

# Financial Recruitment Project

## Guide

### 1. Introduction

This short guide provides advice to local authorities on how they can seek to recruit skilled senior finance professionals from outside the local government sector.

It is based on the experience of local authorities and local government finance professionals of what works, together with advice from recruitment professionals.

The guide explores the challenges to recruitment and includes guidance on:

- how to position local government finance as a positive career choice,
- how to target skilled professionals from outside the sector,
- how to draft compelling role descriptions,
- how to operate an inclusive recruitment process, and
- how to support new recruits.

This guide also considers the internal cultural barriers to recruiting senior finance professionals from outside local government and how local authorities can work to overcome them.

Recruiting senior finance professionals from outside the local government sector is one element of a broader, holistic approach to addressing local authorities' recruitment challenges. Other elements include recruiting staff to more junior levels and supporting them in their career progression, nurturing existing finance talent and engaging in proactive succession planning.

## 2. The state of local government finance recruitment

The recruitment market for skilled local government finance professionals is currently extremely challenging, especially at the more senior levels.

Job cuts and recruitment freezes in recent years, as part of the public sector austerity agenda, have reduced the overall recruitment pool within local government finance and have taken their toll on many local authorities' succession pipelines.

Furthermore, the ongoing challenges facing many local authorities – both individually as organisations and collectively as a sector – mean that many experienced finance professionals have opted to retire rather than to continue in their career.

Consequently, when local authorities seek to recruit to senior finance roles, they struggle to attract suitably experienced candidates and, in some cases, are not able to recruit at all.

Authorities have, however, experienced some successes in attracting a wider pool of candidates to senior finance roles. In particular, there has been increased interest from finance professionals working in central government – some of whom are now experiencing less flexibility in their working arrangements – in open positions in local authority finance teams.

However, there has been limited recruitment to local government finance roles from other parts of the public sector or from the commercial sector, especially at more senior levels.

## 3. Challenges to recruiting from outside the local government sector

Local government finance is not necessarily 'on the radar' of ambitious finance professionals when they plan their next career move.

Consequently, local authorities keen to attract senior-level applicants from outside the sector must broaden their recruitment 'reach' beyond local government finance professionals to encompass all senior-level finance professionals.

Making potential candidates outside local government aware of finance vacancies can, however, be a challenge. Such vacancies are traditionally advertised in public sector-specific outlets, which means that they will not reach those who are looking for a new finance role but who have not considered local government as a potential career path.

Local authorities are also aware that they are not always able to compete with commercial employers in terms of salary levels and other forms of financial remuneration.

Further, negative press coverage regarding the financial position of individual local authorities – especially those that have issued section 114 notices, which are often reported as ‘councils going bankrupt’ and of the financial challenges facing the sector as a whole – can put finance professionals off considering local government.

### Key barriers to finance recruitment include:

- a smaller pool of potential candidates within local government,
- lack of awareness of local government as a career choice,
- uncompetitive salary levels,
- negative press coverage of individual authorities and of the sector as a whole,
- difficulties in advertising vacancies to candidates outside local government, and
- cultural bias against candidates from outside local government.

The biggest barrier to recruiting finance professionals from outside the local government sector is cultural. There is an overriding perception across much of the sector that the nature of local government finance is such that it can only be undertaken, especially at senior level, by those with considerable local government finance expertise. And, on occasion, that a commercial finance background can actually be detrimental to an individual’s ability to operate effectively in a local government finance role.

While recognising these challenges, and that an experienced local authority chief finance officer will have a highly specialised skill set, it is possible to make the transition from the commercial to the local government sector, as highlighted by the case studies that accompany this guide. However, there must be appropriate support in place for this transition to be successful.

Some aspects of local government finance, such as management accounting and finance business partnering, have proven themselves easy to transition into and can even benefit from the different perspectives that come with experience in other sectors.

While the more technical aspects of local government finance can take new recruits from outside the sector a little longer to get to grips with, the challenge is not an insurmountable one and can be addressed comparatively easily with the correct development plan. Local authorities must recognise, however, that recruits from outside the sector may require additional investment as they get to grips with their new role.

## 4. Overcoming cultural challenges to recruiting from outside the local government sector

The challenging state of the recruitment market for local government finance means that local authorities will not always be able to identify and attract skilled senior-level candidates with local government finance experience. Looking beyond the local government sector will, therefore, be not so much an option as a necessity.

Consequently, it is important for local authorities to recognise that, when recruiting to finance roles, it is not about finding people with the right experience, but rather about finding the right people.

### Key attributes for local government finance professionals include:

- general technical finance skills,
- interpersonal skills,
- the ability to communicate effectively,
- a willingness and ability to learn, and
- an affinity for public service ethos.

Local authorities may also find it helpful to think not just about the skills of any one individual member of staff, but rather about the collective skills of the wider finance team.

If an authority has a deputy director of finance with a strong local government finance background, for example, then the need for a newly recruited director of finance to have this same background is perhaps less of a priority.

Nevertheless, general technical finance skills remain important. However, in the longer term, attributes such as interpersonal skills, the ability to communicate effectively, an ability to learn and an affinity for the public sector ethos are more important than specific local government finance knowledge and expertise.

Furthermore, finding someone with the right 'fit' for both the finance team and for the authority as a whole, regardless of their professional background, is vital.

The new ideas and perspectives that recruits from outside the local government sector bring with them, whether this has been gained elsewhere in the public sector or in the commercial sector, can even be advantageous to local authorities. It can help to challenge the conventional wisdom within the authority and, potentially, lead to improved efficiency, beneficial learning and organisational growth.

It is acknowledged, however, that recruiting senior finance professionals from outside the local government sector may increase the risk that is present in any recruitment process.

Consequently, there are circumstances where local authorities may feel that recruiting from outside the sector might not be appropriate for them at a particular time. For example, they may have a relatively inexperienced finance team, have a high number of interim staff or be facing significant financial challenges.

Under such circumstances, local authorities may wish to consider recruiting from outside the local government sector to second or third tier finance roles, allowing new hires to gain sector experience that will prepare them for director-level roles in due course.

## 5. Positioning local government as a viable career choice for ambitious finance professionals

In seeking to attract senior-level candidates from outside the local government sector, local authorities may need to educate potential applicants on what local authorities do and why they represent a sound career choice for ambitious finance professionals.

There are three areas in which local government has an especially competitive advantage when compared with other potential employers: values, engaging work, and people-friendly ways of working. Authorities may find it helpful to focus on these when positioning themselves in the recruitment marketplace.

### Competitive advantages for local government in the recruitment market include:

- meaningful roles that align with people's moral values,
- engaging work that drives personal and professional growth, and
- a people-friendly environment and ways of working.

Firstly, working in local government aligns especially well with many people's moral values. In delivering essential public services to their local community and looking after the interests of the most vulnerable in society, local authorities offer meaningful work that generates measurable social impact.

Moreover, this work is 'hands on' in nature – rather than the more abstract work offered by central government, for example – and is embedded in the local community.

Consequently, local authorities may wish to develop and communicate a clear value proposition for finance roles to which they wish to recruit, ideally drawing on the authority's established 'brand' and its standing within the community that it serves.

Secondly, local government finance roles offer engaging work that allows skilled professionals to grow personally and professionally.

Characteristics of such roles include the variety of the tasks and activities involved, the degree of autonomy available in undertaking them, a sense of completion once tasks and activities have been concluded, timely and constructive feedback from colleagues, and a sense of contribution to a greater good.

These characteristics can help to improve employee motivation, satisfaction and performance. They can also help to reduce absenteeism and staff turnover.

Local authorities may, therefore, benefit from emphasising these aspects of finance roles when seeking to recruit to them. Indeed, to potential candidates from outside local government, this is likely to prove more enticing than a simple list of the tasks and activities associated with the role.

Thirdly, there is a perception among jobseekers that a career in local government represents job security. While this is sadly no longer the case, it is true that the working landscape – and employees' expectations from their employers – have changed in ways that favour local authorities.

The opportunities for flexible working arrangements and – in many authorities – the ability to work partially from home will appeal to many candidates. Further non-salary benefits, such as an enlightened approach to work/life balance and family leave, may also prove attractive.

Furthermore, the opportunity to join the local government pension scheme may act as an added incentive, especially to those more used to the less-generous pension provision that is normally available in the commercial sector.

Local authorities would be well-advised to emphasise these flexible working opportunities and non-salary benefits when advertising finance roles.

In addition to these factors, local authorities may be able to improve their ability to attract a wider range of talented and ambitious candidates for finance roles by providing potential applicants with more and better information in respect of training, development and progression opportunities.

This will allow potential applicants to gain a fuller understanding of how a role in local government finance will help them to grow as an individual and to make progress in their career.

## 6. Targeting skilled professionals from outside local government

A significant challenge for local authorities wishing to attract applicants from outside the local government sector is to make them aware of vacancies in the first place.

Local authorities are able to target local government finance professionals using existing mechanisms. But these will not help to attract applicants from elsewhere in the public sector or from the commercial sector.

Furthermore, there is growing evidence that, as the recruitment landscape continues to evolve, more active marketing of opportunities across the board is increasingly necessary.

To attract applicants from a broader range of backgrounds, local authorities need to get their vacancies in front of people who are looking for a finance role, but who are not necessarily looking explicitly for a local government finance role.

Some local authorities have tried advertising their finance vacancies on the more popular all-sector job websites. These have resulted in large number of applications for open roles, but many of these applications have been of poor quality and have been submitted by individuals who are clearly not suited to the role.

### Targeting skilled professionals from outside local government

- Work with recruitment consultants and search firms,
- promote vacancies via LinkedIn and other social and professional networks,
- market to specific candidates or target groups, and
- attend recruitment fairs and events.

For senior roles, local authorities have had more success working with recruitment consultants and search firms, who have been able to promote vacancies and undertake an initial 'sift' of applications, so that they are able to present local authorities with a shortlist of qualified candidates for consideration.

However, while such consultants are able to use their experience to identify possible candidates and to broaden a local authority's recruitment 'reach', they will not be able to overcome some of the challenges identified, such as cultural bias.

Some local authorities have also attracted applicants from outside the local government sector by promoting vacancies through LinkedIn and other social and professional networks of members of their finance teams. Such vacancies can also be targeted at specific individuals, or types of individuals, using the tools available within such networks.

Other local authorities have approached finance professionals working within professional services firms, who may be pondering the next step in their career.

Furthermore, some authorities have experienced success in promoting their vacancies among financial professionals working within central government, especially now that many of those who had been allowed to work remotely since the pandemic – and had, consequently, relocated further away – are increasingly being required by their employers to return to the office and so may be attracted by a more local role.

## 7. Drafting compelling job descriptions and person specifications

In drafting job descriptions and person specifications to attract applicants from outside the local government sector, the key is to interpret the local authority's requirements as widely as possible and to focus on outcomes, rather than on inputs.

The more specific both the job description and person specification are, the smaller the pool of potential applicants will be.

This applies, in particular, to female potential applicants, as research has shown that they are significantly less likely to apply for a job if they do not meet all of the stated criteria. Consequently, a highly specific person specification not only reduces the pool of applications, but potentially also reduces the diversity within that pool.

### Drafting inclusive job descriptions and person specifications

- Focus on outcomes, not inputs,
- be general, not specific,
- avoid specifying local government experience,
- consider transferable skills and professional attributes,
- adopt descriptive job titles,
- avoid local government jargon, and
- benchmark against other sectors.

For most local government finance roles, it is generally not helpful to specify the need for prior local government – or wider public sector – finance experience. Such an approach will automatically exclude individuals from other backgrounds, even when they may be just as capable of undertaking the role as effectively as a candidate with local government experience.



Rather than focusing on specific experience, local authorities may wish to pay more attention to the wider range of skills and attributes that will allow a candidate to be effective in a local government finance role, such as:

- general finance skills and expertise,
- a can-do attitude,
- an ability to work in a team,
- interpersonal and leadership skills,
- an ability to communicate technical matters to a non-technical audience;
- motivation for working in local government,
- a 'fit' with the finance team, and
- a 'fit' with the wider organisation, especially for more senior roles.

Local authorities may also wish to pay attention to candidates' ability and willingness to learn, as this is generally more relevant to their effectiveness in a new role than their specific prior work experience.

It is important, therefore, that local authorities communicate effectively to potential applicants the training and support that will be available to meet any skills gap, so that both the candidate and the recruiter will have confidence that such a gap can be filled and will appreciate the implications of this.

There is also an opportunity to attract candidates from a wider range of backgrounds by considering the language and terminology that local authorities use.

Local authorities may, for example, wish to reflect on the job titles attached to specific roles. Some roles tend to have rather generic job titles, which do little to elucidate the nature of the role or to attract potential candidates to them. Consequently, some internal 'rebranding' of roles may be helpful, where the flexibility to do this exists.

In particular, 'section 151 officer' means nothing to anyone outside local government, so should be avoided when describing senior finance roles; though this responsibility can, of course, be mentioned within the role description.

The language used to describe roles – and the responsibilities associated with them – can also be made more attractive and inclusive through the use of outcome-focused vocabulary and through the avoidance of acronyms, technical jargon or other local government finance-specific terminology.

Before advertising vacancies, local authorities may find it instructive to compare the wording of their advertisement, together with their job description and person specification, with those relating to similar roles in the commercial sector, with a view to identifying opportunities to make their vacancies more attractive to potential applicants.

## 8. Operating a fair and inclusive recruitment process

People change jobs more frequently now than they have done in the past. They also have different expectations of their jobs, of their employers and of their careers as a whole. As a result, the recruitment landscape is rapidly evolving and local authorities need to keep pace with this change.

Applicants also have expectations of the recruitment process itself. It is important, therefore, that local authorities meet – or, better, exceed – these expectations, if they are to be competitive in the recruitment marketplace.

### Ideas for inclusive recruitment processes include:

- keeping pace with change,
- exceeding the expectations of candidates,
- seeking specialist advice,
- benchmarking processes against other employers,
- asking for a cover letter and CV rather than an application form,
- asking broad interview questions,
- allowing candidates to speak in their own words,
- offering immediate interviews for promising candidates,
- considering an immediate appointment for the right person.

Some local authorities have found it beneficial to seek specialist advice, whether from in-house human resources specialists or from external experts, on the management of the recruitment process for finance roles. Others have sought to benchmark their recruitment processes against those of commercial organisations.

When soliciting applications, some local authorities have moved away from – or have significantly shortened – their traditional application forms and have asked applicants to instead submit a cover letter and a CV.

When interviewing candidates, those local authorities seeking to operate a more inclusive recruitment process have sought to ask broad questions that do not focus explicitly on local government and that allow candidates to demonstrate their experience and their suitability for the role in their own words.

Such local authorities also suggest offering immediate interviews to promising candidates, on the grounds that they are likely to be applying for several roles and may be 'off the market' by the time the application deadline has passed. Indeed, local

authorities may wish to explore the possibility of moving to immediate appointment, when a suitable candidate has been identified.

Whatever approach local authorities take, the key is for them to recognise that the recruitment landscape is changing and to be willing to adapt.

## 9. Supporting finance professionals entering the local government sector

Hiring to a local government finance role is always going to entail an element of risk, whether the new recruit has a local authority finance background or has joined the authority from a different sector.

Providing newly appointed finance professionals with targeted support while they get to grips with their new role can, however, help to mitigate this risk.

Such support might, for example, focus on local government-specific technical aspects of the role, such as education finance, the housing revenue account or the preparation of the authority's financial statements.

Alternatively, support might be targeted at more general aspects of local government that new hires sometimes struggle with, such as working with councillors and committees, the presentation of financial information to a non-specialist audience, and the need to work with a broad range of stakeholders and stakeholder groups.

In terms of what this support might look like in practice, some local authorities have experienced success though offering an intensive package of support for new starters, which has included a comprehensive induction programme followed by an ongoing internal mentoring arrangement.

Ways to support new hires include:

- comprehensive induction programmes,
- ability to spend time with different teams,
- targeted training in specific technical areas,
- mentoring from an experienced finance professional,
- internal or external coaching programmes,
- engagement with counterparts in peer authorities, and
- participation in sector professional networks.

For more senior roles such as chief finance officers and their deputies, external mentoring by an experienced local government finance professional – such as a recently-retired finance chief from a different local authority – might prove to be beneficial.

Furthermore, the arrangement of coaching support for all senior finance professionals, not just new recruits, can yield significant benefits for individuals and their employers alike.

Other approaches that local authorities have found to be useful include helping new hires to gain insight into different teams (especially where senior finance professionals also have responsibility for other functional areas), ensuring an employment overlap between the new employee and their predecessor (where feasible), and helping new recruits to engage and learn from their counterparts in other local authorities and from other relevant professional networks.