

**North East Derbyshire District Council**

**Council**

**18 February 2019**

<b>Interim Arrangements for the Statutory Role of Section 151 Officer</b>
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**Report of the Joint Chief Executive**

This report is public

**Purpose of the Report**

To seek approval for the Chief Accountant to be designated as Section 151 Officer to the Council, on a temporary basis pending appointment to the post of Joint Head of Finance & Resources, and to outline the recruitment process for the post.

**1 Report Details**

- 1.1 The Joint Head of Finance & Resources has resigned from her post, having successfully secured a new role with another Local Authority. Therefore the post will become vacant from 1<sup>st</sup> April 2019. The post holder is also the Section 151 Officer for the Council.
- 1.2 Section 151 of the Local Government Act 1972 requires all Councils to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs. Therefore it is a statutory requirement that the Council appoints a Section 151 Officer during the intervening period between the departure of the Joint Head of Finance & Resources and completion of the recruitment process. These interim arrangements are necessary to ensure compliance with the statutory requirement.
- 1.3 The Council could consider securing a temporary arrangement with another Council to meet the statutory requirements. However this is not recommended given the need to maintain a clear focus on delivery of the Medium Term Financial Strategy; the unknown level of interest in such an arrangement amongst neighbouring Councils facing similar financial challenges, and the length of time such negotiations would take.
- 1.4 As outlined above it is the longer term intention to recruit to the Section 151 Officer role permanently. However given the need to maintain momentum regarding delivery of the Medium Term Financial Strategy and to ensure the Section 151 role is met in full, it is vital that the Council has an experienced individual in position to lead a challenging budget setting process. It is therefore proposed to temporarily appoint the Chief Accountant to the Section 151 Officer role until a temporary or permanent role is filled. The Chief Accountant has the necessary qualifications and experience to fulfil the role and is currently the Deputy Section 151 Officer.

- 1.5 Recruitment to the post of Joint Head of Finance & Resources will be undertaken in line with the Councils Recruitment & Selection Policy and Procedure. The process should be robust, challenging, and transparent and fair to ensure high quality and aspirational applicants are identified and interviewed. In line with established practice the process will include the use of a range of tests and tools to ensure individuals have the right behavioural traits and relevant experience commensurate with the post. The Joint Employment Committee would undertake the interview and make the appointment for the Head of Service position in accordance with the Constitution. Following recruitment to the post a report will be taken to Council recommending designation and appointment of the S151 Officer role thus ending the temporary arrangements.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 There are only two possible options to consider. The first is a sharing option with a neighbouring Authority as outlined in paragraph 1.3 and the second is an internal temporary arrangement as outlined in paragraph 1.4.
- 2.2 Taking the risks, financial implications and legal implications into account it is recommended that Council approve paragraph 1.4 as the preferred option.

## **3 Consultation and Equality Impact**

- 3.1 The Joint Chief Executive has consulted with the Chief Accountant to confirm her ability, competence, qualifications and expertise to carry out the role of Section 151 Officer.
- 3.2 There are no specific equality issues at this time.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 The alternative option is to enter into a 'shared' Section 151 Officer arrangement with another Council. This is not recommended given the need to maintain a clear focus on delivery of the Medium Term Financial Strategy; the unknown level of interest in such an arrangement amongst neighbouring Councils facing similar financial challenges, and the length of time such negotiations would take.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 Finance – Recruitment costs can be met from vacancy savings. Should the Council decide to fill the post on an interim basis then there may be additional costs to the Council.
- 5.1.2 Risks – if the Council fails to appoint a temporary Section 151 Officer it will not be compliant with Section 151 of the Local Government Act 1972. Consequently the Council will not be able to demonstrate that one of its officers has responsibility for the proper administration of its financial affairs. Furthermore if the Council does not meet the statutory requirements there is a risk that focus will be lost on fulfilment of key statutory duties.

## 5.2 Legal Implications including Data Protection

- 5.2.1 Section 151 of the Local Government Act 1972 requires all Councils to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs. The Council would not meet this statutory requirement if it failed to appoint to the S151 Officer role.
- 5.2.2 Under the Council's Constitution, the duty to designate an officer as the Section 151 Officer is reserved to Council.

## 5.3 Human Resources Implications

- 5.3.1 All outlined throughout this report.

## 6 Recommendations

- 6.1 That Council agrees to the temporary appointment of the Chief Accountant as the Section 151 Officer from 1 April 2018 pending the recruitment to the Joint Head of Finance & Resources post.

## 7 Decision Information

<b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <div style="display: flex; justify-content: space-between;"><div><i>BDC: Revenue - £75,000</i></div><div><input type="checkbox"/></div></div> <div style="display: flex; justify-content: space-between;"><div><i>Capital - £150,000</i></div><div><input type="checkbox"/></div></div> <div style="display: flex; justify-content: space-between;"><div><i>NEDDC: Revenue - £100,000</i></div><div><input type="checkbox"/></div></div> <div style="display: flex; justify-content: space-between;"><div><i>Capital - £250,000</i></div><div><input type="checkbox"/></div></div> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>Has the relevant Portfolio Holder been informed</b>	Yes
<b>District Wards Affected</b>	N/A
<b>Links to Corporate Plan priorities or Policy Framework</b>	Transforming our Organisation

## 8 Document Information

Appendix No	Title
N/A	
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
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AGIN 10 (COUNC – BUDGETS 0218) Arrangements of S51 Officer