

REPORT OF THE MANAGING DIRECTOR AND HEAD OF PAID SERVICE

SENIOR MANAGEMENT ARRANGEMENTS AND APPOINTMENT OF THE S151 OFFICER

1 Purpose of report

To note the proposed minor changes to the senior management team and to formally appoint Mrs S Knowles as the council's Chief Finance Officer (S151 Officer) from 1 March 2018.

2 Appendix

Appendix 1 – Extract from the constitution "Functions of the Chief Finance Officer"

3 Proposed action:

The council is invited to RESOLVE to:

- 3.1 Note the minor changes to the senior management structure arrangements;**
- 3.2 Appoint Mrs S Knowles as the council's Chief Finance Officer (S151) with effect from 1 March 2018.**

4 Background

- 4.1** At the council meeting on 11 April 2017 a report on the senior management structure was agreed, which appointed Mrs E Elliott as the head of paid service and the council's S151 officer, alongside her role as managing director.
- 4.2** It was felt at that time that this was the best solution for the council. However, in the last 12 months there has been significant change to the local government landscape in general, and in particular in the Northamptonshire local area.

5 Discussion

- 5.1** The current senior management structure has been in place for a year, initially on an interim basis but permanently since April 2017. More recently assistant directors have been appointed, and this has strengthened the senior management team, creating capacity for all three directors.

- 5.2 A functional structure has been implemented to group services below the four assistant directors (ADs) for efficiency and ease of management. Staff have been consulted on this structure and now the process of smaller more specific restructures of teams is progressing to deliver the efficiencies and streamline workloads. This will be completed later in 2018 and will stand the council in good stead for changes that may be needed in the future.
- 5.3 The ADs have worked together collaboratively on this process and have added both capacity and knowledge to the overall senior management team. They have taken on the more operational management of the council from directors, freeing up capacity to take forward some of the more strategic issues the council faces. This has relied on the directors, the ADs and their teams taking responsibility, providing flexibility and demonstrating resilience in their enhanced roles, because no additional resources have been recruited to accommodate the departure of the chief executive a year ago.
- 5.4 In the last 12 months the management team have taken forward a number of members' priorities, such as the review of members' allowances, the review of the constitution, the relationship with Wellingborough Homes, the growth agenda as part of the Ox-MK-Cam corridor and the refresh of the council's corporate plan.
- 5.5 The council's financial position has unfortunately been adversely impacted by the growing pressures of homelessness and, as a result, the budget position is more unstable. The Section 25 report that accompanies the council's budget clearly states that action is needed urgently to ensure the financial stability of the council in the coming years. There needs to be an increased focus on the financial position and the management team has already met with all budget managers (including Wellingborough Norse) to start a review process.
- 5.6 In addition to the local need to focus on finances, nationally the local government finance agenda has become increasingly demanding. Consultations on the changes to funding, such as the fair funding review and the retention of business rates, will mean that the strategic finance focus will be an increasing demand on the S151 Officer's time. Recent local experiences have shown that it is essential that this strategic financial focus is resourced to address the complex nature of the situation.
- 5.7 Similarly the demands on the managing director to be part of strategic meetings that will shape the future of service delivery for the residents of the borough and the developing growth agenda with central government is proving difficult to manage with the needs of the S151 responsibility. The demand for this wider strategic input from the managing director is likely to increase in the next financial year and, to ensure that the council is fully involved in the future direction of local government in Northamptonshire, it is proposed to appoint Mrs S Knowles, currently the deputy S151 Officer and one of the ADs on the senior management team, as the S151 Officer.
- 5.8 Mrs Elliott will become the deputy S151 to offer help and advice from a professional perspective and will remain Mrs Knowles' line manager to ensure

that she has a senior finance professional to discuss matters with. The managing director will then be free to fully immerse herself in county and regional initiatives, and also take a more active role in the management of the council company, Wellingborough Bereavement Services

- 5.9 The ADs have now taken over a substantial part of the operational management of the council from directors, and a succession plan is in place to cover the eventuality that a director may at some point leave. This gives capacity to the managing director to focus on the strategic direction of the council for the future, and for Miss Thomas to focus on the growth of the borough and the delivery of much needed housing for its residents, as well as her role of monitoring officer.
- 5.10 Mrs Gamble will now have the capacity to focus on delivering key projects, as agreed with members, to help achieve the council's financial sustainability and better outcomes for the residents. In particular, Wellingborough Bereavement Services Ltd needs to have more strategic management input to truly achieve the potential outlined in the business case. The company is trading well but needs capacity to grow and expand. Mrs Gamble has been a director on the board of the company since its creation and the managing director suggests that she dedicates more of her time to this.
- 5.11 As head of paid service it falls to the managing director to make sure that the council's business needs are resourced correctly and that staff are employed to that end. The decision has therefore been made that Mrs Gamble will be seconded two days a week from 1 April 2018 to support the company for a year, until the preparation for the 2019 elections workload requires her to return to undertake her role as returning officer.
- 5.12 Prior to the changes to the structure in February 2017 Mrs Gamble was employed on a part time basis (32 hours). She agreed, as part of her new role as director, to return to full time working. It was her intention to potentially take retirement at some point in 2018/19. At this point either a further revision to the management structure or a recruitment exercise would have been undertaken.
- 5.13 However, due to the current financial position there will be an increasing need to progress with projects in this time, as well as the development of the crematorium company and monitoring of the new Castle operational contract. Mrs Gamble has indicated that, if a part time position were to be offered later in the calendar year, she would delay her retirement to provide strategic oversight where required. This reduction in hours would also provide a small revenue saving. The managing director is considering this proposal and will work with the whole management team to find a solution to enable the council to maximise the delivery of the projects agreed for the benefit of the residents of the borough and to provide financial resilience for the future.

6 Legal powers

Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a chief finance officer to have responsibility for those arrangements

7 Financial risk and value for money implications

The council has a budget for S151 officer allowances already in place and there are therefore no financial pressures or VFM implications. If Mrs Gamble were to revert to part-time working there would be a resultant revenue saving.

8 Author

Liz Elliott, Managing Director

9 Consultees

Bridget Gamble, Director BCW
Julie Thomas, Director BCW

10 Background papers

The council's constitution and relevant legislation referred to in the report.

Extract from current constitution

2.10.04 Functions of the Chief Finance Officer

(a) Ensuring lawfulness and financial prudence of decision making.

After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Finance Officer will report to the Full Council and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.

(b) Administration of financial affairs.

The Chief Finance Officer will have responsibility for the administration of the financial affairs of the Council.

(c) Contributing to corporate management.

The Chief Finance Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

(d) Providing advice.

The Chief Finance Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity to all Councillors and the Mayor and will support and advise Councillors and officers in their respective roles.

(e) Give financial information.

The Chief Finance Officer will provide financial information to the media, members of the public and the community.

