

**PUBLIC SECTOR CLOSED
RECRUITMENT: CALL
FOR EVIDENCE**

The Government has issued a [‘call for evidence’](#) on the use of closed recruitment practices in the public sector, to examine whether it should take action to promote fair and open recruitment in the sector. In this context closed recruitment means recruitment from candidates already working in an organisation, as opposed to open recruitment from outside the organisation.

Details of the call are set out below, along with the questions asked and the LGA’s proposed responses. To assist with our response we should be grateful if local authorities would send their views on the questions and proposed responses to jon.sutcliffe@local.gov.uk by 8 April 2016. In particular we would welcome any evidence authorities may have on the use of closed recruitment in their own organisation. Should authorities want to respond directly to the Government, details of how to do so are set out in the [call for evidence document](#) and the closing date for responses is 15 April 2016. We would be grateful if a copy of such responses could also be sent to jon.sutcliffe@local.gov.uk

Use of closed recruitment

The first part of the call for evidence focuses on the use of closed recruitment in the public sector and the advantages and disadvantages of such recruitment. In terms of open recruitment the Government indicates that although it can be costly and time consuming, its advantages are that it gives employers the best chance of finding the right candidate, and expands opportunities for work to those outside the organisation. It also exposes organisations to new influences, skills and experiences. In contrast, closed recruitment may be appropriate at certain times, for example to enable swift recruitment when the employer is confident that suitable candidates are available inside the organisation. However, it does limit opportunities for those outside the organisation.

Questions 1-3 and LGA responses

- 1) What other advantages, disadvantages and considerations do you believe apply to internal-only recruitment?*

LGA proposed response

Local authorities may choose to appoint to posts from a ring-fenced group of individuals when they are restructuring and people are at risk of redundancy; there are important value considerations here because of the risk of losing expensively-trained, experienced people, as well as fairness issues. The requirement to minimise the number of redundancies and to offer suitable alternative employment where it is available are legal requirements for all employers. The reduction in local government funding in recent years has resulted in a significant increase in employees facing redundancy and therefore a greater need to use internal redeployment than may have been required in other sectors and in previous years. Selecting from a pool of redeployees reduces the risk of litigation, for example, unfair dismissal, and its associated costs. It can also avoid the need to make redundancy payments. While we recognise the advantages of open recruitment set out in the consultation paper (e.g. fresh talent, best possible pool/appointee) matching a redeployee with a good skills match, as well as avoiding potential redundancy costs and litigation, can bring new skills and a new perspective to a particular service area.

Going back to the 1980s when many local authorities introduced equal opportunities policies open recruitment was a key tool in addressing under-representation of particular groups within the workforce. By definition internal recruitment where particular groups were under-represented would perpetuate the problem. Although councils have made significant progress in achieving a diverse workforce, this would still be a useful tool, particularly for more senior roles.

2) How often is internal-only recruitment used by employers?

- *very frequently,*
- *frequently,*
- *infrequently,*
- *very infrequently, or*
- *not sure?*

LGA proposed response

We believe the use of internal-only recruitment in the local government sector is infrequent. There is evidence from one local government region where all councils use the same recruitment portal. That shows that over the last 4 years the percentage of vacancies that have been advertised (at least initially) on an internal-only basis has varied between 18-21%. In many cases ultimately these will have been advertised externally as there were no suitable redeployees or other internal candidates. Statistics breaking this down further are not available, but we consider it is common enough to suggest that overall, 'infrequently' is the correct assessment.

Note: We would welcome any other evidence from other authorities on their use of closed recruitment.

3. *Do you agree that internal-only recruitment is more common in the public sector than in the private sector?*

- *yes, it is more common in the public sector,*
- *no, it is more common in the private sector,*
- *there is no difference, or*
- *not sure*

LGA proposed response

Open recruitment is routine practice in local government and has been for years because of the importance of equal opportunities for employers in the sector. More formally, local authorities have a duty to appoint on merit under section 7 of the Local Government and Housing Act, 1989.

The private sector does not operate under this particular legislative requirement and so has no obligation to use open recruitment processes. However, as stated above the same requirement to minimise redundancies exists for all employers. It is possible that the bigger difference is between employers of different sizes and that this is a more relevant consideration than the sector.

Reasons for closed recruitment

The call indicates that some media reports have referred to public sector employers over-relying or being pushed into using internal-only closed recruitment practices, resulting in organisations becoming out of touch and over-reliant on temporary contractors or consultants to cover skills gaps. The pressure to use closed recruitment may come from trade unions and/or professional organisations, recognising though that in some cases that might be appropriate, for example to ensure that safety and professional standards are guaranteed.

Questions 4-7 and LGA responses

4. *Do you think public sector employers are striking the right balance between supporting the progression of their staff, and accessing the skills and expertise of other sectors?*

LGA proposed response

Local authorities are always anxious to recruit the best people for the job but will seek to balance this with providing development opportunities for ambitious home-grown staff, so in short, the answer is yes. Whilst it is true that there are some new groups of skills often described as 'entrepreneurial' for which employers will often focus on other sectors, there are many specialist skills which exist almost exclusively within local government.

For some of the professions in local government, councils remain the main employer. From this it flows that in many cases open recruitment means opening up opportunities for sideways or upwards moves for employees of other local authorities. This can bring employees with different experiences if not fresh skills sets.

5. *If not, what more could or should be done to encourage this?*

LGA proposed response

Not applicable in local government.

6. *Are you aware of instances where public sector employers have come under pressure or influence to retain or introduce internal-only recruitment?*

LGA proposed response

It feels rather over-the-top to use words like 'pressure' in this context. As has been mentioned already, all public employers, including local authorities need to make decisions about how to act fairly and efficiently when services are restructured; making decisions about whether to ring-fence appointments for at-risk staff is often unavoidable in these circumstances.

Where there is no suitable redeployee to fill a particular vacancy it is our expectation that the norm will be there will be an open recruitment exercise. We would qualify that by saying that it is possible that there may be occasions when some councils think it is prudent to limit recruitment for some vacancies to internal candidates only when they anticipate that some jobs will need to disappear in the near future, but there is not yet a specific pool of employees to be considered for redeployment.

7. If so, why does external pressure to run internal-only recruitment arise, and from who?

LGA proposed response

In the circumstances described in question 6, it is reasonable for trade unions to raise options around ring-fencing, indeed they would be failing in their duty if they didn't.

Role of Government

The Government is considering three options it could take to ensure the benefits of open recruitment are realised by employers and individuals. They are as follows:

- Greater transparency: Under this option the Government would ensure that all public sector employers published information on their levels of closed recruitment.
- A cap on the proportion of public sector closed recruitment: If this were pursued, it would only be after the option above had been tried.
- A ban on closed recruitment: This would have an immediate and widespread impact. However, it would increase

costs given the high number of open recruitment exercises that would have to be run.

Questions 8-11 and LGA responses

8. *Which option do you think would be most appropriate to tackle closed recruitment in the public sector?*

- *greater transparency*
- *a cap on internal-only recruitment*
- *a ban on internal-only recruitment*
- *none: there is no problem to address, or*
- *not sure*

LGA response

None, there is no problem to address.

9. *What are the costs and benefits of these options?*

LGA proposed response

As there is no problem to address the proposals would result in additional and unnecessary administrative burdens being placed on local authorities. Further any cap or ban would need to make allowances for how it might operate in the case of redundancy/redeployment situations, so as to minimise the risk of unfair dismissal claims. It would also need to factor in how the duty to make reasonable adjustments for a disabled employee through redeployment to a vacancy would work under the cap or ban.

10. *Are there other options to tackle closed recruitment in the public sector? Please specify in your answer.*

LGA proposed response: No comment.

11. *What other risks and opportunities should the Government take into account when considering recruitment practices in the public sector?*

LGA proposed response: As public services become more integrated in places such as devolved city regions, there is an increasing need for experienced staff to consider 'portfolio' careers moving between the NHS, civil service and local government, as well as the private and third sectors. Such movement

is hindered by the inability to provide full recognition of continuity of service for people considering moves. This can be addressed most effectively by bringing the modification order regulations up-to-date to reflect the changing face of public service. The LGA has written to the Cabinet Office about this issue in detail.