

Cheltenham Borough Council
Appointments and Remuneration Committee - 9th June 2015
Audit Committee - 17th June 2015
Council - 22nd June 2015
Section 151 Officer Interim arrangements

Accountable member	Councillor John Rawson, Cabinet Member for Finance
Accountable officer	Andrew North
Ward(s) affected	None
Key/Significant Decision	No
Executive summary	<p>The remit of the Director of Corporate Resources includes the role of Section 151 Officer. The current post holder, Mark Sheldon, needs to free up capacity in order to deliver on key corporate projects.</p> <p>The role of Section 151 Officer is likely to be considered in the development of the 2020 vision partnership and there is the potential for a different arrangement to be considered.</p> <p>In the interim, it is proposed that the Deputy Section 151 Officer, Paul Jones, is seconded into the role of Section 151 Officer in order to release strategic capacity to progress some key corporate projects.</p>
Recommendations	Recommend to Council that the Deputy Section 151 Officer is designated, in an interim seconded capacity for 18 months, to the role of Section 151 Officer until further notice.

Financial implications	<p>GO Shared Services (GOSS) have costed the implications of the proposal at £30k per annum. This cost can be met from the Transformation Challenge Award (TCA) paid to the 2020 vision partners for which the council will receive a contribution of £52k per annum to reimburse it for the time spent by the Chief Executive in the Lead Commissioner role for the programme.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
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Legal implications	<p>The designation of an officer as Chief Finance (s151) Officer requires Council approval. Whilst it is intended that the proposed arrangement will be an interim one, the requirement for designation by Council still applies.</p> <p>The Deputy Section 151 Officer is currently in the GOSS for which there is a secondment agreement in place to provide this role back to the council and, in this respect, the post holder is an officer of the Authority A new secondment agreement will need to be agreed between the post holder, the Authority and Cotswold DC to facilitate the proposed arrangement.</p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>As stated in the report, the Director of Corporate Resources post includes the role of Section 151 Officer. The proposal is for the Deputy Section 151 Officer to be seconded into the role and assume the full section 151 duties for an interim period. At the end of the period the Director of Corporate Resources will resume the full duties of his substantive post.</p> <p>GOSS are well positioned to be able to support the proposal since they are the current provider of operational financial support and Deputy section 151 Officer support to the council.</p> <p>However, GOSS do not currently have the spare capacity to provide this support within the existing structure and as such, will need to appoint an additional accountant for 2 days per week. This will provide the necessary capacity to backfill GOSS officers to take on the additional statutory responsibilities. In line with agreed HR Policy officers will be paid a honorarium for the additional responsibilities</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	See appendix 1
Corporate and community plan Implications	<p>The proposal should release some strategic capacity which will assist in the delivery of some key corporate plan objectives.</p>
Environmental and climate change implications	<p>None arising from this report</p>
Property/Asset Implications	<p>None arising from this report</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p>

1. Background

- 1.1** The remit of the Director of Corporate Resources includes the role of Section 151 Officer. The current post holder, Mark Sheldon, needs to free up capacity to deliver on key corporate projects.
- 1.2** The role of Section 151 Officer is likely to be considered in the development of the 2020 vision partnership and there is the potential for a different arrangement to be considered.
- 1.3** In April, the council made the decision to acquire new offices in order to relocate and find a joint venture partner to redevelop the Municipal Offices. The Director of Corporate Resource is the sponsor for this project and it is vital that this complex project delivers the benefits outlined in the business case as soon as possible. Now that a decision has been made to relocate, initial planning would suggest that there is considerable work to be undertaken over the next few years including planning of the space and determining our specific future needs including those of members. It will also require the design of the public services hub and customer services space and the development of a customer access strategy with our 2020 vision partners.
- 1.4** In addition, the Director of Resources and Head of Property recently commissioned some work by the Chartered Institute of Public Finance and Accountancy to review Property Services ahead of the consideration of the Asset Management Plan. This proved to be a valuable exercise which resulted in a revised Asset Management Policy being approved by council along with a revised set of Terms of Reference for the Asset Management Working Group. One of the key messages which came from the review was that the council should ensure that the existing property portfolio was delivering value for money and consider increasing its investment portfolio to help support the Medium Term Financial Strategy. This step change in approach requires a strategic lead and some additional corporate capacity and focus.
- 1.5** The Director of Resources will undoubtedly have a role to play in the transfer of existing services within his remit into the potential shared service arrangement if the council signs up to the 2020 vision with its partner councils.
- 1.6** The opportunity to use the established GO Shared Services partnership to provide the formal section 151 role for the Council is a natural extension of the current position and is in line with our direction of travel on transforming services.
- 1.7** It is proposed that the Deputy Section 151 Officer, Paul Jones, is seconded into the role of Section 151 Officer, for a period of 18 months, in order fulfil the Statutory Section 151 Officer role which will release strategic capacity to progress some key corporate projects. Paul Jones has been the designated Deputy Section 151 Officer at Cheltenham Borough Council for many years and is already fulfilling the role of Section 151 Officer for Forest of Dean District Council.
- 1.8** In addition, 2 qualified persons from within GOSS will be seconded to Cheltenham Borough Council to fulfil the 'Deputy' Section 151 Officer role in order to provide resilience and attendance at key meetings of the Council.

2. Delivery of statutory duties

- 2.1** Section 151 Officer (Chief Finance Officer) has a number of statutory duties. CIPFA has issued guidance on the role of the Section 151 Officer which can be summarised as follows:
 - Leading the development of a medium term financial strategy and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery;
 - Promotion of financial management, value for money and the safeguarding of public money;

- Provision of professional financial advice;
- Production and sign-off of the annual Statement of Accounts;
- Leading and directing the finance function through a 'business partnering' ethos (including treasury management, accounts payable, accounts receivable, insurance and procurement) so that it makes a full contribution to and meets the needs of the business;
- Compliance with the statutory requirements for accounting ;
- Compliance with the statutory requirements for internal audit which is provided by Audit Cotswolds.

2.2 Article 12 of the Constitution and in particularly 12.4.2 states that The Section 151 Officer has responsibility for the administration of the financial affairs of the Council and will ensure that an adequate and effective internal audit system is maintained. As Head of Paid Service, I am comfortable that the interim arrangements to be put in place will ensure that the statutory function will continue to be delivered.

3. Reasons for recommendations

3.1 The proposal will release strategic capacity in order to support the delivery of the corporate plan.

4. Alternative options considered

4.1 Maintenance of the current arrangements was considered but which could impact on the delivery of some key corporate objectives.

5. Consultation and feedback

5.1 The appointment and remuneration committee and audit committee will be consulted prior to the Council decision.

6. Performance management –monitoring and review

6.1 Performance will be monitored via 121 meetings and through the normal appraisal process.

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Appendices	1. Risk Assessment 2.
Background information	1.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the council does not ensure adequate Section 151 resource then there is a risk that the council may not fulfil the statutory responsibilities covered by this role.	Andrew North	28/5/15	5	2	10	Reduce	Council to ensure there is an appropriate appointment to the role of Section 151 officer with access to adequate resources.	22/6/15	Mark Sheldon	
	Any environmental risks										
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											