

Report for: Full Council

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

Report authorised by : Richard Grice – Director of Customers, Transformation & Resources & Bernie Ryan - Assistant Director for Corporate Governance

Lead Officer: Ayshe Simsek – Acting Democratic Services and Scrutiny Manager

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non key decision

1. Describe the issue under consideration

1.1 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. This report seeks approval to designate the post of Director of Finance with the statutory section 151 Officer responsibilities to enable the appointed Director of Finance officer to fulfil this statutory responsibility.

2. Cabinet Member Introduction
N/A

3. Recommendations

It is recommended that full Council:

3.1 Note the previous urgent action of the Chief Executive taken in consultation with the Mayor, in accordance with Part 3 Section E, Section 1 of the Constitution, to designate the newly appointed Director of Finance as s151 officer from 4th October 2018 until this meeting of the Full Council.

3.2 Agree to designate the post of Director of Finance as the Council's section 151 officer (Chief Finance Officer) pursuant to section 151 Local Government Act 1972 with immediate effect. The Monitoring Officer, in accordance with Article 14.03 of the Constitution, will make all necessary changes to the Constitution to give this effect.

4. Reasons for decision

This is a statutory requirement upon the Council.

5. Alternative options considered

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

6. Background information

- 6.1 At its meeting of 24th July 2017, the full Council agreed that the post of Chief Finance Officer be designated as the Council's section 151 officer pursuant to section 151 Local Government Act 1972. The post was subsequently filled on an interim basis, pending a further senior management restructure.
- 6.2 On the 26th of March 2018, the Staffing & Remuneration Committee noted the Chief Executive's Management restructure which affected the Corporate Leadership Group (the Council's Directors and Assistant Directors, together with the Senior Leadership Team). This included establishment of the Director of Finance post but also included provision for the existing Interim Chief Finance Officer (Section 151) post to remain in place until October 2018. This was to allow sufficient time post the election to recruit to the proposed new role of Director of Finance.
- 6.3 The recruitment and selection campaign for the Director of Finance position commenced in July 2018, culminating in a final Member interview panel and Special Staffing and Remuneration Committee taking place on the 28th of September 2018. The members included Cllr Davies [Chair of the Staffing and Remuneration Committee], Cllr Berryman [Cabinet Member for Finance] and Cllr Dennison [Staffing and Remuneration Committee Member]. They agreed for Jon Warlow to be offered the post of Director of Finance. It was further confirmed at this Committee meeting that Jon Warlow had the appropriate CIPFA Accounting qualifications and that the post of Director of Finance would have the attached responsibility of section 151 officer.
- 6.4 In accordance with Part 4 Section K of the Council's Constitution, the Cabinet were notified of this appointment and following no objections being received, Jon Warlow was appointed to the post of Director of Finance.
- 6.4 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.
- 6.5 Pending this meeting of the Full Council, on 4th October 2018 the Chief Executive in consultation with the Mayor agreed to designate the responsibilities of the section 151 officer to the Director of Finance in accordance with Part 3 Section E Section 1 paragraph 5.01 (b) of the Constitution to allow these

statutory responsibilities to continue to be fulfilled, pending this meeting of the full Council.

- 6.6 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 post of Director of Finance be designated as the Council's section 151 officer with immediate and continuing effect. The Monitoring Officer, in accordance with Article 14 of the Constitution, will make all necessary changes to the Constitution to give this effect.
- 6.6 In accordance with section 114 Local Government Finance Act 1988, when the statutory section 151 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.

7. Contribution to strategic outcomes

The previous changes to the Senior Team structure were designed to provide the Corporate Board 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

There are no financial implications arising from this decision.

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

Copy of urgency decision

10. Local Government (Access to Information) Act 1985