

**REPORT TO:** Cabinet  
**DATE:** 15 April 2010  
**SUBJECT:** Statutory Officers  
**WARDS AFFECTED:** All  
**REPORT OF:** Interim Head of Corporate Legal Services  
**CONTACT OFFICER:** Dave Mackey  
0151 934 2032  
**EXEMPT / CONFIDENTIAL:** No

**PURPOSE / SUMMARY:**

To report to Members on the role of the Council's Finance Officer and to suggest that the Council puts interim arrangements into place.

**REASON WHY DECISION REQUIRED:**

To ensure there continues to be appropriate arrangements for the proper administration of the Council's affairs.

**RECOMMENDATION(S):**

That the Chief Executive is formally appointed the Council's S151 Officer on an interim basis until such time as the Head of Corporate Finance and ICT Strategy is appointed and commences the duties of the post.

**KEY DECISION:** No

**FORWARD PLAN:** No

**IMPLEMENTATION DATE:** Following the expiry of the "call-in" period for the minutes for this meeting

**ALTERNATIVE OPTIONS:**

The possibility of interim assistance has been considered but this has cost implications.

**IMPLICATIONS:**

**Budget / Policy Framework:** Not applicable

**Financial:** Not applicable

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2006/ 2007 £</b>	<b>2007/ 2008 £</b>	<b>2008/ 2009 £</b>	<b>2009/ 2010 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:** The Local Government and Housing Act 1989 does not preclude such an appointment

**Risk Assessment:** Without appropriate interim measures there is a risk to the Council's ability to identify sufficient options to balance the budget and achieve a sustainable longer term financial position.

**Asset Management:** Not applicable

**CONSULTATION UNDERTAKEN / VIEWS**

Not applicable

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

### **3.0 BACKGROUND:**

- 3.1 Under Section 151 of the Local Government Act 1972, Local Authorities are obliged by law to appoint a Finance Officer with responsibility for the proper administration of the Council's financial affairs. Those Officers appointed on or after September 1988 must also hold a recognised accountancy qualification, by virtue of the Local Government Finance Act 1988.
- 3.2 The Financial Director's role is crucial to the good governance of the Council. The Chartered Institute of Public Finance and Accountancy (CIPFA) has recently published good practice guidelines in a revised Statement on the Role of the Chief Finance Officer. This stresses the importance of the post-holder in ensuring the organisation controls and manages money well and that strategic planning and decision making are in alignment with financial strategies.
- 3.3 Within the public sector the Chief Finance Officer must also be accountable in the decision making process, able to balance competition for limited resources across a range of objectives and be able to promote and help deliver value for money whilst safeguarding tax payers monies. CIPFA's statement sets out five overarching principles which constitute the core activities and behaviours of a Chief Financial Officer within public service organisations, namely:-
- He/she is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisations strategic objectives sustainably and in the public interest.
  - He/she must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisations overall financial strategies.
  - He/she must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
  - He/she must lead and direct a finance function that is resourced to be fit for purpose.
  - He/she must be professionally qualified and suitably experienced.
- 3.4 Members will be aware that the previous Finance & Information Service Director and the Senior Assistant Finance & Information Service Director have left the Authority and John Farrell has taken on the role of Interim Head of Corporate Services and ICT Strategy under the new Senior Management Structure.

- 3.5 The post of Head of Corporate Finance and ICT Strategy has been advertised and the interviews for the post will be held at the end of April 2010. Thereafter, it is possible that the person appointed to the post may need to serve notice of up to three months with his/her current employer and may only commence employment with Sefton Council in late July/early August 2010.
- 3.6 Accordingly, there is the potential for the Authority to be left without a suitably qualified Senior Officer with responsibility for the Council's financial management at a time when the Council is facing severe budgetary shortfalls. In those circumstances it is recommended that the Chief Executive and Head of Paid Service be appointed as interim Section 151 Officer pending the permanent resolution of the situation. Members will be aware that the Chief Executive does hold appropriate financial qualifications and has undertaken the statutory role of Section 151 Officer in her two previous Authorities. It is recommended that the appointment should be on an interim basis until such time as the Head of Corporate Finance and ICT Strategy is appointed and commences the duties of the post.