



South
Cambridgeshire
District Council

Report To: Council

16 May 2019

Lead Officer: Head of People and Organisational Development

APPOINTMENT OF CHIEF FINANCE OFFICER (S151)

Purpose

1. This report appraises Council of the requirement to appoint a Chief Finance Officer.

Recommendations

2. That Council:
 - a) Note that the contract of the individual who currently holds the role of Chief Finance Officer (S151) will end on 17 May 2019;
 - b) Note that the Council needs to act swiftly to put into effect arrangements in accordance with statutory requirements set out in the Local Government Act 1972;
 - c) Endorse the recommendation of the Employment and Staffing Committee to appoint Mr Peter Maddock as S151 Officer to Full Council with effect from 18 May 2019.

Reasons for Recommendations

3. There is a statutory requirement for the Council to appoint an officer under section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.
4. The contract for the current interim postholder ends on 17 May 2019.
5. Mr Maddock is suitably qualified and experienced and has previously held the position of S151 at Epping Forest District Council. Mr Maddock joined the Council on 15 April as permanent Deputy Head of Finance.

Background

Chief Finance Officer (S151 Officer)

6. The Local Government Act 1972 requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its financial affairs. This role is commonly referred to as the S151 officer. The term S151 Officer has been used as a short hand expression to refer to the role and duties of the 'Responsible Financial Officer' as defined by CIPFA (the function of the most senior finance officer employed by an organisation).

7. Section 113 of the Local Government Finance Act 1988 requires that the officer appointed as the Chief Finance Officer (CFO) must be a member of a specified accountancy body.
8. The role of a CFO lies at the heart of any effective and well governed organisation. The over-riding duty of this officer is to fulfil the statutory responsibilities attached to the position in a manner that enhances the overall reputation of the Council. There are responsibilities which solely rest with a CFO.
9. The S151 role is currently held by Mr Bob Palmer, Interim Executive Director. Mr Palmer's contract ends on 17 May 2019.
10. There are very important responsibilities to be fulfilled by SCDC, including the closing of accounts, finalising budget preparations, audit opinion, the Council's advisor on Ermine Street and Shire Homes Lettings and, commercial activities which require such a person. Failure to appoint a S151 officer exposes the Council to risk.
11. Legislation, which is reflected in the Council's standing orders, states that any appointment to the position of S151 officer is to be made by Full Council following the recommendation of such employment by the Employment and Staffing Committee.

Considerations

12. The Council is currently working through its year end processes. In addition, there are very important issues for SCDC to address, including closure of accounts and conclusion of audits as well as representation on Ermine Street and commercial activities which require such a person. Failure to appoint a S151 Officer exposes the Council to risk and would place the Council in breach of a statutory obligation.
13. The terms of reference for the Employment and Staffing Committee cover the appointment of Section 151 Officer and to make recommendations to full Council.
14. Employment and Staffing Committee at its meeting on 25 April 2019, considered a report in relation to this appointment. Members of Employment and Staffing Committee agreed to recommend the interim appointment of Mr Maddock to Full Council.

Implications

In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Legal

15. These are set out in paragraph 3, 6, 7, 11 and 13 of the report.

Financial

16. None at present.

Staffing

17. The Finance team have a number of relatively new members of staff who will benefit from the full-time support from an experienced finance lead who can guide and

mentor the team, address the concerns in relation to closure of accounts and audit opinion and, provide professional advice to the Council in the conduct of its financial affairs.

Risk Management

18. This is set out in paragraph 10 above.

Equality and Diversity

19. There are no implications.

Climate Change

20. The absence of financial input, experience and knowledge at this senior level may impact on taking forward some of the energy projects including commercial opportunities.

Consultations

21. The lead cabinet member for Finance and Staffing has been consulted.

Background Papers

The Council's Constitution
Local Government Act 1972 section 151
Local Government Finance Act 1988 Section 113

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