

# Joint Council report



Report of Chief Executive

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To: VALE COUNCIL

DATE: 18 December 2019

To: SOUTH COUNCIL

DATE: 19 December 2019

## Designating the councils' section 151 chief finance officer

### Recommendation

That Council

- (1) designates Simon Hewings, the interim Head of Finance, as the council's section 151 chief finance officer from 23 December 2019;
- (2) authorises the head of legal and democratic to make any consequential changes required to the council's constitution to reflect this change.

### Purpose of Report

1. Section 151 of the Local Government Act 1972 requires each council to designate one of its officers to have responsibility for the proper administration of its financial affairs.
2. This report recommends that Simon Hewings, recently appointed as the interim head of finance by the Joint Staff Committee at its meeting on 19 November, be designated as the "section 151 officer" for each council from 23 December 2019.

### Corporate Objectives

3. The section 151 officer has overall responsibility for the entire financial affairs of the councils, and therefore the satisfactory discharge of that responsibility contributes to all the corporate objectives of the two councils. However, its primary focus is on the 'effective management of resources' objective.

## Background

4. The “section 151 officer” (also sometimes referred to as the “chief finance officer” in regulations) is one of three statutory officers at the councils. (The other two being the “Head of Paid Service” and the “Monitoring Officer”). Every unitary, county and district council must designate these three statutory officers.
5. William Jacobs, the incumbent Head of Finance and section 151 officer, will retire from the councils on 30 May 2020. To ensure resilience and effective handover, the chief executive agreed that William Jacobs will step down from the head of finance and section 151 officer positions when an interim replacement has been appointed.
6. Following advertisement of the post Simon Hewings was appointed to the post of interim head of finance by the Joint Staff Committee at its meeting on 19 November 2019. Simon Hewings will commence his new role on 23 December 2019. No objection was raised from cabinet members.

## Options

7. The councils could choose to designate another officer as section 151 officer. It is a statutory requirement that the section 151 officer must be a suitably experienced professionally qualified accountant. Whilst there are other qualified accountants employed at the two councils the interim head of finance is the most experienced and the only one that has previously acted as a deputy section 151 officer. There would be greater operational risk from designating another officer into this role, although for resilience and succession planning, additional professionally qualified officers will be designated as ‘deputy section 151 officer(s)’ by the section 151 officer following their appointment.
8. Each council could designate a different section 151 officer. This option would be less efficient given the high degree of joint-working as two officers would need to be involved on financial issues that currently require only one. Such an arrangement could also lead to confusion and disruption if the two section 151 officers do not agree on a particular matter, reducing the overall resilience of the finance team. This option would also lead to significant additional costs being incurred by the councils, as it would require a complete reorganisation and restructure of the councils’ finance team.

## Financial Implications

9. There are no direct financial consequences associated with this recommendation as there will be no change in the affected officer’s remuneration but see paragraph 8 for the implications of other options.

## Legal Implications

10. The designation of a section 151 officer is a statutory duty for each council.

## Risks

11. The objective of section 151 of the Local Government Act 1972 is to reduce financial risk by requiring a designated officer to be responsible for the proper

administration of the council's financial affairs. This should reduce the risk of financial malpractice, poor financial planning, fraud, waste and loss.

12. The objective of requiring a professionally qualified and experienced individual to fulfil that role is to promote sound financial management and reduce the risk of financial failure.
13. The interim head of finance is an experienced professionally qualified accountant who has acted as deputy section 151 officer. His designation represents a low risk.

## **Conclusion**

14. Following the announcement of the retirement in May 2020 of William Jacobs, the current Head of Finance and section 151 officer, the councils have appointed Simon Hewings as interim Head of Finance. The councils are recommended to designate the interim head of finance as the section 151 officer for each council. The proposed designation will require some minor consequential changes to the councils' constitution. The councils are asked to authorise the head of legal and democratic to make these changes.

## **Background Papers**

None