

EXTRAORDINARY COUNCIL – 21 JANUARY 2020

3. INTERIM APPOINTMENT OF SECTION 151/CHIEF FINANCIAL OFFICER AND APPOINTMENT TO DIRECTOR ROLE (CED)

1 Summary

1.1 The report seeks to agree appointments to the following roles:

- Interim Section 151 Officer and Chief Financial Officer (CFO); and
- Director on Three Rivers Commercial Services Ltd.

2 Details

2.1 *Interim Appointment of Section 151/CFO*

2.1.1 Council is asked to appoint Alison Scott, the current Head of Finance, as the Interim Section 151 Officer and CFO for Three Rivers District Council. The salary scale for the post is between £80,768 to £95,271 per annum. Alison Scott will be appointed to the bottom of the scale which is currently £80,768 per annum.

2.1.2 A similar report will be taken to Watford Borough Council on 28 January 2020 to recommend that they make this Interim appointment as the role is currently shared between the two Councils.

2.1.3 The request for the Interim arrangement follows the appointment of the current Section 151/CFO (Joanne Wagstaffe) as Chief Executive/Head of Paid Head Service for Three Rivers District Council (TRDC) approved by Council at its meeting on 10 December 2019.

2.1.4 Council is asked to agree the interim appointment from 3 February 2020 when Joanne Wagstaffe will take up her new role as Chief Executive/Head of Paid Service until a permanent appointment to the role. This is likely to be in conjunction with Watford Borough Council as the post is currently shared between both Authorities. Officers are not recommending that there should be any change in this arrangement.

2.1.5 The Section 151 Officer/CFO is responsible for the proper administration of the Council's financial affairs, under the Local Government Act 1972. All Local Authorities must assign Section 151/CFO duties to one named Officer who must be suitably qualified. The Section 151 Officer/CFO is required by law to be a suitably qualified individual holding a recognised professional accountancy qualification.

2.1.6 There will be a requirement to set up a Joint Panel for agreement by both Councils to make a permanent appointment to the post in due course once it has been advertised. Details on the Panel will be provided in a joint report to both Council's on 25 February 2020 and 17 March 2020 along with all the Legal requirements on the appointment as covered by both Councils' Constitutions.

2.2 *Director Appointments*

2.2.1 At the Policy and Resources Committee meeting on 2 September the Interim Head of Paid Service/CEO (David Hill) was appointed the Director on Hertfordshire Building Control Board and Three Rivers Commercial Services Ltd.

- 2.2.2 Council is asked to agree the appointment of Alison Scott as Director on Three Rivers Commercial Ltd from 3 February 2020. A separate report will be provided on the Director appointment to the Hertfordshire Building Control Board along with other Council appointments with regard to Hertfordshire Building Control.

3 Options and Reasons for Recommendations

- 3.1 The following appointments be agreed from 3 February 2020 when Joanne Wagstaffe formally takes up the role of Chief Executive/Head of Paid Service:
- Alison Scott, Interim Section 151 Officer and Chief Financial Officer (CFO);
 - Alison Scott, Director on Three Rivers Commercial Services Ltd.

4 Policy/Budget Implications

- 4.1 The recommendations in this report are within the Council's agreed policy.
- 4.2 There maybe budget implications in undertaking the additional responsibilities for the role as Section 151 Officer/CFO and to cover the role of Head of Finance.
- 4.3 There are no budget implications in respect of the Director appointment.

5 Equal Opportunities, Environmental, Community Safety, Public Health

- 5.1 None specific.

6 Staffing

- 6.1 All Councils are required to appoint a Section 151 Officer/CFO to take overall responsibility for the financial affairs of the authorities. It is intended that the post holder will be a Three Rivers employee, as this is already the existing arrangement. The Councils have a formal agreement under section 113 of the Local Government Act 1972 whereby the post holder's services are provided also to Watford. Under this provision an employee whose services are used by another local authority will be deemed to be an employee of that local authority for the purposes of discharging any of that authority's functions. This agreement will need to be amended to reflect the new post holder.
- 6.2 There will need to be some re-organisation of staffing within the Finance Team while the current Head of Finance covers the role of Section 151 Officer
- 6.3 The Director appointment should not have any substantive bearing on the current workload of the proposed Director. There is no remuneration for carrying out the role.

7 Customer Service Centre

- 7.1 The CSC will be advised of the staffing changes within the Finance team.

8 Communications and Website

- 8.1 Both Councils' websites will need to be updated accordingly with the change in Officer details.

9 Legal Implications

- 9.1 The Council is under a statutory duty to appoint a named officer with suitable qualifications to act as Section 151 Officer.
- 9.2 The Head of Paid Service cannot also undertake the role of the Section 151 Officer. The roles are entirely separate. The Section 151 Officer is one of the 3 statutory roles the Council must fill (Head of Paid Service, Monitoring Officer, Section 151/CFO Officer).
- 9.3 It is a requirement to appoint a Council representative as a Director to the company, Three Rivers Commercial Services Ltd.

10 Risk and Health and Safety Implications

- 10.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.
- 10.2 The subject of this report is covered by the Council's corporate plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(tolerate, treat, terminate, transfer)</i>	Risk Rating <i>(combination of likelihood and impact)</i>
Appointment of Section 151 Officer/CFO is not agreed.	Three Rivers DC and Watford BC do not fulfil their statutory obligations	Internal arrangements will be put in place to cover the requirements of the Section 151 Officer/CFO	Treat	4
Failure to appoint a Council representative as a Director	Could mean that business is difficult to transact in the organisation	The suggested Council representative is appointed	Treat	1

- 10.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Very Likely ----- Likelihood ----- ▼ Remote	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
Impact Low -----► Unacceptable				

Impact Score

Likelihood Score

4 (Catastrophic)

4 (Very Likely (≥80%))

3 (Critical)

3 (Likely (21-79%))

2 (Significant)

2 (Unlikely (6-20%))

1 (Marginal)

1 (Remote (≤5%))

10.4 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

11 Recommendation

11.1 The following appointments be agreed from 3 February 2020:

- Alison Scott, Interim Section 151 Officer and Chief Financial Officer (CFO);
- Alison Scott, Director on Three Rivers Commercial Services Ltd.

Report prepared by: Sarah Haythorpe, Principal Committee Manager

Data checked by Anne Morgan, Solicitor to the Council

Appendices: None

Background Papers: report to Council – 16 July 2019, report to Policy and Resources Committee 2 September 2019 and report to Council February 2013