

BRECKLAND DISTRICT COUNCIL

Report of: Head of the Paid Service – Anna Graves

To: Breckland District Council – 15 September 2016

(Author: Executive Manager Governance – Mark Stinson)

Subject: Appointment of Interim s151 Chief Finance Officer

Purpose: To seek Council’s approval to the appointment of an Interim s151 Chief Finance Officer

Recommendation(s):

That the appointment of Suzanne Jones as Interim s151 Chief Finance Officer, with effect from 1 September 2016, be confirmed.

1.0 BACKGROUND

- 1.1 The Council has a legal obligation to designate three statutory officers: the Head of the Paid Service and Monitoring Officer (under sections 4 and 5 of the Local Government and Housing Act 1989 respectively) and the Section 151 Chief Finance Officer (under s151 of the Local Government Act 1972). The latter is required to be a suitably qualified individual. The Section 151 Officer, along with the Head of Paid Service and the Monitoring Officer combine to form the Council’s Statutory Officer functions. These roles are key to ensuring accountability, lawfulness, fairness, probity and general good governance that support the council in achieving its aims. Typical arrangements in local authorities are for the Chief Executive to be Head of Paid Service whilst the other statutory roles are occupied at Director level, or, where there is no suitably qualified Director, the role is undertaken at Deputy Chief Officer level.
- 1.2 As members are aware the current s151 Chief Finance Officer, Julie Kennealy, left her post on 2 September 2016. In order to meet our statutory requirements and also to provide a short overlap for handover purposes, the Councils have advertised and interviewed for an Interim s151 Chief Finance Officer. The interview Panel comprised the Leader of Breckland District Council, the Deputy Leader of South Holland District Council (Malcolm Chandler) and the Head of the Paid Service. The successful candidate, Suzanne Jones, was appointed with a start date of 1 September 2016.
- 1.3 The core role of the Chief Financial Officer is set out in various legislative provisions. However, a useful guide to the core responsibilities has been published by the Chartered Institute of Public Finance and Accountancy. The most recent copy, dated April 2016, is enclosed at Appendix A. As members will note, the core statutory responsibilities are critical to the governance of the Council. In addition, the strategic commercialisation work of the post is critical to the success of the Council in a continually changing local government context. As such, I consider that it is imperative that the post is filled on an interim basis until a permanent appointment can be made.

2.0 OPTIONS

- 2.1 The Council must identify one of its officers as the s151 Chief Finance Officer. As has been mentioned (in paragraph 1.1 above) the officer appointed must be appropriately

qualified. Both Councils have existing officers who hold relevant qualifications, so it is possible to identify an existing officer as s151 Chief Finance officer. This would, however, result in the appointment of an officer who is neither a Chief Officer nor a Deputy Chief Officer - so is not recommended.

2.2 Do nothing – this is not an option as it would result in a period during which we are not compliant with our statutory responsibilities under s151 of the Local Government Act 1972.

3.0 **REASONS FOR RECOMMENDATION**

3.1 The Council must act in a timely manner and take appropriate steps to designate a s151 Chief Finance officer in good time to ensure a smooth handover.

3.2 It is a requirement of the Council's Constitution that appointments to the three statutory posts (Head of Paid Service, Section 151 Officer and Monitoring Officer) are confirmed by Members. Permanent appointment to the s151 Chief Finance officer post will be determined by the Joint Appointments and Disciplinary Committee (a committee comprising members from both councils). However, as an urgent interim appointment was required, the Council is invited to ratify the appointment.

3.3 The role of the Section 151 Officer is an important element in the Council's structure and processes. The arrangements outlined in this paper will ensure that the functions continue to be discharged appropriately.

4.0 **EXPECTED BENEFITS**

4.1 Compliance with the Council's statutory obligations.

5.0 **IMPLICATIONS**

5.1 **Constitution & Legal**

5.1.1 The appointment of a Section 151 Officer is a statutory requirement under Section 151 of the Local Government Act 1972. Section 113 of the Local Government Finance Act 1988 requires that the officer appointed as Section 151 Officer shall be a member of one of the following bodies:

- (a) the Institute of Chartered Accountants in England and Wales,
- (b) the Institute of Chartered Accountants of Scotland,
- (c) the Chartered Association of Certified Accountants,
- (d) the Chartered Institute of Public Finance and Accountancy,
- (e) the Institute of Chartered Accountants in Ireland,
- (f) the Chartered Institute of Management Accountants, and
- (g) any other body of accountants established in the United Kingdom and for the time being approved by the Secretary of State for the purposes of this section.

5.1.2 The Council's constitution does not impose any additional restrictions on the appointment of the Section 151 Officer, requiring an appointee simply to be suitably qualified.

5.2 **Contracts**

5.2.1 The arrangement will result in a contractual relationship with an agency.

5.3 Corporate Priorities

5.3.1 This post is critical to maintaining focus on the Council's corporate priorities.

5.4 Equality and Diversity / Human Rights

5.4.1 The Council is aware of its obligations. Its policies and procedures reflect these, and are implemented accordingly.

5.5 Financial

5.5.1 Appointment of an interim officer, through an agency, will have financial implications. The costs will, however, be shared between the Councils and will be partly funded from salary savings during the period that the permanent post remains vacant. Every effort will be made to fill the permanent position as early as possible in order to minimise interim costs.

5.6 Risk Management

5.6.1 Appointing a suitably qualified and experienced officer, at a senior level, will help to mitigate risk until a permanent appointment is made.

5.7 Transformation Programme

5.7.1 The post, as well as being responsible for financial governance, is key to successful delivery of a number of transformation projects.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 No wards are directly affected by the proposals.

7.0 ACRONYMS

7.1 None

Background papers:-	None
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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A	CIPFA publication – the role of the Chief Financial Officer in Local Government
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