

REPORT FROM: CORPORATE DIRECTOR

TO: COUNCIL

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POST OF CHIEF FINANCE OFFICER (s151 OFFICER)

PURPOSE OF REPORT:

To consider the position of the statutory s.151 Officer.

RECOMMENDATIONS

- (1) That with effect from 1st January 2020 the Chief Executive be appointed as the s151 Officer.
- (2) That the appointment be reviewed in 12months.
- (3) That the payment of an honorarium of £6,000 for taking on this additional responsibility be approved.
- (4) That the other changes in senior management referred to in the report be noted.

REASONS FOR RECOMMENDATIONS

To deal with the pending vacancy and to retain continuity in the senior management structure over the next 12 months.

1. The current Chief Finance Officer has tendered her resignation and will leave the Council on 31st March 2020.
2. Section 151 Local Government Act 1972 requires the Council to appoint a suitably qualified officer who will be responsible for the proper administration of the Council's financial affairs. The position is held by the current Chief Finance Officer.
3. The position is generally referred to as the s.151 Officer and is one of three statutory posts at the Council, the other two being the Head of Paid Service (currently the Chief Executive) and the Monitoring Officer (currently the Corporate Director).

4. It is legally possible to combine the roles of Head of Paid Service and s.151 Officer but it is not possible for the Monitoring Officer to perform either of the other roles. It should be noted that the Chief Executive is currently the Deputy s.151 Officer.
5. Following discussions on a number of options with Group Leaders, it is proposed to combine the roles of Chief Executive and s.151 Officer. As indicated above, given the Chief Executive is appropriately qualified, it is feasible for him to also act as the Council's s.151 Officer (as is the case with other councils both in Lancashire and elsewhere). He is also already very well versed in the strategic financial issues facing the Council.
6. The appointment would be temporary and reviewed in 12 months. It seems very likely that a further organisational review will be required during 2020 with a view to implementation in April 2021.
7. North West Employers advise that a reasonable additional payment to the Chief Executive for taking on this additional responsibility would be £6,000 for that period and that it should take the form of an honorarium rather than an increase in salary.
8. Inevitably this will have some impact on the capacity of the Chief Executive and the focus on the strategic issues his post demands. This would be dealt with by the Corporate Director providing additional support during the temporary arrangement by working four days per week instead of three as at present. The Chief Executive has authority to approve this under the Council's Pay Policy Statement.
9. The approach also provides a focus on the development of senior staff within the Accountancy Team. The current Accountancy Manager would become Deputy s.151 Officer (with a development plan aimed at providing sufficient experience, skills and knowledge that, in time, would allow advancement to the s.151 Officer role). He would also become a member of the Management Team.
10. Inevitably, the arrangement will require additional capacity (1 full time equivalent) in the Accountancy Team. This will be funded from the saving on not filling the existing Chief Finance Officer post. Subject to grading reviews, it is estimated that the arrangement would save c£10k in addition to saving on recruitment costs. It is proposed that the saving is retained in the budget pending the review of the arrangement in 12 months.

IMPLICATIONS

Policy: None arising from the report.

Financial: These are as set out in the report.

Legal: The Council has a duty to appoint a s.151 Officer.

Risk Management: None arising from the report.

Health and Safety: None arising from the report.

Sustainability: None arising from the report.

Community Safety: None arising from the report.

Equality and Diversity: None arising from the report

APPENDICES

N/a

LIST OF BACKGROUND PAPERS

N/a