

Report for: Full Council

Title: Designation of the Council's Chief Finance Officer under s151 Local Government Act 1972

Report authorised by: Zina Etheridge – Interim Chief Executive

Lead Officer: Liz Hammond – Interim Head of HR Transformation

Ward(s) affected:

**Report for Key/
Non Key Decision:** N/A

1 Describe the issue under consideration

- 1.1 On 17th May 2017 the Interim Chief Executive and Head of Paid Service made changes to the Senior Leadership Structure of the Council. This included changes in the future management of finance under a new role of interim Chief Finance Officer. This role is currently under recruitment with appointment anticipated during August 2017. In addition, under the new interim structure the Chief Operating Officer (COO) is performing the role of interim Deputy Chief Executive and the COO position is vacant.
- 1.2 Section 151 of the Local Government Act 1972 requires the Council to designate one of its officers with responsibility for the proper administration of its financial affairs. On 12th June 2017 the Chief Executive in consultation with the Mayor agreed to designate the interim Deputy Chief Executive as s151 officer, with immediate effect until the 24th July being the meeting of this full Council, as an urgent action between meetings pursuant to Part 3 Section E, Section 1 of the Constitution, to enable the current incumbent to continue with these duties.
- 1.3 This report seeks approval to designate the post of interim Deputy Chief Executive with the statutory section 151 Officer responsibilities with continuing and immediate effect, until such time as the post of Chief Finance Officer is recruited to, expected to be during August 2017.

2 Cabinet Member Introduction N/A

3 Recommendations

It is recommended that full Council:

- 3.1 Note the previous urgent action of the interim Chief Executive in consultation with the Mayor, in accordance with Part 3 Section E, Section 1 of the Constitution, to designate the interim Deputy Chief Executive as s151 officer from 12th June 2017 to 24th July 2017, being this meeting of the Full Council

- 3.2 In accordance with Article 11.01 (d), agree that the interim Deputy Chief Executive be designated as the Council's section 151 officer pursuant to s 151 Local Government Act 1972 with immediate and continuing effect and until such time as the post of Chief Finance Officer is recruited to in accordance with 3.3 below, expected to be during August 2017
- 3.3 Agree that upon appointment to the post of Chief Finance Officer by a suitably qualified accountant (expected to be during August 2017), that the post of Chief Finance Officer be designated as the Council's section 151 officer pursuant to s 151 Local Government Act 1972 and article 11.01 (d) of the Constitution. The Monitoring Officer, in accordance with Article 14 of the Constitution, will make all necessary changes to the Constitution to give this effect.
- 3.4 Agree that in the event that the Chief Finance Officer recruitment is delayed, the interim Deputy Chief Executive will continue to be designated as the Council's s151 officer.

4 Reason for Decision

- 4.1 This is a statutory requirement upon the Council.

5 Alternative Options Considered

- 5.1 There is no alternative option, this is a statutory requirement.

6 Background information

- 6.1 The interim Chief Executive on 17th May 2017 put in place an interim structure beneath the Chief Executive post that is designed to best serve the delivery of the Council's strategy outcomes in the short term until the appointment of a permanent Chief Executive.
- 6.2 The interim structure envisages a change in the management of finance by way of the creation of an interim post of Chief Finance Officer. The Chief Finance Officer post has not yet been recruited to (expected August 2017). In addition, under the new interim structure the Chief Operating Officer (COO) is performing the role of interim Deputy Chief Executive and the COO position is vacant.
- 6.3 Section 151 Local Government Act 1972 states that the Council is required to 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'. Section 113 of the Local Government Finance Act 1988 requires the person to be a member of a specified accounting body, namely a professionally qualified accountant.
- 6.4 As a consequence of the Chief Operating Officer post becoming vacant the Council was required to designate an alternative officer post with the statutory responsibilities of section 151 of the 1972 Act. In accordance with Article 11.01 (d), it is usual practice for the Full Council to designate these

responsibilities. Pending this meeting of the Full Council, on 12th June 2017 the interim Chief Executive and the Mayor, in accordance with Part 3 Section E Section 1 paragraph 5.01 (b) of the Constitution, designated the interim Deputy Chief Executive as s151 officer with immediate effect until 24th July 2017.

- 6.5 The full Council is now asked to designate the responsibilities of the Chief Finance Officer under section 151 Local Government Act 1972 to an officer post on a longer term basis. Full Council is asked to agree that the interim Deputy Chief Executive be designated as the Council's section 151 officer with immediate and continuing effect, until such time as the post of interim Chief Finance Officer is recruited to, expected to be during August 2017. Upon appointment to the post of Chief Finance Officer by a suitably qualified accountant, the responsibilities of section 151 officer will then be designated to the Chief Finance Officer post. The Monitoring Officer, in accordance with Article 14 of the Constitution, will make all necessary changes to the Constitution to give this effect. In the event that the Chief Finance Officer recruitment is delayed, or no appointment is made, the interim Deputy Chief Executive will continue to be designated as the Council's s151 officer.
- 6.6 In accordance with section 114 Local Government Finance Act 1988, when the statutory section 151 officer/Chief Finance Officer is unable to act due to absence or illness, they are able to nominate someone to act on their behalf. This person should also be a professionally qualified accountant.
- 6.7 Full Council will be provided with an update report at the November meeting, of the progress with the appointment of the Chief Finance officer.

7 Contribution to strategic outcomes

- 7.1 The above changes to the Executive Team structure are designed to provide the Executive Team with the right skills to deliver the Council's strategic outcomes and ensure the continuity of the statutory requirement to have a Section 151 Officer in post.

8 Statutory Officers' comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities Finance

8.1

The interim changes are expected to be cost neutral.

8.2 Legal

The legal and constitutional implications are set out in the body of the report.

8.3 Equalities

N/A

9 Use of appendices

Not used

10 **Local Government (Access to Information) Act 1985**
N/A