

Cheltenham Borough Council
Appointments and Remuneration Committee – 27 February 2017
Council – 23 March 2017
Section 151 Officer Arrangements

Accountable member	Councillor Rowena Hay, Cabinet Member for Finance
Accountable officer	Pat Pratley
Ward(s) affected	None
Key/Significant Decision	No
Executive summary	<p>On 22 June 2015, the Council recommended that the Deputy s151 Officer, Paul Jones, be designated, on an interim secondment basis to the role of Section 151 Officer for a period of 18 months to free up capacity to allow the Council's designated s151 Officer to spend his time leading on a number of key corporate projects. This interim period has nearly concluded.</p> <p>The permanent designated Section 151 Officer, Mark Sheldon (Director of Corporate Resources & Projects) has now confirmed his wish to permanently relinquish the Section 151 duties and this presents the Council with an opportunity to make the current interim arrangements permanent.</p> <p>Members have indicated in previous Council reports that they wish to receive GOSS and ICT services from the 2020 partnership, and the direction of travel is that these will be provided through a local authority company, the legal form through which the s151 officer role would be provided is either a secondment agreement or a contract of employment directly with this council.</p> <p>The interim Section 151 Officer is currently employed by Cotswold District Council but seconded to the Council and to the Forest of Dean District Council as their permanent designated Section 151 Officer. Following discussions with the current interim post holder, the Forest of Dean District Council and the 2020 Partnership MD, the recommended option is that Paul Jones is appointed as the permanent designated Section 151 Officer employed directly by Cheltenham BC. The Council will then enter into a secondment agreement with the Forest of Dean Council. An arrangement that all parties are fully agreeable to.</p> <p>It is recommended that the Appointments and Remuneration Committee:</p> <ol style="list-style-type: none"> 1. Agrees the content of this report. 2. Approves the salary grade and job description for the post of Chief

Finance Officer.

3. Considers the permanent appointment of the interim s151 Officer, Paul Jones, to the Chief Finance Officer role (to include the role of Section 151 Officer) with effect from 28th March 2017.
4. Makes an onward recommendation to Council for designation to the role of Chief Finance Officer (to include the role of Section 151 Officer)

Recommend to Council that:

1. Paul Jones is designated permanently to the role of Chief Finance Officer (to include the role of Section 151 Officer) with effect from 28th March 2017.

Financial implications	<p>There are no financial implications arising from this report. The salary costs of the Chief Financial Officer, as detailed in paragraph 1.9, are within the 2017/18 approved budget.</p> <p>Contact officer: Sarah Didcote, sarah.didcote@cheltenham.gov.uk, 01242 264125</p>
Legal implications	<p>The Council has a statutory duty to appoint a designated Section 151 Officer. The Appointment and Remuneration Committee agree who to appoint but the final decision on the designation rests with Council. The Employment Rules must be complied with and this includes the need to consult with Cabinet before any offer of appointment is made.</p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>As outlined in the body of this report.</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 will continue to support release of 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** In 2015, the remit of the Director of Corporate Resources & Projects included the role of Section 151 Officer (s151). The Council report in June 2015 explained the business rationale and the need to free up capacity of the post holder to enable the delivery of a number of key corporate projects.
- 1.2** It was also envisaged at that time that the role of s151 Officer would likely be considered in the development of the 2020 vision partnership and that there could be the potential for a different arrangement to be considered.
- 1.3** It was proposed that the then Deputy s151 Officer, Paul Jones, be seconded into the role of s151 Officer, for a period of 18 months, and for him to also continue to fulfil the role of s151 Officer for Forest of Dean District Council.
- 1.4** The interim period has nearly concluded. Paul has fulfilled his s151 responsibilities thus far with considerable competence including the additional duties of line management of the Revenues & Benefits section following the return of the service from the control of the Joint Committee to the Council. Paul also attends Executive Board meetings and has provided invaluable and authoritative financial advice to the board during this interim period and during a continued period of financial challenge for the authority.
- 1.5** The permanent designated s151 Officer, Mark Sheldon (Director Resources & Projects) has confirmed in writing to the HR Manager that he wishes to permanently relinquish the s151 duties. This presents the Council with an opportunity to make the interim s151 arrangements, including the line management of Revenues & Benefits, permanent.
- 1.6** Members have indicated in previous Council reports that they wish to receive GOSS and ICT services from the 2020 partnership, and the direction of travel is that these will be provided through a local authority company, the legal form through which the s151 officer role would be provided is either a joint employment contract with all parties or a direct employment contract with this council and a secondment to the Forest of Dean DC.
- 1.7** The interim s151 Officer is currently employed by Cotswold District Council but seconded to this Council and to the Forest of Dean District Council as their permanent designated s151 Officer. Following discussions with the current interim post holder, the Forest of Dean District Council and the 2020 Partnership MD the recommended option is a direct employment contract with Cheltenham BC. Cheltenham will then enter into a secondment agreement with the post holder and the Forest of Dean Council. All parties are fully agreeable to this.
- 1.8** The proposed new Chief Finance Officer (CFO) role is described at appendix 2.
- 1.9** The salary for the CFO role has been established at Grade 3, £67,392 - £77,884. The Forest of Dean District Council will be paying circa £35k contribution and the salary proposal is within current budget provision. This is just a different employment arrangement.

2. Delivery of statutory duties

- 2.1** To 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 currently by Audit Cotswolds and from 1st April 2017 South West Audit Partnership (SWAP).

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 continue to release strategic capacity in order to support the delivery of the corporate plan.
- 3.2** Ensures that the Council retains the skills and expertise of the current interim officer by entering into a direct employment relationship with him.

4. Alternative options considered

- 4.1** That the s151 role reverts back to the Director Resources & Projects but this would impact on the delivery of some key corporate objectives.
- 4.2** That the Council continue to procure the s151 services from the 2020 Partnership company. However, the requirement to use a joint employment contract across multiple employers and the employee was felt to be too complex.

5. Consultation and feedback

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

6. Performance management –monitoring and review

- 6.1** The post-holder will report to the head of paid service who will be responsible for monitoring performance through regular 1-2-1 meetings as well as through the appraisal process.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Chief Finance Officer – Job Description
Background information	<p>Council Report 22nd June 2015</p> <p>A&R Briefing Note – October 2016</p>

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.	Pat Pratley	01.02.2017	5	2	10	Reduce	Council to ensure there is an appropriate appointment to the role of Section 151 officer with access to adequate resources.	31.03.2017	Paul Jones	
	Any environmental risks										

Explanatory notes

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)

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)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close