

Section 151 Officer Appointment

Relevant Portfolio Holder	Councillor Dormer
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Report Author	Chief Executive k.dicks@bromsgroveandredditch.gov.uk 01527 881484
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Council RESOLVE to:-

Approve the arrangements for an Interim Chief Finance Officer and Section 151 Officer for Redditch Borough Council for a period of 12 months (with any extension subject to review).

2. BACKGROUND

- 2.1 The Council is required to nominate an officer under section 151 of the Local Government Act 1972 to be responsible for the proper administration of its financial affairs, a role designated as part of the Director of Resources position.
- 2.2 At a meeting of Full Council on 25th January 2021 Council ratified the decision taken under the Urgent Decisions Procedure to appoint Mr James Howse as the Council's Director of Resources and the Council's Section 151 officer (Chief Financial Officer).
- 2.3 As Members will be aware, Mr Howse is a Bromsgrove District Council employee made available to Redditch Borough Council under the provisions of the Local Government Act 1972 and in accordance with both Councils' shared service arrangements.
- 2.4 Mr Howse has given notice that he has secured a new role elsewhere and therefore wishes to terminate his contract of employment with the Council. As the post of Section 151 Officer is a statutory post the Council is obliged to appoint an officer to act in that capacity on its behalf.

- 2.5 The role of Chief Finance and Section 151 Officer was attached to the post of Director of Resources. However, as members will be aware, appointing a new Director of Resources would require a comprehensive recruitment and selection process nationally which will take more time than available to the Council. It could take up to 6 months before a new person is in post. Therefore, until such time as permanent recruitment is considered, there is an immediate need to ensure the appointment of a S151 Officer and ensure capacity and continuity remain within Finance team. It is proposed that Peter Carpenter is appointed interim S151 and Chief Finance Officer for a term of 12 months.
- 2.6 Members are advised that Peter Carpenter has over 30 years of experience of Local Government Finance, during which time he has been Section 151 Officer, Deputy Section 151 Officer and Head of Service.
- 2.7 Members will be aware that the Council has been experiencing some significant challenges in recruiting into vacancies within the Finance Team and that this is a challenge that Councils are facing generally across the local government sector.
- 2.8 Members will also be aware that a recent recruitment and selection process resulted in the successful appointment of a permanent Head of Financial Services. Whilst this role has been vacant the duties have been carried out by an interim officer, Peter Carpenter, since February 2022. Members are advised that Mr Carpenter has also been assuming the role of Deputy 151 Officer during this time. In addition to this role, six other (less senior but important) roles in the Team have also been successfully recruited to – including the Financial Services Manager in recent weeks as part of plans to strengthen the team.
- 2.9 Whilst it is noted that the incoming (permanent) Head of Financial Services will commence employment with the Council at the end of June it will still be incumbent on this Council to appoint an officer to the Statutory Role of S151 officer to ensure legislative compliance in this area.
- 2.10 Members are advised that Peter Carpenter, the current interim deputy Section 151 officer, has been working closely with the Council's internal finance team and the Council's external auditor and is heavily involved in the Council's delivery of the recently awarded Levelling Up Funding.
- 2.11 It is imperative that the Council seek to enable continuity in this area. It is also important that the incoming permanent Head of Financial

Services (alongside the newly strengthened Finance Team) has sufficient coaching, support and leadership over the coming period.

- 2.12 For the reasons detailed above the Council is being asked to consider to appoint an 'Interim' Chief Finance Officer through West Midlands Employers (WME) for 12 months, whilst the Council takes an appropriate recruitment approach to secure a permanent replacement for the Director / S151 role. In the interests of mitigating the risks that are being presented by the loss of knowledge and experience required for the delivery of the statutory 151 functions, Peter Carpenter would undertake this placement via WME to ensure the continuity required by the Council is maintained in the short term.

3. FINANCIAL IMPLICATIONS

- 3.1 The total budgeted cost for the Director of Resources post in 2022/23 is £139,400. This is split equally between Bromsgrove District Council and Redditch Borough Council. The cost to RBC is £69,700.
- 3.2 Whilst the exact cost of the interim role through WME will be determined by the number of days actually worked the estimated cost for 12 months is £155,000. This would be split equally between Bromsgrove and Redditch Councils. The cost to RBC would be £77,300. The additional £7,600 to RBC would be met from the Financial Services earmarked reserve.
- 3.3 If the Council were to determine that it wanted to recruit immediately to the post of Director of Resources it would probably be at least 6 months before the successful candidate were to be in post. This is assuming that the recruitment campaign was successful and as stated above it is an extremely challenging market at present. The post would therefore have to be covered, for the reasons outlined above, by an interim. The normal day rate for an experienced person is approximately £900 per day. For 6 months this would equate to £103,500. Compared to the 6 months cost for the substantive post this would be an additional cost of £33,800 (split equally between the 2 councils). This demonstrates that the solution offered through WME provides a cost effective solution and mitigates risk for the authority.

4. LEGAL IMPLICATIONS

- 4.1 Under Section 151 of the Local Government Act 1972, it is stated: "Without prejudice to section 111 above, every local authority shall 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."

- 4.2 Section 6 of the Local Government and Housing Act 1989, further states: “(1) On and after the commencement day the Common Council shall – (a) make arrangements for the proper administration of such of its financial affairs as relate to it in its capacity as a local authority, police authority or port health authority, and (b) secure that one of its officers has responsibility for the administration of those affairs.”
- 4.3 Part 1, Introduction to the Constitution – Section 9 Officers - Designations, paragraph 9.1.1 of the Council’s Constitution states that by law the Council must designate Officers to hold statutory offices. The role of Section 151 Officer is a statutory Chief Officer of the Council.
- 4.4 Section 113 of the Local Government Finance Act 1988 requires that the officer appointed as the Chief Finance Officer (CFO) must be a member of a specified accountancy body.
- 4.5 Under section 111 Local Government Act 1972 a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority’s functions as fall to be discharged by them and under section 113 a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 Effective financial management underpins all the Council’s operations and achievement of strategic purposes.

Climate Change Implications

- 5.2 None.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 None.

Operational Implications

- 6.2 This proposal is in order to secure continuity of operations in a critical function.

REDDITCH BOROUGH COUNCIL

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2022**

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7. RISK MANAGEMENT

- 7.1 As set out above, this proposal aims to mitigate the risks associated with a lack of continuity and senior capacity. This includes ensuring Council maximises the benefit from the recently strengthened Finance Team, and that that Team is appropriately supported.

8. APPENDICES and BACKGROUND PAPERS

None.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Matt Dormer Leader	17/6/22
Lead Director / Head of Service	N/A Report author	N/A
Financial Services	James Howse Director of Resources	17/6/22
Legal Services	Claire Felton Head of Legal, Democratic and Property Services	17/6/22