



Personnel Sub-Committee – 8 December 2014

Head of Finance recruitment

Purpose of report

To advise Members of the outcome of the intended recruitment to the role of Head of Finance and consider the options for the future delivery of the statutory role of S151 Officer.

Attachments

None

1.0 Background

1.1 Members will recall that, on 6 October 2014, full Council resolved, following a recommendation from this Sub-Committee, to change the management structure of the Council by creating the role of Head of Finance and terminating the arrangement with LGSS whereby we bought in the role of Chief Finance Officer / S151 Officer part-time.

2.0 Issues arising from the recruitment process

2.1 We were aware when commencing the process that the salary on offer was low compared to that paid by similar councils. Cuts to benefits over the years, particularly scrapping the car scheme and the Council's membership of BUPA, also meant that there were no significant non-financial elements to the package.

2.2 We therefore engaged the services of a recruitment consultant to contact potential candidates directly rather than rely only on an advertisement. Prior to the closing date for applications for the post, the consultants advised us that the advertised salary (£57k - top of the grade) was proving a significant barrier to potential candidates, most of whom were already paid much more than that. At that point (two weeks into the 3-week period) we had received no applications.

2.3 We therefore changed the advert to read 'The salary and package for this role are currently being reviewed; more may be available for the right candidate'. By the close of the application period one week later, we had received applications from only 3 candidates. Only one of those was considered to be potentially suitable for the position, but it would have been a step up for that individual and the decision was taken not to proceed with the appointment process.

3.0 Options

3.1 This is the second time that we have tried to recruit a Head of Finance / S151 Officer, and on neither occasion have we identified a suitable candidate. The result of the process this time round is particularly disappointing given our engagement of a recruitment consultant to support it, but it is clear that the salary / package on offer is far from sufficient to attract the calibre of person we are looking for.

3.2 Having reached this point in the process, the following options are available to us:

- Apply a substantial (~£10k) increase to the salary and go out to the market again
- Scrap the process and retain our existing arrangement with LGSS to buy-in the CFO / S151 Officer role part-time.

3.3 Increasing the salary for the role

3.3.1 Applying an increase of around £10k while retaining the post at Head of Service level is not a realistic option. This would take the salary £20k above the (theoretical) entry level for a Head of Service post and within £1k of the bottom of the Executive Director pay grade. In order to offer the sort of salary that the role requires, we would need to create a new Director post.

3.3.2 The recruitment consultants referred to above have now provided us with some benchmarking information about finance roles in a number of councils within about a 50-mile radius. Some of these comparators are unitary or county councils, which invariably (other than Rutland CC) pay significantly higher salaries. Leaving those aside, the average salary for a Finance Director / Director of Resources or equivalent from the 8 comparable councils for which information has been provided is around £91k, which is £10k above the top of our Executive Director salary scale and over £20k above the bottom of the scale.

3.3.3 It therefore seems that we may struggle as much to recruit at Director level on a salary of £70-75k as we have to recruit a Head of Finance on up to £57k. In the circumstances, it seems sensible to retain the existing structure, at least for the time being, and focus on the recruitment of a new Finance Manager.

4.0 Legal and Constitutional Implications

4.1 None.

5.0 Risk Management

5.1 The risk of retaining the existing structure is that the issues set out in section 2 of the previous report to this Sub-Committee on 29 September remain, and are likely to be more difficult to address without a full-time Head of Finance / S151 Officer.

6.0 Financial Implications

6.1 None.

7.0 Corporate Outcomes

7.1 This proposal contributes to the following Corporate Outcomes:

- Value for Money – by balancing the Council’s need to deliver cost savings with the need to ensure that it has adequate management capacity and capability.
- Effective Management – by ensuring the Council has the ability to manage and plan its finances effectively.
- Employees and Members with the right Knowledge, Skills and Behaviours – by ensuring that the Council has access to the right levels of expertise.

8.0 Recommendation

8.1 The Sub-Committee is recommended to:

- Note the outcome of the recruitment process for the Head of Finance;
- Decide whether to retain the existing finance structure or to consider other options.

(Reason – to ensure the Council has the right calibre of employee in its key S151 Officer role and is balancing those requirements with the need to continue delivering cost savings)

Legal	Power:				
	Other considerations:				
Background Papers: Report to Personnel Sub-Committee, 29 September 2014					
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Date: 27 November 2014					
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