The changing nature of the S151 role

Leigh Whitehouse, Director of Finance, Royal Borough of Kingston Upon Thames

As local government goes through an era-defining period of change stimulated by dramatically reduced resources, the role and importance of the S151 officer might appear to be one of the few constants. The reality, however, is that while the core objectives for CFOs remain the same, the means of achieving them are evolving rapidly.

The focus was once on raising standards of financial management, modernising financial processes and meeting the Audit Commission’s increased expectations, but those activities are now considered business as usual. I would argue that today’s successful CFO needs to be at the heart of organisational transformation and the re-imagining of the role of local government.

My training and immediate post-qualification roles took place against the backdrop of growing public sector spend, new responsibilities for local government and higher expectations of public services. As more money flowed in and services expanded, finance played an important role in hedging ambitions and making sure that they didn’t outstrip the increased resources available.

The role of finance altered as we emerged from the back room to help shape service changes for the future, rather than just recording their impact once implemented. There was an emphasis on value for money and efficiency – getting more for the resources we had. Since taking on the top finance job at the Royal Borough of Kingston Upon Thames in 2010, I have seen my priorities shift year on year as I have looked to steer the council through the turbulent waters of deficit reduction and austerity.

Initial priorities to modernise our financial planning and budget management, stabilise our accounting processes and implement an integrated finance function based on a business partnering model, gave us the right foundations and helped us deliver the savings required immediately following CSR2010.

Since then we have worked hard on projects that will be familiar to most people in local government: shared services, integration with health, improved procurement and re-commissioning, and de-commissioning of services.

My role has evolved from one of prudence and control to encouraging bolder and braver solutions – less ‘no, we can’t afford that’ and more ‘we need to go further and faster’. The underlying driving force remains the same though – ensuring that the council plots a course consistent with its current and future levels of resource.

Although as a sector we have surprised everyone, probably including ourselves, by how well we have managed five years of reducing resources, it has been increasingly apparent that the measures which got us through the first half of this decade will not be sufficient in the second half.

It is clear to me that the best way in which we can meet the financial challenge that will be laid out in CSR2015 is through radical changes to the way that local government operates and
how it seeks to deliver for its communities. In this context, it makes sense for CFOs to position themselves as the arch innovator and champion of change within their organisations. To achieve this, the CFO needs a wide range of knowledge and skills encompassing technology, property and organisational change. They also need to be at the heart of discussions about the biggest issues – devolution, the relationship between residents and the council, demand management and service integration.

I recall conversations in 2010 where there was an expectation that the overriding trend for the next five years would be for chief executive roles to be consistently taken by those with a finance background. This was a logical conclusion when the key strategic challenges would be intrinsically linked to the underlying financial challenge.

That trend hasn’t emerged, and in fact it seems as least as common for authorities to have downgraded the top finance job, with a wider ‘transformation’-type role taking its place on the senior team. The logic in that change is also clear, but my concern is that it reflects a failure to convince our peers that the finance profession is a source of real innovation and transformational drive. We can all make our own individual contributions to changing that perception.