



Appointment of a Chief Finance Officer (s151 Officer)

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
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Purpose of the Report

1. The purpose of this report is to seek approval for the appointment, on a fixed term basis, of one of the Council's Statutory Officer Roles, the Section 151 Officer.

Forward Plan

2. This report did not appear on the Full Council Forward Plan as the arrangements required to make the existing interim appointment into a fixed term appointment arose after the date of the last meeting.

Public Interest

3. There is a legal requirement for the Council to appoint three "Statutory Officers". These are the Head of Paid Service (Chief Executive), the Monitoring Officer, and the Section 151 Officer / Chief Finance Officer (CFO). The latter has a number of statutory duties and responsibilities relating to the council's financial strategy and the arrangements for effective financial management and governance, as well as being the Council's most senior financial adviser.

Recommendations

4. Council is recommended to:
 - a) Formally appoint Karen Watling as Chief Finance Officer (S151 Officer) with effect from 1st November 2021 to 31st March 2023 on a 17 month fixed term contract at an annual salary of £109,000.
 - b) Agree that the additional budget required in this financial year to fund this appointment and the cost of the existing interim arrangements, of £106,665, is funded from the MTFP Support Fund earmarked reserve (see paragraph 23).
 - c) Agree that the additional budget required to fund this appointment for next financial year, of £52,082, is approved as a growth item to the 2022/23 budget (see paragraph 23).



Background

5. Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint an officer to have responsibility for those arrangements.
6. The CFO's duties must be carried out personally and it is recommended that they nominate a person to act in their absence or when ill as per section 114(6) of the Local Government Finance Act, 1988.
7. The officer appointed in this role must, by virtue of section 113 of the Local Government Finance Act 1988, be a member of a specified accountancy body. This officer is therefore bound both by professional and ethical standards and also by specific legislative responsibilities.

Appointment of a Chief Finance Officer (S151 Officer)

8. Following the resignation of the last permanent S151 Officer in February 2021, the Council approved at its March 2021 meeting to appoint Karen Watling as the interim S151 Officer for a period of six months (ending 8th September 2021).
9. The contract for this interim arrangement has been extended past this date in order to allow the new Chief Executive, who started in August 2021, time to consider the work and consequent time commitment required from the post holder, particularly in light of the increasing work load arising from the local government reorganisation, and the best way of filling the role.
10. This review has been carried out, and on this basis, it is recommended to Council that Karen Watling is appointed to undertake the S151 role on a fixed term basis (starting 1st November 2021 until 31st March 2023) at an annual salary of £109,000.
11. It is also recommended to change the title of the S151 Officer role to Chief Finance Officer (S151) in order to emphasise that the post holder is the most senior financial adviser to the Council.
12. The rationale for this proposal is as follows:
 - Karen now has a detailed knowledge of the council's finances and ways of working and that knowledge base would need to be built up again by any new post holder. Moreover she has played a key role in putting the regeneration programme's finances onto a more robust basis and is currently enhancing the way the budget estimates are prepared and reported.
 - It is unlikely that SSSC could attract a suitable candidate to fill a permanent appointment for 18 months and even if this were to be successful the



South Somerset District Council

recruitment process would take time: rather the likelihood is that if the Council sought a new post holder then that would need to be another interim appointment.

- Karen is an experienced S151 Officer and is a full member of the Chartered Institute of Public Finance & Accountancy (CIPFA), with a wealth of experience in local government, having previously worked within a number of District and London Councils.

Financial Implications

13. The existing 2021/22 budget for the role is £71,960 (including National Insurance and Employer Pension contributions) based on a 0.8 FTE (Full Time Equivalent) post at grade 12.
14. The current contract with Karen Watling as an interim costs £826 per day (which includes £126 per day for the agent's fees) on a four day a week basis (0.8 FTE). A fifth day is occasionally worked subject to need and the prior agreement of the Director of Support Services & Strategy. Actual expenditure on this interim contract to the end of September is £83,621. Further expenditure for the last month of this interim contract will be in the range of £14,042 to £16,520 depending on the number of days needing to be worked.
15. The proposal is for a fixed term contract for 17 months at an annual salary of £109,000, for a five day working week (1 FTE), and with 30 days holiday entitlement. The contract does not include the Council making any Pension Fund contributions for the post holder. The yearly cost therefore including Employer's National Insurance contributions is £124,042.
16. The council is also contractually obliged to pay an "introductory fee" to the agent which has been negotiated down from the 33% of annual salary cost included in the interim contract terms and conditions to 20%. The cost of this is therefore £21,800 and will be payable in this financial year.
17. The value for money arising from the council awarding this fixed term contract should not be compared with the existing budget provision of £71,960 for a permanent post holder, as it is unlikely that the council would be successful in recruiting to the permanent role. Rather the yearly cost of the fixed term appointment, of £124,042, should be compared to the cost of continuing with the existing interim arrangements, and working a five day week, of £183,372.
18. The total costs of this proposal for this and next financial year, and the additional budget needing to be approved by Council to fund the appointment, are summarised in the table below.

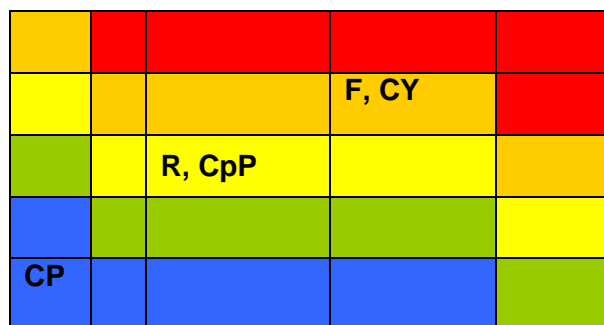


	2021/22 Estimate	2022/23 Estimate
Cost of interim arrangements to end of October 2021	£105,141	0
Introduction fee to agent	£21,800	0
Fixed Term contract	£51,684	£124,042
Total cost	£178,625	£124,042
Additional budget required over current approved budget of £71,960	£106,665	£52,082

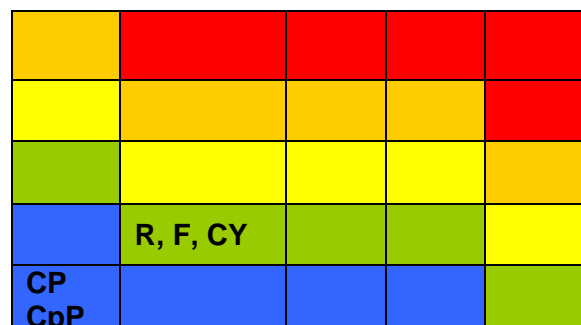
Risk Matrix

19. The risk matrix below represents the risk assessment of the proposal before and after officer recommendations

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Background Papers

Appointment of Interim S151 Officer Report to Full Council in March 2021