

REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO: CEX010

DATE: 28th October 2010

TITLE:	Appointment of S151 Officer	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Governance	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Paul Carpenter. Corporate Governance and Housing	
CONTACT OFFICER:	Mrs B Agass	
INITIAL IMPACT ASSESSMENT: Equality and Diversity	Carried out and appended to the report: N/A	Full impact assessment Required: N/A
FREEDOM OF INFORMATION ACT:	This report is publicly available via Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	None	

1. RECOMMENDATIONS

It is recommended that the Council designate Mr Daren Turner Strategic Director - corporate focus as the Council's s151 officer with immediate effect.

2. PURPOSE OF THE REPORT/DECISION REQUIRED

Under s151 of the Local Government Act 1972 the Council is required to "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". This report recommends the appointment of an s151 Officer.

3. CONTRIBUTE TO PRIORITY THEME

Quality Organisation.

4. DETAILS OF REPORT

- 4.1 The Council is required to appoint three statutory officers, namely the Head of Paid Service the Monitoring Officer and the Chief Finance Officer. This latter position is known as the Section 151 officer.

Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs.

- 4.2 Section 113 of the Local Government Finance Act 1988 requires the person to be a member of a specified accounting body.

Section 114 of the Local Government Finance Act 1988 defines the role further by placing personal duties and requirements upon the post-holder in respect of actual or anticipated financial misconduct, mirroring the function of the monitoring officer in respect of law and maladministration.

- 4.3 The Section 151 role is the organisation's most senior executive financial role and as such is charged with leading and directing financial strategy and operations. In the public service context, s151 officers, in conjunction with elected members and the senior management team must also meet the demands of openness and accountability in decision making and balance competition for limited resources across a range of member specified objectives, whilst ensuring the delivery of value for money and safeguarding of the public's assets and resources.
- 4.4 It is well documented that local government is likely to face significant financial pressures as it strives to continue to deliver frontline services in an environment of reducing budgets and resources.

The recently completed "Next Steps" programme enabled the Council to add capacity in key areas including Finance and Economic Development whilst at the same time reducing management and management support costs overall.

- 4.5 In recognition of the centrality of financial issues to organisational success it is UK government policy that all government departments should have a professional Chief Financial Officer (CFO) reporting directly to the permanent secretary. HM Treasury recommends 'It is good practice for all other public sector organisations to do the same, and to operate the same standards'. Chartered Institute of Public Finance and Accountancy (CIPFA) supports the Treasury's recommendation, stating that the CFO should be:

1. appropriately professionally qualified,

2. report directly to the Chief Executive, and
3. be a member of the Strategic Leadership Team.

With these recommendations in mind it is suggested, in line with the proposals outlined in the 'Next Steps' programme to in future allocate S151 responsibilities at Director level rather than at Head of Service level as currently.

- 4.6 Mr. Turner is a highly experienced senior manager and has previously held the role of the s151 officer for 6 years as Deputy Chief Executive and Director of Resources at neighbouring West Lindsey District Council. He is a qualified accountant, with ten years post qualification experience, being a member of the Association of Chartered Certified Accountants (ACCA).

The recent recruitment of Mr Turner will provide the opportunity to strengthen and add capacity in this key area as the Council prepares to meet unprecedented financial challenges. For a period the role has been carried out by the Head of Finance (Mr R Wyles). The Head of Finance has performed the role with great energy and professionalism. The changes, in line with the next steps programme, should not be seen in any way as a reflection of the performance or capability of the Head of Finance. The Council remains in a secure and stable financial position, the Head of Finance should be commended for his role in ensuring this.

5. OTHER OPTIONS CONSIDERED

The alternative option is to maintain current arrangements and although this is a viable alternative it is considered appropriate to align the role at strategic management level for the reasons outlined in this report.

6. COMMENTS OF MONITORING OFFICER

There is a statutory requirement for the appointment of a s.151 officer to make arrangements for the proper administration of the Council's financial affairs. That appointment must be made by Council from one of its officers. The post of S. 151 officer must be regarded as a politically restricted post. Membership of the Chartered Association of Certified Accountants is one of the bodies recognised at s.113 of the Local Government Finance Act 1988.

