

Appointment of Chief Finance (Section 151) Officer

Summary: Section 151 of the Local Government Act 1972 requires the Council to designate a Chief Finance (Section 151) Officer. The Chief Finance Officer has a number of statutory duties and responsibilities relating to the proper administration of the Council's finances, assets and resources and be responsible for those arrangements including managing the relationship with the Council's Internal and External Audit functions, submission of Government returns.

Following the recent resignation of the officer who has fulfilled this role for the Council since September 2016, it is necessary to designate a new officer to fulfil the Chief Finance Officer role for the authority on an interim basis until a permanent appointment of a new Director of Resources is made.

Options considered: The Council is required by legislation to designate a Chief Finance (S151) Officer and therefore needs to make an interim appointment pending recruitment of a new Director of Resources.

Conclusions: Council is required to appoint a Chief Finance Officer under Section 151 of the Local Government Act 1972. The appointment of the Chief Finance Officer is reserved to the Council and cannot be made by any other body.

Recommendations: **That Council:-**

- 1) Provides delegated authority to the Chief Executive in consultation with the three Group Leaders and Finance portfolio holder to make an interim appointment of a Chief Finance (Section 151) Officer with immediate effect pending recruitment of a new Director of Resources.**
- 2) Notes the need to establish an Employment and Appeals Panel to support the process of recruiting and appointing a new Director of Resources**

Cabinet Member(s): All	Ward(s) affected All
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1. Introduction

- 1.1 Section 151 of the Local Government Act 1972 requires that the Council appoints a Chief Finance Officer. The Chief Finance Officer has a number of statutory duties and responsibilities relating to the proper administration of the Council's finances, assets and resources and be responsible for those arrangements including managing the relationship with the Council's Internal and External Audit functions, submission of Government returns.

2. Background

- 2.1 The officer who has served as the Council's Chief Finance (Section 151) Officer since September 2016 resigned from the authority with effect from 31st May 2022. It is therefore necessary for the authority to appoint a new Chief Finance Officer, on an interim basis, pending recruitment of a new Director of Resources.
- 2.2 Section 151 of the Local Government Act 192 requires the Council to appoint an appropriately qualified officer to have responsibility for the proper administration of its financial affairs. The post is variously referred to as the Chief Finance Officer / s.151 Officer. The appointment of this officer is required by the Council's Constitution to be made by Full Council.
- 2.3 The functions of the Chief Finance (Section 151) Officer, as detailed in the Council's Constitution, are included at Appendix 1 to this report.
- 2.4 Under the Council's management structure (as agreed by Full Council at its meeting of the 23rd September 2020) the Chief Finance Officer role falls within the responsibilities of the Director of Resources position. However, as this post is currently vacant, pending recruitment into the role it is necessary for the authority to agree interim arrangements in order that the Section 151 Officer responsibilities are properly covered by an individual who holds a relevant qualification and membership of one or more of the following professional bodies – Institute of Chartered Accountants, Chartered Institute of Public Finance and Accountancy or Chartered Institute of Management Accountants (as per Section 113 of the Local Government Finance Act 1988).
- 2.5 Consideration has been given to the Council's interim needs for support, pending recruitment of a new Director of Resources, relative to the skills and experience of staff within the Finance Team and CLT in terms of strategic management capacity and support. In addition to the general duties and responsibilities of a s.151 officer under the Local Government Act 1972, and as required under the Council's Constitution, there is a particular need at this time for Section 151 Officer support with the following issues:-
- Cheques – new signatory on our payment-run cheques
 - Sign off of budget virements
 - Sign off of central Government spend declarations (i.e. COVID grants, homelessness spend etc.)
 - Sign off of 2021/22 Accounts
 - Sign off procurement exemptions
 - Sign off of the financial statements to be made within the Council's Levelling up bids

- Completion of returns / declarations to Government for the COVID business grant fraud reviews, Energy Rebate payments etc

- 2.6 Consideration has been given to how these responsibilities might be covered on an interim basis pending the recruitment of a new Director of Resources and conversations have been had with local partners about an interim support solution. However, it hasn't been possible to conclude these discussions in advance of the Full Council meeting and therefore delegated authority is sought for the Chief Executive to progress and hopefully conclude these discussions in consultation with the three Group Leaders and Finance portfolio holder.

3. Decisions to be taken

- 3.1 The Council needs to agree interim S151 Officer arrangements with either a local partner, EELGA or through a temporary appointment. If agreement can be reached for interim support with another local authority the arrangements would be managed through a Section 113 Agreement with the detailed terms of which would need to be agreed. Positive discussions have been held with another local authority but have not been concluded to date such that delegated authority is sought for the Chief Executive to progress and hopefully conclude these discussions in consultation with the three Group Leaders and Finance portfolio holder.
- 3.2 The Council then needs to commence recruitment of a new Director of Resources and initial conversations have been held with SOLACE about supporting the Council with that process. In order that the process can move forward in late August and September Council is asked to note that an Employment and Appeals Panel will be established to support the process of recruiting a new Director of Resources – ie to fulfil the requirement for an interview panel which will make recommendations on any appointment to a future meeting of Full Council.

4. Corporate Plan Objectives

- 4.1 There are no direct impacts from this decision on the delivery of the Council's Corporate Plan objectives.

5. Medium Term Financial Strategy

- 5.1 There is no direct impact from this decision on the Medium-Term Financial Strategy, although with inflationary pressures on all of the Council's budgets and increased demand on some services provided by the Council the recruitment of a new Director of Resources who can lead on this issue for the authority is considered important.

6. Financial and Resource Implications

- 6.1 Payment will obviously need to be made for any interim arrangements accessed by the Council for the provision of Section 151 Officer support. These

costs will be met from the Corporate Management and Finance staff budget headings pending appointment of a new Director of Resources.

7. Legal Implications

- 7.1 Section 151 of the Local Government Act 1972, requires the Council to appoint a Chief Finance Officer who is suitably qualified in accordance with section 113 of the Local Government Finance act 1988.

8. Impact on Climate Change

- 8.1 Not applicable

9. Equality and Diversity

- 9.1 There are no equality and diversity issues raised by this report.

10. Section 17 Crime and Disorder considerations

- 10.1 Not applicable

11. Recommendations

That Council:-

- 1) Provides delegated authority to the Chief Executive in consultation with the three Group Leaders and Finance portfolio holder to make an interim appointment of a Chief Finance (Section 151) Officer with immediate effect pending recruitment of a new Director of Resources.**
- 2) Notes the need to establish an Employment and Appeals Panel to support the process of recruiting and appointing a new Director of Resources**

Appendix 1 - Functions of the Chief Financial (Section 151) Officer

1. Ensuring lawfulness and financial prudence of decision-making

After consulting with the Head of Paid service and the Monitoring Officer, the Chief Financial Officer will report to the Full Council or to the Cabinet in relation to a Cabinet function and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.

2. Administration of financial affairs

The Chief Financial Officer will have responsibility for the administration of the financial affairs of the Council.

3. Contributing to corporate management

The Chief Financial Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

4. Providing advice

The Chief Financial Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity, and budget and policy framework issues to all councillors and will support and advise councillors and officers in their respective roles.

5. Give financial information

The Chief Financial Officer will provide financial information to Members, the media, members of the public and the community.