

**APPOINTMENTS COMMITTEE****Report of the Chief Fire Officer / Chief Executive**17<sup>th</sup> January 2018**VACANCY FOR FIRE AUTHORITY TREASURER / SECTION 151 OFFICER****1.0 Purpose of Report**

1.1 To present Members with options for a short-term interim solution for the provision of the Authority Treasurer / Section 151 role, to commence on 2nd March 2018 upon the retirement of the current Treasurer/Section 151 officer, and to determine which of the options to progress to implementation.

**2.0 Introduction**

- 2.1 Ian Young, one of four principal officers of the Authority, has given written notice of his intention to retire from the Service with effect from 2nd March 2018. Ian's role is Director of Finance and Information, Treasurer and the statutory Section 151 (s151) officer. Ian also fulfils the role of Senior Information Risk Officer (SIRO) in accordance with national best practice guidance.
- 2.2 As the appointment of principal officers is a Member decision, it falls to the Appointments Committee to arrange to appoint to the resultant vacancy. The key business imperative for Members is to ensure continuity of the s151 role as required by the Local Government Act 1972 (embodied in s114 of the 1988 LG Finance Act).
- 2.3 There is a new legal duty on all blue light services to keep under consideration entering into collaboration agreements between the organisations where it could be in the interests of the efficiency or effectiveness of the service (Policing and Crime Act 2017).
- 2.4 By way of further context, Members will be aware that the PCC for North Yorkshire has submitted a Local Business Case (LBC) seeking a transfer of Governance of the FRS to the PCC under what is termed the Governance Model. The LBC sets out an early intention to review the senior management structure and potentially the sharing of Section 151 officers/roles. The LBC is currently pending the Home Secretary's decision, expected around late January or early February 2018, following an independent assessment which has recently been completed. Notwithstanding the Authority's preference for a different model of Governance (the Representation model) the PCC's LBC, if successful, may result in transfer taking place as early as 1<sup>st</sup> June 2018.
- 2.5 In light of this timeline, the Authority's business imperative and the current state of flux as regards the future governance of NYFRS and any revised senior management structure, the proposal is for an interim solution for the s151 role to cover the three month period of 2<sup>nd</sup> March (ie the date of Ian Young's retirement commencing) to 1<sup>st</sup> June 2018 (ie the earliest potential date for a transfer of governance to the PCC). In doing so, the planning assumption is that sufficient clarity in the intervening period as to the intended form and timetable for the governance of the FRS beyond 1<sup>st</sup> June 2018 will emerge and that, based on such

clarification, a fundamental review for provision of the Authority's s151 arrangements can be carried out at that time.

### **3.0 Options**

3.1 In light of the above context, and in anticipation that Members are content to put in place an interim solution for the stated three-month period, there would appear to be three viable options. These are set out below:

- Option 1: to appoint an individual from one of the blue light services via a Service Level Agreement.
- Option 2: to appoint an individual from one of the two constituent local authorities via a Service Level Agreement.
- Option 3: to appoint internally via a secondment

3.2 Option 1: to appoint an individual from one of the blue light services via a Service Level Agreement.

3.2.1 This option, if taken, would be entirely consistent with the Government's policy direction for closer collaboration between blue light services, as reflected in the new duty to collaborate. It would also be consistent with the direction of travel set out in the PCC's LBC, which includes a proposal for a sharing s151 roles across the FRA and PCC. However, the LBC also recognises that this would need to be achieved over time and following consultation.

3.2.2 Whilst the Government's policy direction and the ambition of the PCC are clear, the practicalities of entering into a new SLA with the PCC in such a short time for such a short period, is less clear. For example, time and effort would be required to develop and gain agreement on the terms of the SLA; it is unclear as to the immediate familiarity of the PCC's s151 officer with the Authority's financial systems. This will be important given the compressed statutory timetable for Management Review and sign off of the 2017/18 Final Accounts by 31<sup>st</sup> May prior to submission to the External Auditors, Management Review and sign off being key functions of the S151 officer.

3.2.3 In addition to considering the feasibility of a short term SLA with the PCC, it should be noted that the Chief Constable, as a separate corporation sole to the PCC, also has a Chief Finance Officer. This presents a further route for an SLA under the same 'blue light collaboration' heading. However, the practical considerations of immediate familiarity outlined above in respect of the PCC's s151 role, are applicable in the case of the Chief Constable's Chief Finance Officer.

3.2.4 Aside from the matter of the extent of familiarity with the Authority's financial systems and funding streams, the Authority may have reservations about the level of professional independence that a shared s151 officer might be able to maintain when, during the transfer process, the Fire Authority's interests may be in conflict with those of the PCC, or Chief Constable, respectively.

3.2.5 For completeness, under the blue-light collaboration theme, consideration has been given to the potential for an SLA with the Ambulance service. However, the Ambulance Trust does not have a s151 role as part of their internal governance arrangements and so this has been discounted as a viable option.

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- 3.2.6 In view of the s151 being provided externally under this option, a small uplift in remuneration of the two posts of; Head of Finance & Administration (the current Deputy s151 officer) and Central Administration Office Manager & Information Governance Officer (to cover the SIRO responsibilities), would be appropriate to reflect the additional initiative and independence required of their roles through the increased distance in line management support.
- 3.2.7 In terms of the financial implications of this option, the savings would be equivalent to the full cost of the current post of Director of Finance and Information/Treasurer (s151), offset by the cost of the SLA with the PCC/Police, plus the small uplift in remuneration of the 2 internal posts mentioned above. Given the proposed short term arrangement of this option (ie 3 months), for budgetary purposes it is assumed to be cost neutral.
- 3.2.8 In terms of senior management posts, this option would deliver a reduction of 0.5 FTE Principal Officer post, resulting in a Corporate Management Board strength of 7 FTE from the current 7.5 FTE.
- 3.3 Option 2: to appoint an individual from one of the two constituent local authorities via a Service Level Agreement.
- 3.3.1 This option would involve keeping things largely as they are internally and ask NYCC (Option 2a) or City of York (Option 2b) whether they would be willing to undertake the s151 role, both because they are constituent authorities and allowed to do so under the 1995 Combination Order if approved by the Authority. If this option is chosen, the preference would be the former as it would be a straightforward amendment to the current Service Level Agreement with NYCC for the s151 officer to also fulfil the role of s151 as was the case previously between 1996 and 2003. The SLA would also need to extend to incorporate the SIRO role.
- 3.3.2 In view of the s151 being provided externally under this option, a small uplift in remuneration of the two posts of; Head of Finance & Administration (Deputy s151 officer) and Central Administration Office Manager & Information Governance Officer, would be appropriate to reflect the additional initiative and independence required of their roles through the increased distance in line management support.
- 3.3.3 The features of this option are that, in the case of NYCC, it is already familiar with the Authority's financial systems since they are provided under the terms of the current Service Level Agreement. The familiarity extends to the use of the same Internal Auditors, both considerations which are seen as greatly assisting in the achievement of the compressed statutory timetable for sign off and audit of the Accounts referred to above.
- 3.3.4 The same features of this option broadly apply if City of York Council were to assume the Authority's s151 role, as with the NYCC option, save for the fact that no SLA exists currently with City of York Council and so time and effort would be required to develop and gain agreement on the terms of the SLA similar to that which would be required in setting up an SLA with the PCC/Police.
- 3.3.5 This option, if taken, would be consistent with the Government's policy direction for closer collaboration as reflected in the new duty to collaborate.
- 3.3.6 In terms of the financial implications of this option, the savings would be equivalent to the full cost of the current post of Director of Finance and Information/Treasurer(s151), offset by the cost of the SLA with the NYCC/ CoYC,

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plus the small uplift in remuneration of the 2 internal posts mentioned above. Given the proposed short term arrangement of this option (ie 3 months), for budgetary purposes it is assumed to be cost neutral.

- 3.3.7 In terms of senior management posts, this option would deliver a reduction of 0.5 FTE Principal Officer post, resulting in a Corporate Management Board strength of 7 FTE from the current 7.5 FTE.
- 3.4 Option 3: to appoint internally via a secondment
- 3.4.1 This option entails appointing the current Head of Finance & Administration (who fulfils the legal and professional criteria and whose role profile includes acting as deputy s151 Officer) to perform the Authority's s151 role with an uplift in remuneration. It would also involve re-assigning the current Treasurer's SIRO role to the Central Administration Office Manager & Information Governance Officer (CAOMIGO), with payment of an honorarium. There would be a requirement for some backfill support in the form of technical accounting capacity in the case of the Head of Finance & Administration, and some office management support in the case of the CAOMIGO.
- 3.4.2 This option, if taken, affords a development opportunity to the two internal officers concerned and those who backfill. However there is a risk of criticism being levelled at the Authority with this option. Firstly, it is not a collaborative measure and therefore would not serve to demonstrate that the Authority is serious about collaboration. Secondly, as Members will be aware, the decision to appoint two Assistant Chief Fire Officer posts in December 2016 attracted negative comment and publicity despite it being the final step in a series of changes made to the senior management structure in recent years that delivered an overall reduction of 2.5 FTE senior management posts (from 10 to 7.5) and a 22% financial saving. It is reasonable to assume that similar criticism may follow in this case as two existing officers would receive an uplift in remuneration for 3 months to reflect the additional responsibility.
- 3.4.3 The further concern with this option is the potential to place the internal interim s151 officer in an invidious position. Only one scheduled meeting each of the Audit and Performance Review Committee and the Steering Group are due to take place in this period. However, if the PCC's LBC receives Home Secretary approval, the very same period is likely to become very busy, managerially but also politically, with the s151 officer having to advise both current and future employers, who may take different positions on different issues.
- 3.4.4 As for the financial implications of this option, the savings would be 0.5 FTE of the Head of Finance & Administration post, fully offset by a combination of an honorarium payment to the Central Admin Office Manager for assuming the role of SIRO, plus the cost of providing backfill capacity in technical accounting and office management. Taken together and given the proposed short term nature of this arrangement (3 months), for budgetary purposes this option is assumed to be broadly cost neutral.
- 3.4.5 In terms of senior management posts, this option would deliver a reduction of 0.5 FTE Function Head post, resulting in a Corporate Management Board strength of 7 FTE from the current 7.5 FTE.

**4.0 Selection process**

- 4.1 A further meeting of the Appointments Committee has been arranged for 15<sup>th</sup> February 2018 for the purpose of undertaking selection interviews. However, as none of the options for the interim solution involve competitive selection from a pool of candidates, Members may wish to meet again on 15<sup>th</sup> February to hold a selection interview only in the event that Option 3 is chosen. This because Options 1 and 2 entail a Service Level Agreement with another organisation, whereas Option 3 entails selection of an existing member of staff.
- 4.2 It should also be noted however that the date was determined entirely around the availability of Members of the Appointments Committee only and no formal approach has been made to the organisations mentioned in Options 1 and 2, nor with the individual officer in Option 3 as to their availability on that date.

**5.0 Conclusion**

- 5.1 Given the current level uncertainty, a short-term interim solution for s151 role is proposed to cover the period 2<sup>nd</sup> March to 1<sup>st</sup> June 2018, during which time the necessary clarification is expected to be received that will aid future consideration as to a substantive solution.
- 5.2 Three options for a short-term interim solution have been identified, 2 of which entail securing the role through a Service Level Agreement, and the third option entails temporary internal appointment of the current deputy s151 officer.
- 5.3 All three have been assessed as broadly cost neutral with current arrangements for budgetary purposes, much depending on the amount of time on s151 activities in the case of the SLA options.

**6.0 Recommendation**

6.1 That members:

- 6.1.1 note the report and determine which of the three options presented is to be taken forward for implementation.
- 6.1.2 request officers to approach the employer/individual for the chosen option to undertake the Authority's s151 and/or SIRO role.
- 6.1.3 consider the selection process for the chosen option and the need, or otherwise, for a further meeting of the Appointments Committee to be held on 15<sup>th</sup> February 2018.

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