

City Council - 11 November 2024

Report of the Head of Paid Service

Corporate Director/ Director:

Lee Mann, Strategic Director of HR and Equality, Diversity and Inclusion

Report Author and Contact Details:

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Title: Designation of Chief Finance Officer/ Section 151 Officer

Does the report form part of the Budget or Policy Framework?

Yes No

Commissioner Consideration

Has this report been shared with the Commissioners' Office? Yes No

Any comments the Commissioners wish to provide are listed below.

Does this report contain any information that is exempt from publication?

No

Relevant Council Plan Key Outcome:

Green, Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Living Well in our Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

1. Summary

- 1.1 Council is asked to note the appointment of an Interim Corporate Director of Finance and Resources, and that the post is designated as the Council's Chief Finance Officer/ Section 151 Officer. In addition, the role will also include oversight of IT, Commercial and Procurement, Internal Audit and Risk.

2. Recommendations

- 2.1 To note that Stuart Fair has been appointed as Interim Corporate Director of Finance and Resources with effect from 8 November 2024 and that, as set out in Article 5 of the Constitution, this post is designated as the Council's Chief Finance Officer/ Section 151 Officer for the purposes of Section 151 of the Local Government Act 1972.

2.2 To note that as an interim arrangement the Director of Legal and Governance, Director of Customer Services and Strategic Director of HR and Equality and Diversity and Inclusion will report to the Chief Executive prior to options for a permanent management structure being presented to the Appointments and Conditions of Service Committee for consideration and approval.

3. **Reasons for recommendations**

3.1 Every local authority must make arrangements for the proper administration of its financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs. That officer should be designated as the Chief Finance Officer/ Section 151 Officer. This is a statutory chief officer level responsibility.

3.2 Article 5 of the Constitution sets out that the Chief Finance Officer/ Section 151 Officer is a Statutory Chief Governance Officer, and that the functions of the role are:

- reporting to the Council or Executive if there is, or is likely to be, unlawful expenditure or an unbalanced budget under section 114 of the Local Government Finance Act 1988
- ensuring lawfulness and financial prudence of decision making
- administration of financial affairs
- contributing to corporate management
- providing advice
- providing financial information

3.3 Article 5 of the Constitution sets out that Council has designated the Corporate Director of Finance and Resources as the Chief Finance Officer/ Section 151 Officer.

3.4 The Council's previous Corporate Director of Finance and Resources and Section 151 Officer recently left the organisation and, in accordance with section 14.15 of Article 14 – Officer Employment Procedure Rules of the Council's Constitution relating to interim appointments, an interview panel comprising the Head of Paid Service, the Proper Officer, the Executive Member for Finance and Resources and the Finance Commissioner was established to interview potential candidates and make a decision on an interim appointment to the post.

3.5 Following the identification of a preferred candidate, the Proper Officer informed every member of the Executive Board of the name of the prospective appointee and provided 48 hours for the Leader to make any objection on their own behalf or on behalf of one or more members of the Executive. No objections were received.

3.6 In accordance with Article 14.15 the Council is currently planning for the permanent recruitment to the post of Corporate Director of Finance and Resources and Section 151 Officer.

3.7 To bridge that gap, an interim Corporate Director of Finance and Resources has been appointed, he started on 8 November 2024 and, in accordance with the designation set out in Article 5 of the Constitution, he is the Council's Chief Finance Officer/ Section 151 Officer.

3.8 In recognition of the significant challenges facing the Council and that the Council's enabling functions are a key part of supporting the Council's improvement journey, as an interim arrangement the Director of Legal and Governance, Director of Customer Services and Strategic Director for HR and Equality, Diversity and Inclusion will

report to the Chief Executive. This will help to ensure that there is sufficient capacity and capability balanced across the organisation to lead the core finance function along with these key enabling functions during this period. Options for a permanent management structure will be presented to the Appointments and Conditions of Service Committee for approval in due course.

4. Other options considered in making recommendations

4.1 Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and that an officer must be designated as the Chief Finance Officer/ Section 151 Officer to take responsibility for the administration of those financial affairs. Therefore, not appointing to the role was not an option.

5. Consideration of Risk

5.1 This is a critical role for the Council at a challenging time. The Interim Corporate Director of Finance and Resources (Section 151 Officer) will lead on the delivery of the Council's budget strategy, working alongside Elected Members and Commissioners to deliver a balanced budget, a sustainable financial plan and be professional lead on a range of complex organisational improvements.

6. Best Value Considerations

6.1 The appointment was conducted in line with the Council's Constitution and the recommended candidate will provide the necessary strategic capacity to support the budget setting process, the Council's Finance and Resources Directorate and discharge the responsibilities of the Chief Financial Officer.

7. Background

7.1 The Council is a large and complex organisation with a turnover of circa £1.1 billion per annum, 6600 staff, together with a number of arm's length company arrangements. The Council needs to be able to demonstrate sufficient senior management capacity to successfully improve grip and assurance in relation to meeting its regulatory requirements, improving corporate governance and financial management in relation to business as usual decision making, together with the necessary capacity to drive transformational improvement and change to maintain or improve outcomes at lower cost.

8. Commissioner comments

8.1 The Commissioners fully support these interim arrangements.

9. Finance colleague comments (including implications and value for money)

9.1 The costs of this appointment will be funded through the budget for the Corporate Director of Resources and S151 officer.

Clare Williams, Strategic Finance Lead, 07/11/2024

10. Legal colleague comments

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs. An Officer must be designated under this section as Chief Finance Officer/ Section 151 Officer to take responsibility for the administration of those financial affairs.

This interim appointment has been made in accordance with the Article 14.15 of the Council's Constitution. Meaningful recruitment to the substantive post must commence within 12 months of an interim appointment having been made.

Beth Brown, Director of Legal and Governance, 7 November 2024

11. Other relevant comments

11.1 HR comments are included in the body of the report.

12. Crime and Disorder Implications (If Applicable)

12.1 Not applicable.

13. Social value considerations (If Applicable)

13.1 Not applicable.

14. Regard to the NHS Constitution (If Applicable)

14.1 Not applicable.

15. Equality Impact Assessment (EIA)

15.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because the decision does not relate to a new or changing policy, service or function.

16. Data Protection Impact Assessment (DPIA)

16.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because the decision does not involve the use of personal or sensitive data.

17. Carbon Impact Assessment (CIA)

17.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because the decision does not have any carbon impacts.

18. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

18.1 None

19. Published documents referred to in this report

19.1 Local Government Act 1972

19.2 Article 5 - Officers of the Constitution

19.3 Article 14 - Officer Employment Procedure Rules of the Constitution

19.4 The Local Authorities (Standing Orders) (England) Regulations 2001

Sajeeda Rose
Head of Paid Service