

Report Title:	<b>Appointment of Statutory Officer</b>
Contains Confidential or Exempt Information?	No - Part I
Member reporting:	Councillor Hilton, Lead Member for Finance and Ascot.
Meeting and Date:	Extraordinary Council 23 October 2019
Responsible Officer(s):	Duncan Sharkey, Managing Director and Head of Paid Service
Wards affected:	All

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## REPORT SUMMARY

The report requests approval for the statutory appointment of Section 151 Officer on an interim basis.

### 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Council notes the report and appoints:

- i) **Terry Neaves as the Council's Section 151 Officer on an interim basis pending permanent recruitment.**

### 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

#### Options

**Table 1: Options arising from this report**

Option	Comments
To approve the statutory appointment of Section 151 Officer on an interim basis. <b>This is the recommended option</b>	Allows the Council to continue to meet its statutory requirements.
To not approve the statutory appointment of Section 151 Officer on an interim basis.	The Council would have to identify an alternative suitable person for this role.

- 2.1 The Council's former Head of Finance and Section 151 Officer left the Council on 30 September 2019. Council is required under Section 151 of the Local Government Act 1972 to appoint a suitability qualified officer responsible for the proper administration of its affairs to the statutory position of Section 151 Officer. Therefore interim arrangements are necessary whilst a recruitment process to identify a permanent replacement is carried out.

#### **Role of Section 151 Officer**

- 2.2 Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should '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'.

- 2.3 The Section 151 Officer, which is also referred to in the Council's Constitution as the Chief Finance Officer works closely with the Council's Managing Director and Monitoring Officer to lead the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- 2.4 There are five functions of the Chief Finance Officer:
1. **Ensuring lawfulness and financial prudence of decision making:** After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Finance Officer will report to the full Council, (s114 of the Local Government Finance Act 1988) or to the Cabinet in relation to an executive function, and the Council's external auditor if he/she considers that the authority:
    - a. has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,
    - b. has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
    - c. is about to enter an item of account the entry of which is unlawful.Under the same act the Chief Finance Officer shall make a report under this section if it appears to him/her that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
  2. **Administration of financial affairs:** The Chief Finance Officer will have responsibility for the administration of the financial affairs of the Council (section 151 of Local Government Act 1972) and will certify the robustness of the council's estimates of expenditure and the adequacy of the level of reserves in the proposed budget as required by Section 25 of the Local Government Act 2003.
  3. **Contributing to corporate management:** The Chief Finance Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
  4. **Providing advice:** The Chief Finance 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 Finance Officer will provide financial information to the media, members of the public and the community.
- 2.5 Terry Neaves is a qualified accountant and member of CIPFA (Chartered Institute of Public Finance and Accountancy), a summary of his experience is contained in Appendix A. If approved he will formally take up the duties of Section 151 Officer for an interim period commencing 24 October 2019 for two days per week until permanent recruitment is finalised. Terry will be engaged through CIPFA to fulfil these duties.

### 3. KEY IMPLICATIONS

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Statutory officer appointed and commences duties.	Appointment not approved.	24 October 2019	N/A	N/A	24 October 2019

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The Section 151 Officer will be employed two days per week on an interim basis. Costs to the end of 2019/20 are estimated to be £42,000 and will be absorbed within the current budget.

### 5. LEGAL IMPLICATIONS

- 5.1 Section 151 of the Local Government Act 1972 requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its affairs. The Council must provide that officer with such staff and resources which, in that person's opinion, is necessary to allow them to carry out their duties.
- 5.2 Section 113 of the Local Government Finance Act 1998 requires the responsible officer under Section 151 of the 1972 Act to be a member of a specified accountancy body.

### 6. RISK MANAGEMENT

**Table 3: Impact of risk and mitigation**

<b>Risks</b>	<b>Uncontrolled risk</b>	<b>Controls</b>	<b>Controlled risk</b>
The council does not appoint a statutory Section 151 Officer	High - Council is not fulfilling its statutory responsibility.	An experienced individual is recommended for the position.	Low

### 7. POTENTIAL IMPACTS

- 7.1 Equalities.  
None.
- 7.2 Climate change/sustainability.  
None.

7.3 Data Protection/GDPR.  
None.

## 8. CONSULTATION

8.1 None.

## 9. TIMETABLE FOR IMPLEMENTATION

**Table 4: Implementation timetable**

Date	Details
24 October 2019	Appointment of Interim Section 151 Officer

## 10. APPENDICES

10.1 Appendix A – Summary of Experience.

## 11. BACKGROUND DOCUMENTS

11.1 N/A

## 12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Clr Hilton	Lead Member for Finance	15/10/19	
Duncan Sharkey	Managing Director	15/10/19	
Russell O'Keefe	Executive Director	15/10/19	
Andy Jeffs	Executive Director	15/10/19	15/10/19
Ruth Watkins	Deputy S151 officer	15/10/19	15/10/19
Elaine Browne	Head of Law	15/10/19	
Mary Severin	Monitoring Officer	15/10/19	
Louisa Dean	Communications	15/10/19	15/10/19
Kevin McDaniel	Director of Children's Services	15/10/19	
Hilary Hall	Director Adults, Commissioning and Health	15/10/19	
Karen Shepherd	Head of Governance	15/10/19	15/10/19

## REPORT HISTORY

Decision type:	Urgency item?	To Follow item?
Non-key decision	No	No
Report Author: Nikki Craig, Head of HR, Corporate Projects and ICT		

## **Appendix A**

### **Terry Neaves – Summary of Experience**

Chartered Institute of Public Finance & Accountancy 1989

**Director of Finance & Business Services, Derbyshire Police (10/06 to 06/19)**

- Including S151 Officer – Derbyshire Constabulary (2012-19)

**Director of Finance - Bedfordshire County Council (5/06 - 11/06)**

**Director of Finance & Administration, Derbyshire Police (10/04 to 5/06)**

**Chief Finance Officer, South Derbyshire District Council (7/00 to 10/04)**

**Chief Finance Officer (8/98 to 78/00), Deputy Treasurer (11/95 to 8/98),  
Eastbourne Borough Council**