) Audit & Risk Management, (iii) Procurement and (iv) Benefits & Local Taxation. It would be unrealistic to expect the Director of Corporate Resources to fulfil these duties even on a temporary basis without additional management support. To distinguish the non-statutory management role from the s.151/CFO role, it is suggested that the former role be designated for the time being as the Lead Finance Officer.
- 6.10 There is a need to cover the Lead Finance Officer duties, however having a vacancy at this time does give the opportunity for the Chief Executive and Director of Corporate Resources to consider how those duties can be discharged in the future, so at this stage it would be appropriate for the appointment of a consultant to be made in order to give maximum flexibility. The selection of a suitably qualified and experienced consultant will be organised by the Director of Corporate Resources and the appointment will be made by the Director and the Chief Executive as soon as practicable.

- 6.11 In the current circumstances there is a limited and very fast moving market where availability can change quickly for the relatively small number of suitably qualified and experienced professionals able to take on such a role.
- 6.12 To authorise the process set out in 6.10 Members are requested (i) to delegate powers for this specific purpose to the Director of Corporate Resources and the Chief Executive in consultation with the Cabinet Member for Resources and the Chair of General Purposes Committee as recommended in paragraph 2.3 above, and (ii) to waive the procedures in Part 4, Section K of the Constitution as recommended in paragraph 2.4 above.
- 6.13 As this is an interim arrangement for a period of 6 months, it is advisable to waive the requirement for a “4K Panel” to be held for both the appointment and the termination of the role of the interim Lead Finance Officer. This is included in the recommendation at paragraph 2.4
- 6.14 It is recognised that there is a need to provide the Director of Corporate Resources with support to manage the finances of the council and it is the intention of the Chief Executive and Director of Corporate Resources to aim for a permanent appointment to cover these duties by the end of the calendar year.