



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 19 December 2024

BY: Chief Officer

SUBJECT: Appointment to the Chief Finance Officer Substantive Post

1 PURPOSE

- 1.1 This report informs the Integration Joint Board (IJB) of changes to the arrangements for the Chief Finance Officer post.

2 RECOMMENDATIONS

The IJB is asked to:

- 2.1 Note the discussion in the attached SBAR paper and the legal requirement for the IJB to appoint a Chief Finance Officer.
- 2.2 Note that the current interim arrangements for the Chief Finance Officer post ended on 6th December with the then postholder's departure.
- 2.3 Note that from December 2024, and with the agreement of partners, it is intended to increase the hours of the Chief Finance Officer interim post for East Lothian from 0.5 WTE to 1.0 WTE, to allow for an increased focus on securing a balanced budget for year end.
- 2.4 Note that the interim CFO appointment for East Lothian will be sought from within either of the parent organisations as per the Integration Scheme.
- 2.5 Agree that the substantive Chief Finance Officer post should be appointed to on new terms, on a 1.0 WTE basis.

3 BACKGROUND

- 3.1 The IJB is a public body arising from the Public Bodies (Joint Working) Act 2014 and is a s106 body under the provisions of the Local Government (Scotland) Act 1973. As such (under s95 of that Act) it must have a responsible officer overseeing the financial governance of the Board. That is the role of the CFO.
- 3.2 On establishment of East Lothian IJB and Midlothian IJB in 2015 it was agreed that one CFO post would support both Boards.

- 3.3 With the departure of the previous Chief Finance Officer in September 2023, interim arrangements covered the vacancy on a 3 day a week flexible basis, split between East Lothian IJB and Midlothian IJB.
- 3.4 The interim arrangements have continued while permanent recruitment to the shared CFO post has been pursued. Unfortunately, the recruitment rounds have been unsuccessful.
- 3.5 Demands on the postholder have increased in recent months with the focus by East Lothian IJB and Midlothian on delivery of financial savings and on delivering financial balance.
- 3.6 Following discussion with NHS Lothian, East Lothian Council and Midlothian Council, agreement has been reached that each IJB will appoint its own 1.0 WTE Chief Finance Officer. This will allow each IJB to focus on its financial challenges and will be a more attractive proposition for prospective candidates.
- 3.7 The current 0.5 WTE interim arrangements for East Lothian IJB will end at the beginning of December with the departure of the interim CFO. At this point it is intended to appoint a replacement interim CFO on a 1.0 WTE basis, who will remain in post until a substantive appointment is made.

4 ENGAGEMENT

- 4.1 NHS Lothian and East Lothian Council have been consulted with through their senior management teams. Both organisations support the proposal within this paper.

5 POLICY IMPLICATIONS

- 5.1 There are no policy implications arising from the proposal.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 The subject of this report does not affect the IJB's current directions or require an additional direction to be put in place.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - The IJB was not charged for the CFO up to the end of 2023/24, as the post was funded by NHS Lothian, as part of the funding of 'corporate' support to the IJB by both partners per the Integration Scheme. However, given that the role is being moved from part-time to whole time the additional funding will be met by the IJB.
- 8.2 This new funding arrangement will add pressure to the IJB core budget, but will be managed through the 2025 to 2026 financial planning process.
- 8.3 Personnel - None.
- 8.4 Other - None.

9 BACKGROUND PAPERS

- 9.1 The Revised East Lothian Integration Scheme 2022.

Attached - SBAR

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DATE	11 th December 2024

Chief Finance Officer (CFO) - East Lothian & Midlothian IJBs

<p>S</p>	<p>Situation</p> <p>There is an urgent need to find a permanent solution for the Chief Finance Officer (CFO) position for both the East Lothian and Midlothian Integration Joint Boards (IJBs). The interim CFO has indicated he is looking to step away from early December 2024.</p>
<p>B</p>	<p>Background</p> <p>The position of CFO has remained vacant since September 2023. While an interim solution was implemented to address statutory responsibilities, a permanent replacement has yet to be found, despite a year-long effort.</p> <p>Several recruitment attempts have been made, but none have been successful:</p> <ul style="list-style-type: none"> • East Lothian, March 2024 (0.5 WTE role): No candidates progressed to the interview stage. • East Lothian, April 2024 (0.5 WTE role): One candidate was interviewed but was not appointable. • Midlothian, June 2024 (0.5 WTE role): One candidate was interviewed but was not appointable. • East & Midlothian, September 2024 (1 WTE joint role): No candidates progressed to the interview stage.
<p>A</p>	<p>Assessment</p> <p>Despite ongoing recruitment efforts, the search for a permanent CFO for both East and Midlothian IJBs has been unsuccessful. The current interim CFO, who initially stepped in with the understanding that the position was short term temporary position, has continued to support the role out of goodwill. However, he has now indicated that the situation is not one he is able to continue with and is looking to step away from 1st Dec 2024.</p> <p>Discussions with Partners and Chief Officers have raised the need for a dedicated 1 WTE CFO for each IJB. However, this proposal has been hampered by funding constraints and concerns over the affordability of any additional resources required.</p> <p>The Integration Scheme of both IJBs states.</p>

Chief Finance Officer (CFO) - East Lothian & Midlothian IJBs

	<p>9.2 Finance Officer</p> <p>In relation to the preparation of its accounts and their audit, the IJB is governed by the same legislation applying to local authorities and is required to make arrangements for the proper administration of its financial affairs; through a Chief Finance Officer with this responsibility. The Chief Finance Officer will be employed by the Council or NHS Lothian and seconded to the IJB. The holder of the post should be a member of a relevant professional accounting body, and the IJB should have regard to the current Chartered Institute of Public Finance and Accountancy Guidance on the role.</p> <p>In the event that the Chief Finance Officer position is vacant or the holder is unable to act, the Chief Officer shall secure, in consultation with the IJB Chair, and through agreement with both the Council Section 95 officer and the NHS Lothian Director of Finance, an appropriate interim dedicated resource to discharge the role.</p>
<p>R</p>	<p>Recommendation</p> <p>Given the ongoing financial challenges, the current situation is unsustainable. Three potential next steps/solutions need to be considered:</p> <ol style="list-style-type: none"> 1. Go back to the market for the joint CFO position. 2. Partners identify and nominate a resource/candidate (per the integration scheme). 3. Partners agree to explore the affordability of 1 WTE CFO position for each IJB. <p>The SBAR asks that Partners agree the option to progress urgently.</p>

Fiona Wilson & Morag Barrow
Chief Officers
24th September 2024