

Part A

Report to: Council

Date of meeting: 17 October 2023

Report author: Chief Executive

Title: Appointment of Section 151 Officer

1.0 Summary

1.1 In accordance with Section 151 of the Local Government Act 1972, it is a statutory requirement for every local authority to make arrangements for the proper administration of their financial affairs, appointing a suitably qualified officer as Section 151 and Chief Finance Officer (CFO) with responsibility for their administration.

1.2 It is proposed that the current Head of Finance, Hannah Doney, is appointed as the Section 151 Officer and CFO to Watford Borough Council. As a consequence, the current Section 151 Officer (shared with Three Rivers District Council) has resigned from the position of Section 151 Officer for Watford Borough Council, thereby ending the shared arrangement. Hannah Doney will remain a Three Rivers employee and will be seconded to Watford for the purposes of her role as S151 Officer and CFO.

1.3 In accordance with the Local Authorities (Standing Orders) (England) Regulations 2001, matters relating to the appointment of a Section 151 Officer are reserved to Council.

1.4 This report sets out the role of the Section 151 Officer and recommends the appointment of Hannah Doney to the role.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Lack of a Section 151 Officer in post	Failure to fulfil statutory financial obligations under Section 151 of the Local Government Act 1972	Appointment as per the recommendation of this paper	Treat	2 x 4 = 8

3.0 Recommendations

1. Council is requested to resolve that with effect from 1 November 2023 Hannah Doney be appointed Chief Finance Officer (S151 Officer) for Watford Borough Council.
2. The current secondment agreement between Three Rivers District Council and Watford Borough Council be ended by mutual consent and a new secondment agreement be entered into reflecting the new arrangement set out below.

Further information:

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4.0 Detailed proposal

- 4.1 Section 151 of the Local Government Act 1972 requires that the Council appoints a CFO. The CFO has a number of statutory duties and responsibilities relating to the proper administration of the Council's finances, assets and resources and is responsible for those arrangements including, managing the relationship with the Council's Internal and External Audit functions, and submission of government returns.
- 4.2 The statutory requirements for the CFO (S151 Officer) are set out under:
 - S113 of the Local Government Finance Act 1988 (the "1988 Act"), in that the S151 Officer must be a member of one of a number of specified accountancy bodies.
 - S114 of the 1988 Act in that the S151 Officer must make a public report in specified cases of actual or anticipated financial misconduct.
 - S2(1) of the Local Government and Housing Act 1989, the effect of which is to make the S151 Officer a statutory chief officer and, therefore, a politically restricted post.
 - S5 of the Local Government and Housing Act 1989 whereby the post of Monitoring Officer cannot also be held by the S151 Officer.
- 4.3 It is proposed that the current Head of Finance, Hannah Doney is appointed as the Chief Finance Officer (S151 Officer) to Watford Borough Council, from 1 November 2023. Hannah Doney has worked as part of the Finance shared service provided by Three Rivers District Council to Watford Borough Council for two years. She has a detailed knowledge of the Council's finances and ways of working. Moreover, she has played a key role in improving the Council's budget processes and putting the commercial finances onto a more robust basis. She is currently enhancing the way

the budget estimates are prepared and reported, as well as improving the way the capital finances are administered. In addition, Hannah Doney will formally be seconded to Watford Borough Council for 80% of her time, enabling her to focus on the finances of the Council, and the important relationships with the Internal and External Auditors.

- 4.4 The recommendation is made in order to: 1) comply with the provisions of Section 5 of the Local Government and Housing Act 1989 in respect of the requirement to designate one of its officers as the Section 151 Officer, and 2) ensure that the Council is operating appropriately in accordance with statutory requirements and the necessary advice and guidance required through a Director of Finance (Section 151 Officer).

5.0 **Implications**

5.1 **Financial**

- 5.1.1 The Shared Director of Finance comments that making the appointment will ensure the Council's financial affairs will continue to receive due focus and attention.

5.2 **Legal Issues (Monitoring Officer)**

- 5.2.1 The Group Head of Democracy and Governance comments that making the appointment recommended in this report will ensure that the Council complies with its legal obligations under Section 151 of the Local Government Act 1972: "Without prejudice to section 111 above, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs."

- 5.2.2 As Hannah Doney will remain a Three Rivers employee the Council will enter into an agreement with Three Rivers under section 113 of the Local Government Act 1972. 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. The existing section 113 agreement for the current sharing of the s151 officer role will be terminated by mutual consent as Hannah Doney will not be the s151 Officer for Three Rivers.

5.3 **Equalities, Human Rights and Data Protection**

- 5.3.1 Having had regard to the council's obligations under s149, it is considered that no equalities impact analysis is needed.
- 5.3.2 Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

5.4 **Staffing**

5.4.1 As outlined in this report.

5.5 **Accommodation**

5.5.1 There are no implications in this section.

5.6 **Community Safety/Crime and Disorder**

5.6.1 There are no implications in this section.

5.7 **Sustainability**

5.7.1 There are no implications in this section.

Appendices

None.

Background papers

No papers were used in the preparation of this report.