



Council - 28 November 2011

Appointment of Interim Section 151 Officer

Purpose of Report

To seek a decision from Members as to the approach to be taken to the delivery of S151 responsibilities in the short term (for the next six months).

1. Background

- 1.1 Section 151 of the Local Government Act 1972 requires the council to make arrangements for the “proper administration of (its) financial affairs” and to “secure that one of their officers has responsibility for the administration of those affairs” through the appointment of what is known as a Chief Finance Officer to advise the council. The Chief Finance Officer is also known as the S151 Officer and this terminology will be used throughout this report.
- 1.2 The S151 Officer is required by law to be a qualified accountant and a member of one of the professional bodies outlined in S113, Local Government Finance Act 1988.
- 1.3 Currently the legislative framework requires that either the S151 Officer is a direct employee of the council or that the S151 Officer is an employee of another council under a shared service arrangement.
- 1.4 The employment process for a directly employed S151 Officer who is not already an existing member of staff is specified in the Constitution. It requires a process of 6-8 weeks before an appointment can be made after which the successful candidate may have to give notice before taking up the appointment. This is therefore not a short-term option.
- 1.5 Following the termination of the previous S151 Officer arrangement, the S151 role is currently being carried out by the Chief Executive, as this was the only available option at that point. However, after consultation with several neighbouring authorities, an option of a shared services arrangement through the Local Government Shared Service partnership between Northamptonshire and Cambridgeshire has now been identified. LGSS have agreed to make available the services of their Deputy S151 Officer on a 2 day a week basis.
- 1.6 The Personnel Sub-Committee considered the options for filling the S151 Officer post on 17 November 2011 and concluded that the option of shared S151 Officer provision as outlined above provided the fastest route available in the short-term in order to remove the responsibility of S151 duties from the Chief Executive and provide adequate finance expertise and capacity for the Council.

2. Constitutional and Legal process for appointment

- 2.1 The Constitution is silent on the route by which S151 Officer appointments are confirmed where this is not through direct employment. For the previous shared service arrangement Personnel Sub-Committee delegated authority to the Chief Executive to negotiate the provision of S151 support by another council.
- 2.2 Given the commitment at the last Policy and Resources Committee to seek approval to change the Constitution to clarify that agreement of Full Council should be required for all arrangements for fulfilling S151 Officer responsibilities, it was agreed at

Personnel Sub-Committee on 17 November that Council approval for the appointment of the Deputy 151 Officer of the LGSS as this Council's interim S151 Officer be required.

- 2.3 In order to balance speed of implementation of the interim arrangement with the spirit of the Constitution, the Personnel Sub-Committee decided that it will interview the candidate in the week commencing 21 November 2011 to enable a verbal recommendation to be made to this Council meeting.

3.0 Equalities Implications

- 3.1 There are no known equalities implications arising from the options outlined in this report.

4.0 Risk Implications

- 4.1 As highlighted in previous reports, for good corporate governance it is preferable for the two roles of Chief Executive and S151 Officer to be held by separate persons.
- 4.2 It is also desirable for the S151 duties to be transferred from the Chief Executive as soon as possible so that a dedicated resource can be brought in to focus on financial planning issues at this key point in the budgetary/planning cycle.

5.0 Legal Implications

- 5.1 The key legal requirements are highlighted in paragraphs 1.1-1.3
- 5.2 In the event that the chosen option of Members involves an officer of another local authority performing section 151 duties on behalf of this Council, it is considered prudent to also seek a Full Council resolution to ensure that the Council's section 151 duties are formally delegated to the other Council in order to evidence robust governance arrangements.

6.0 Financial Implications

- 6.1 The use of a shared service arrangement can be delivered within the current budget.

7.0 Recommendations

- 7.1 Members are asked to agree

EITHER:

- a) delegated authority be given to the Chief Executive to negotiate the provision of S151 support through utilisation of the Deputy S151 Officer of the LGSS Shared Service Partnership under S113 of the Local Government Act 1972
AND
- b) that upon agreement of such provision this Council delegates its S151 Duties to Northamptonshire County Council under section 101 of the Local Government Act 1972
[Reason: to provide the council with the necessary additional resources for strategic financial advice and comply with legislative requirements]

OR

- c) Confirms that the Chief Executive should continue to discharge the responsibilities of S151 Officer until alternative arrangements can be made.
[Reason: to ensure the council continues to conform to legislative requirements]

Legal	Power: 1972 Local Government Act as amended by subsequent legislation				
	Other considerations: Confidential Report to Personnel Sub-Committee 17/11/10				
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Date: 18 November 2011					
CFO		MO		CX	

