



Duties of the Chief Finance Officer (Section 151 Officer)

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
SLT lead: Jane Portman, Chief Executive
Contact Details: Jane.Portman@southsomerset.gov.uk

Purpose of the Report

1. The purpose of this report is to inform members that the statutory duties of the Chief Finance Officer (Section 151 Officer) will be assigned to Nicola Hix during the period of annual leave of the Chief Finance Officer, Karen Watling, from 4th February 2023 until 31st March 2023.

Forward Plan

2. This report did not appear on the Full Council Forward Plan as the arrangements required to cover the statutory duties of the Chief Finance Officer (Section 151 Officer) 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. That Council note that the Chief Finance Officer, Karen Watling, has nominated Nicola Hix, Director of Strategy, Support Services and Environmental Services, to act in her absence and fulfil her statutory duties as Section 151 Officer during her annual leave from 4th February 2023 until 31st March 2023.

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.



South Somerset District Council

6. A Section 151 officer's duties must be carried out personally and they are required by section 114(6) of the Local Government Finance Act 1988 to nominate a person to act in their absence.
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 by specific legislative responsibilities. The latter includes the following:
 - To issue a report to all the local authority's members and the External Auditor, under section 114 of the 1988 Act, in consultation with the monitoring officer and head of paid service, if the council or one of its officers:
 - Has made, or is about to make, a decision which involves incurring unlawful expenditure or an unbalanced budget.
 - Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority.
 - Is about to make an unlawful entry in the authority's accounts.
 - To report to the authority, at the time the budget is considered and the council tax set, on the robustness of the budget estimates and the adequacy of financial reserves as required by section 25 of the Local Government Act 2003.
 - To undertake the responsibilities relating to accounting records and supporting information, control systems and the statement of accounts as required under the Accounts and Audit Regulations 2003 (England and Wales).
 - To be alert, along with the Monitoring Officer and Head of Paid Service, to the 'Wednesbury' rules which emphasise the importance of ensuring that when developing policy all relevant matters are properly considered.
 - Ensure compliance with CIPFA's (Chartered Institute of Public Finance & Accountancy) *Prudential Code for Capital Finance in Local Authorities* and CIPFA's *Treasury Management in the Public Services Code of Practice*.
8. CIPFA has issued a guidance statement on this role (*Role of the Chief Finance Officer in Local Government*, 2016) and recommends that the person undertaking this role:
 - Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.
 - 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 organisation's financial strategy.



South Somerset District Council

- Must lead the promotion and delivery by the whole organisation of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently, and effectively.
- To deliver these responsibilities the CFO: must lead and direct a finance function that is resourced to be fit for purpose and must be professionally qualified and suitably experienced.

The nomination arrangements

9. Karen Watling was appointed by Full Council to undertake the Section 151 role on a fixed term basis (starting 1st November 2021 until 31st March 2023) having held the position on an interim basis from March 2021. The role title was changed to Chief Finance Officer with the role reporting directly to the Chief Executive.
10. Karen has built up significant untaken annual leave during her contract as a direct result of the work requirements at SSDC as well the Local Government Reorganisation (LGR) programme. Much of the work she has delivered has had inflexible deadlines for completion. In addition, the nature of the work needed her direct involvement due its complexity and knowledge requirements, so could not be easily delegated particularly given that the finance team is now largely staffed by interim appointments.
11. Karen has completed the key major pieces of work she has been directly leading on or been involved in, which have now finished, including leading on the 2022/23 revised budget proposals for SSDC that were agreed by Council in December 2021 and preparing the Non-Treasury Management Investment Strategy (including the commercial property) for the new Somerset Council.
12. Given that SSDC will only have two months left before vesting day, it has been agreed that she will take her annual leave entitlement before the end of her contract, and her final working day will be Friday 3rd February 2023.
13. To cover this period of absence, Nicola Hix, Director of Strategy, Support Services and Environmental Services has been nominated under section 114 to fulfil the statutory Section 151 duties.
14. Nicola is a suitably qualified nominee, who has previously undertaken these duties for an interim period and
 - has a detailed knowledge of the council's finances and ways of working.
 - previously held the post of Deputy Finance Officer.
 - is already a valued member of the Council's Strategic Leadership Team.
 - is working on the Local Government Reorganisation (LGR) programme team which is leading the introduction of the new council's finance system.



15. Paul Matravers, the Deputy s151 officer, will continue to lead the finance team on the audit work needed with Grant Thornton for the 2021/22 accounts and the Q3 budget monitoring process.

Financial Implications

16. There are no financial implications of this report.

Background Papers

Appointment of S151 Officer Report to Full Council in October 2021
