

Report to Cabinet

12 July 2023

Subject:	Children's Social Worker recruitment and retention
Cabinet Member:	Cabinet Member for Finance & Resources, Councillor Bob Piper Cabinet Member for Children, Young People and Education, Councillor Simon Hackett
Director:	Director of Finance, Simone Hines Director of Children and Education, Michael Jarrett
Key Decision:	Yes
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1. Recommendations

- 1.1 That approval be given to increase the contract sum to Sandwell Children's Trust by a maximum of £260,000 to continue the payment of a market supplement of £2,500, plus on costs, for 2023/24 to all permanent case holding social workers.



- 1.2 That approval be given to Sandwell Children's Trust adopting a retention payment policy for all permanent case holding social workers and permanent team managers, payable based on length of service at a maximum additional cost to the Council of £310,000 in year 1, £585,000 in year 2 and £1.136m in year 3.
- 1.3 That approval be given to authorise Sandwell Children's Trust to recruit up to 12 International Social Workers in 2023/24 at a maximum additional cost of £556k.
- 1.4 That in connection with 1.1 - 1.3 above, approval be given for the total maximum cost of £1.126m for 2023/24 to be funded from the Social Care Earmarked Reserve.
- 1.5 That the Director of Finance, in consultation with the Director of Children's Services, review the Sandwell Deal Policy in December 2023 to evaluate its effectiveness in recruiting and retaining social work employees and consideration given to funding ongoing costs through the Council's Medium-Term Financial Strategy.

2. Reasons for Recommendations




- 2.1. In line with many other councils and Trusts across the country, Sandwell Children's Trust (SCT) faces workforce challenges regarding the recruitment and retention of social workers. Discussions with the Department for Education and regional colleagues clearly show that the demand for talented and experienced social workers outweighs the supply. Within the West Midlands, these pressures are particularly acute, with several neighbouring authorities experiencing the same challenges.



- 2.2. It is within this national and regional context that SCT has promoted its new brand and taken a proactive approach to social worker recruitment and retention.
- 2.3. Research shows that social workers are attracted to places and choose to stay due to a combination of factors: feeling safe; good management support; the culture of the organisation; having good development opportunities; and receiving competitive pay and benefits. We also know that manageable workloads and the ability to work flexibly contribute to workforce stability.
- 2.4 Sandwell Children’s Trust (SCT) has developed several proposals to improve the recruitment and retention of social workers, referred to collectively as ‘The Sandwell Deal’. The ‘Sandwell Deal’ brings together the complete offering from the Trust to its employees and the Trusts expectations of them in return. This includes not only the financial benefits but the offer in relation to career development, training, support and benefits. It has been developed following a benchmarking review of the offers from other local authorities/Trusts, review of the current benefits for SCT employees (including the Market Supplement), analysis from exit interviews and working with a cross section of staff from across the Trust.
- 2.5 The annual Contract Sum for the delivery of Children’s social care functions by SCT was agreed by Cabinet on 15 February 2023. Additional funding is being sought to implement the Sandwell Deal with a view to improve recruitment and retention and reduce the overall reliance on more expensive agency workers and project teams.



3. How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>SCT works with families, foster carers, schools, statutory and voluntary providers to support the achievements of vulnerable children and those in the care of the council</p> <p>SCT works to ensure that children in the care of the Council receive the support and opportunities that any parent would give their child</p>
	<p>People live well and age well</p> <p>SCT ensures coordination between social care and the NHS to better protect vulnerable children</p>
	<p>Strong resilient communities</p> <p>SCT supports families to improve children's life chances</p> <p>SCT works closely with the police to ensure that children are protected from the impact of crime, domestic violence, and all forms of exploitation</p>



4. Context and Key Issues

- 4.1 In March 2022, the Council agreed to fund a £2,500 market supplement for up to 168 case holding social workers at a cost of up to £432k for 12 months. This was in response to a challenging situation faced by the Trust regarding the recruitment and retention of social workers.
- 4.2 While the market supplement ensured that Sandwell was on par with other employers, there continues to be significant recruitment and retention issues for children's social workers at a national and regional level

Key Workforce Challenges

- 4.3 SCT are operating in a difficult labour market where there is a shortage of children social workers. The 2022 Government Statistics for Children's Social Work Workforce confirmed that there were 7,900 children social worker vacancies, an increase of 21% from 2021.
- 4.4 There were 6,800 agency workers in post at 30 September 2022 compared with 6,000 the previous year, an increase of 13%. At the same time the total number of social workers has fallen for the first time since 2017.
- 4.5 The national increase in agencies workers is mirrored regionally with a 12% increase in 2022 of the use of agency social workers compared to 2021 and an increasing vacancy rate.



- 4.6 The Independent Review of Children’s Social care, led by Josh MacAlister, was published in May 2022. It highlighted significant concerns with how the labour market for social workers operates including the overreliance on agency social workers, the impact this has on children and families and the increase in costs to Councils.
- 4.7 In response to the review, the Government launched a consultation inviting views on the introduction of a national set of rules on the engagement of agency social work resource covering:
- price caps on what local authorities may pay for an agency worker
 - post-qualified experience needed for an agency assignment
 - use of project teams
 - references, notice periods, and movement between agency and substantive roles
 - collection and sharing of pay and agency data
 - adherence of procurement routes with the national rules
- 4.8 The consultation closed on 11 May 2023, however, we are unlikely to see the outcome of this until late 2023, with any subsequent changes happening sometime in 2024.

Approach to Recruitment and Retention

- 4.9 Priority 1 of the Trusts Transformation Plan is People. With the support of the Council, the Trust is striving to be an employer of choice for all roles and a place where social work can flourish, where staff are valued and are ambitious for children and young people.



- 4.10 Salary makes up one part of a total reward package, which also includes benefits such as pension, annual leave allowances, flexible working, learning and development and career progression. An attractive and affordable total reward package plays a significant role in the Trust's drive to attract and retain staff.
- 4.11 The Trust has focused on taking a whole systems approach to recruitment and retention of staff with commitments that cover both the total reward elements but also identify factors such as a clear vision and purpose, good leadership and management, on-going development of staff and manageable work-loads, thereby creating a culture where staff want to work for the Trust and where social work practice can flourish.
- 4.12 A significant amount of other work is taking place in parallel, through the Trust's Transformational Plan to make the Trust a great place to work.

Market Analysis

- 4.13 In March 2023, a comprehensive benchmarking of salary packages (including incentive and retention payments) within and outside the region was undertaken. The key points identified in the benchmarking exercise are as follows – of the 14 West Midlands Local Authorities / Childrens Trusts:
- 4.13.1 If SCT pay no additional incentives to base salary (excluding the current Market Supplement), SCT social worker salary package would be 14th and senior social workers are 10th out of 14 Local Authority/Trusts
- 4.13.2 With the current SCT market supplement of £2.5k, this moves SCT salary package to 11th for social workers and 8th for senior social workers



- 4.13.3 The Trust's Newly Qualified Social Worker salary is competitive
- 4.13.4 The Trust's Team Manager salary is competitive when compared across the region placed 5th across the West Midlands Region
- 4.13.5 Several West Midlands Local Authorities have introduced additional financial incentives to attract social workers (ranging from £2,000 to £10,000)

Options Appraisal

4.14 Several proposals have been considered which have included golden hellos, payment of overtime, increased market supplement for hard to fill roles, retention payments, leadership training and enhancing the Trusts Terms and Conditions. This is balanced with a comprehensive programme of non-financial benefits such as pension contribution, annual holiday entitlement, learning and development opportunities, flexible working, career progression and creating an environment that promotes wellbeing.

4.15 For the purposes of this report, the focus is on the financial incentive element of the Sandwell Deal.

4.16 **Option 1 – Continuation of the Market Supplement**

A market supplement payment is a payment made to hard to fill roles to improve the base salary primarily due to the current salary not being competitive compared to other Local Authorities / Trust.

The analysis has indicated that the current market supplement of £2,500, has placed SCT in a more favourable position within the region with regard to Social Workers.



4.17 Option 2 – Introduction of a Retention Payment over Three Years

A retention payment is a lump sum payment outside of an employee's base pay that is offered as an incentive to retain an employee within SCT for a certain period of time.

It would be payable dependent on the period of time the social worker remains with the Trust i.e. after 12 months, 24 months and 36 months.

The analysis has indicated that the payment of a retention payment would assist in securing a more stable permanent workforce if offered over a period of time.

4.18 Option 3 – Recruitment of International Social Workers

Alongside the Sandwell Deal the Trust is considering the recruitment of International Social Workers. International Social Workers have been sourced by a significant number of local authorities to help fill their permanent vacancies.

The Trust is proposing the recruitment of up to 12 qualified international social workers for financial year 2023/2024. The recruitment would involve a package of support for the sponsorship fees and relocation and agency fees at a cost of £46k per worker.

The maximum cost of recruiting 12 workers is £556k, the total cost would reduce if fewer than 12 workers were recruited.

Recommended Options, including Finances

4.19 The Trust is seeking the Council's approval for the additional funding to proceed with options listed in Table 1.

4.20 The maximum costs for each of the options are detailed below:



Table 1 – Costs based on all establishment roles (filled or unfilled) as at May 2023 (maximum cost)

Option	Description	2023 / 24	2024 / 25	2025 / 26
Option 1 - Continuation of the Market Supplement	£2,500/ Annum Applicable to all permanent social workers, up to a maximum of 168 people(excluding ASYE's)	£560k	£560k	£560k
Option 2 - Introduction of a Retention Payment over three years	Applicable to all permanent social workers up to a maximum of 168 people (excluding ASYE's) and all permanent Team Managers up to a maximum of 28 people	£550k	£825k	£1,376k
Option 3 – Recruitment of International Social Workers	Recruitment of up to 12 International Social Workers	£556k	n/a	n/a



Funding already included in Contract Sum	Currently budgeted market supplement and agency premium	(£540k)	(£540k)	(540k)
	Total	£1.126m	£0.845m	£1.396m

4.21 The figure in the table above are based on all social worker and team managers roles being filled by permanent staff. The actual cost is likely to be significantly lower due to the number of vacancies or roles filled by agency workers, who would not be eligible for the market supplement or retention payments. There are currently 68 permanent case holding social workers and 26 permanent team managers in post.

4.22 As part of the Local Government Finance Settlement the Council received additional Social Care grant compared to the 2022/23 allocation, and this was contributed to an earmarked reserve in anticipation of additional spend pressures likely to emerge in 2023/24 due to demand and inflationary pressures. It is proposed that part of this reserve is used to fund the increase in the Contract Sum of up to £1.126m in 2023/24. Any ongoing costs will need to be considered as part of the Council’s Medium-Term Financial Strategy and Contract Sum Negotiations with SCT and may be dependent on the review of effectiveness of the policies.

4.23 The Finance Team will agree a process with the Trust for claiming this funding on an open book accounting basis. The Social Care grant is an ongoing revenue grant, although it is subject to change in the future as part of any Spending Review and Local Government Finance Settlements.



4.24 The Council have in place robust monitoring arrangements with the Trust through the Strategic Partnership Board, Operational Partnership Board and regular liaison between the Director of Children and Education (DCS) and Trust Chief Executive, as well as the Council's CEO and Lead Member for Children, that will enable the Council to continue to have oversight of both the delivery of the improvement plan and Medium-Term Financial Plan. The Council and Trust will use the existing mechanisms to monitor progress and look at how this additional funding can lead to decreases in costs over the medium term.

4.25 Each scheme will be reviewed after six months to assess the impact it is having on recruitment and retention.

5 Alternative Options

5.1 Two further options were explored, an alternative option would be to reject the recommendations and accept these options:

5.1.1 Alternative Option 1 – Do Nothing

The 'doing nothing' option would mean that the Trust would continue to have significant challenges around the recruitment and retention of qualified social workers and would have to rely on expensive agency staff / agency project teams. The analysis that has been undertaken has indicated that social worker level pay is not competitive and there is a need to focus on retaining both social workers and team managers. If the Trust is unable to recruit and retain social workers, it increases the risk that children and families are not supported in a timely manner and needs escalate from the preventative to the reactive space. The cost of employing project teams and high cost agency in 2022/23 was £1.9m. The cost for a full year in 2023/24 would be £2.4m.



5.1.2 Alternative Option 2 – Introduction of a Golden Hello Payment

This is a payment made to incentivise an employee to take up employment with SCT in a form of a welcome package. It would be a lump sum payment received on the taking up of employment with SCT. The market testing that has been undertaken that has indicated that an introduction of a golden hello may have some limited impact of recruitment but would not assist with retaining staff. However, this would likely increase the financial risk to the Council of having to engage more costly agency workers to fulfil statutory obligations in respect of children’s safeguarding.

5.2 There would be an increased risk of the overall quality of children’s social care services degrading due to an unstable workforce, with outcomes for children significantly impacted

6 Implications

Resources:	<p>The Council has agreed the Trust’s Medium Financial Plan and Contract Sum for 2023/24. The additional cost of the ‘Sandwell Deal’ £1.666m in year 1, £1.385m in year 2 and £1.936m in year 3.</p> <p>The above costs can be partially off-set using funding already included within the Contract Sum (£540k/annum).</p> <p>2023/24 - £1.666m minus £540k already included in contract sum = £1.126m 2024/25 - £1.385m minus £540k already included in contract sum = £0.845m 2025/26 - £1.936m minus £540k already included in contract sum = £1.396m</p>
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	<p>Therefore, the additional funding required over 3 years is £3.367m</p> <p>The additional funding for 2023/24 will be drawn from the Council's Social Care earmarked reserve with future years to be included in the Council's medium-term financial strategy</p>
<p>Legal and Governance:</p>	<p>The Service Delivery Contract between the Council and Sandwell Children's Trust includes mechanisms for them to request in-year changes and for the Council to either approve or reject these requests.</p> <p>Cabinet previously agreed that to fulfil the role as sole owner of the Trust, that the full Cabinet itself operates as the decision-making body for matters in relation to the Trust and can therefore agree changes to the Contract Sum.</p>
<p>Risk:</p>	<p>There are no significant risks that require reporting and that suitable measures are in place to mitigate the risks identified to acceptable levels.</p> <p>The risk in respect of recruitment and retention has been identified by the council as a strategic risk alongside the strategic risk in respect of children's social care. Both risks are currently assessed as amber within the council's strategic risk register. The recommendations if approved, will contribute to the further mitigation of these risks.</p>



Equality:	An Equality Impact Assessment screening is not required for this report.
Health and Wellbeing:	SCT continues to support children and families in Sandwell and as the quality of service that they deliver improves so does the impact they have on improving the health and wellbeing of children and families.
Social Value	SCT supports children to achieve, feel safe, be supported and access opportunities. SCT supports care leavers to access education, employment and training. Having strong governance and oversight supports SCT to achieve service improvement and better support children and families in Sandwell.
Climate Change:	There are no climate change implications attached to this report
Corporate Parenting	Ensuring that SCT has a strong and stable workforce will support the Council in delivering its corporate parenting responsibilities.

7. Appendices

None

8. Background Papers

None

