

GENERAL PURPOSES AND LICENSING COMMITTEE – 9 MARCH 2018

STATUTORY FINANCIAL OFFICER ROLE WITHIN MANAGEMENT STRUCTURE

1. INTRODUCTION

- 1.1 This report reviews the role of the Statutory Financial Officer (s151) within the Council's management structure and proposes some changes.

2. BACKGROUND

- 2.1 Section 151 of the Local Government Act 1972 requires every Council "to make arrangements for the proper administration of their finance affairs and shall secure that one of their officers has responsibility for the administration of those affairs." Legal opinion states that the term administration means responsibility for managing the totality of the financial affairs of the local Council in managing all of its dealings. This includes direct access to both senior managers and members.
- 2.2 Following the senior management restructuring in 2015/16, the Statutory Financial Officer (s151) role was undertaken by the Accountancy and Audit Service Manager, reporting to the Executive Head of Governance and Regulation.
- 2.3 A change was made in October 2017 following changes within the Executive Management Team with the Service Manager role reporting directly to the Chief Executive. The changes also included regular access to Executive Management Team meetings. The role is within the Portfolio of Finance and Efficiency cabinet member. Following the recent Cabinet changes, the Service Manager for Accountancy and Audit now reports directly to the Cabinet Portfolio Holder.
- 2.4 The financial areas of Accountancy and Audit (17 FTE's) currently come within the direct responsibility of the s151 officer. The area of Council Tax and Business Rates collection, together with Benefits (52 FTE's) is a significant area of the Council's financial affairs which currently is not within the direct management of the s151 officer and for which he has no direct responsibility. The recent introduction of Universal Credit which replaces some existing benefits with a financial payments system will through the transition generate additional workload for the Benefits manager and in the long term increase the Council's overall level of financial responsibility e.g. council housing tenant rent collection. The importance of Business Rates as a significant funding source to the Council will also become ever more prominent as Local Government moves towards increases in Business Rate Retention, and the potential opportunities offered by Business Rate Pools.
- 2.5 Currently the Housing and Community Service Manager in addition to the revenues and benefits function has taken on responsibility for housing tenancy management, homelessness and council housing allocations (FTE 84). This is a very broad responsibility and made more difficult at this time with the introduction of Universal Credit and ongoing demands on finding homes for people in need together with new legislation (Homelessness Reduction Act) requiring implementation during 2018.

- 2.6 The recent Corporate Peer Review commented upon the role and the positioning of the s151 Officer within the Management Structure and the need for the Council to make appropriate arrangements.

3. PROPOSED STRUCTURE CHANGES

- 3.1 It is proposed that the current Accountancy and Audit Service Manager role be titled Head of Financial Services and include s151 responsibilities.
- 3.2 To enable the Head of Financial Services to be responsible for all the Council's financial affairs, it is also proposed that council tax and business rates collection and benefits come within the responsibility of the s151 Officer.
- 3.3 To facilitate the above change, it is proposed that the existing Housing and Community Service Manager will in future be responsible for Revenues, Council Tax and Business Rates Collection, Housing Benefits and oversee the transition to Universal Credit as Service Manager for Revenue and Benefits reporting directly to the Council's s151 Officer, who will continue to report directly to the Chief Executive.
- 3.4 Subject to the Committees agreement, it is proposed that the implementation of these changes will take effect from 1st February 2018.

4. PAY STRUCTURE IMPLICATIONS

- 4.1 A new pay band to reflect the duties and responsibilities of the Head of Financial Services or equivalent will be created.
- 4.2 An external Pay consultant has been commissioned to ensure the correct pay is aligned to reflect the scope of the role. Their recommendation is:
- 4.2.1 The median market rate at this position is currently around £64,000 (which broadly equates to spinal column point 65 – with a suitable range being 64 to 66 with access to 2 further points for exceptional performance. See **Appendix 1**.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial cost will be in the region of £10,000 and will be managed within existing budgets.

6. EMPLOYEE SIDE COMMENTS

- 6.1 The Employee Side note the contents of the report.

7. EXECUTIVE MANAGEMENT TEAM COMMENTS

- 7.1 Executive Management Team agree that the changes proposed set out in section 3 of the report be progressed.

8. EMPLOYEE ENGAGEMENT PANEL COMMENTS

- 8.1 The Employee Engagement Panel noted the contents of the report and agreed that the changes should be progressed.

9. RECOMMENDATIONS

- 9.1 That the Committee agree to the creation of a new band within the Council's existing salary structure; and
- 9.2 That the Committee support the changes to the role of the Statutory Financial Officer.

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Background Papers:

None