

# Report to Cabinet

**23 March 2022**

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| <b>Subject:</b>         | Social Work Workforce - Market Supplement                   |
| <b>Cabinet Member:</b>  | Councillor Simms, Cabinet Member for Children and Education |
| <b>Director:</b>        | Director of Children and Education<br>Michael Jarrett       |
| <b>Key Decision:</b>    | Yes   |
| <b>Contact Officer:</b> | Michael Jarrett, Director of Children and Education         |

## 1 Recommendations

- 1.1 That approval be given to Sandwell Children's Trust adopting the market supplement policy of £2,500 per annum for all 168 case holding social workers and funding the corresponding increase in the Contract Sum by a maximum of £432,000.
- 1.2 That in connection with 1.1 above, the additional cost of £432,000 be funded from the Council's Social Care earmarked reserve.

## 2. Reasons for Recommendations


- 2.1 In line with many other councils and Trusts across the country Sandwell Children's Trust 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.



It appears highly likely that the pandemic has exacerbated this issue, with many social workers choosing to temporarily leave the profession due to burnout. Within the West Midlands, these pressures are particularly acute, with a number of neighbouring authorities experiencing the same challenges.

- 2.2 It is within this national and regional context that the Trust has promoted its new brand and taken a proactive approach to social worker recruitment and retention. 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.
- 2.3 Whilst pay is not the sole factor to attract and retain social workers, it has always been important. Recent detailed market analysis confirms that the salary band for Children Social Workers and Children Senior Social Workers is not competitive within the region.

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

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|  | <p>Best start in life for children and young people and in particular for children and young people that need more support together with our safeguarding duties and the ability to build resilience across the workforce. The recommendation in this report supports the desire of the council to focus resources on the specific needs and aspirations of the community. This contributes to the Council's Vision 2030 Ambition 1 – Raising aspirations and resilience, Ambition 3 – Young people to have skills for the future, Ambition 4 – Raising the quality of schools.</p> |
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## 4 Context and Key Issues

- 4.1 In 2018, the Trust, in consultation with SMBC, introduced a market supplement to be paid to social workers (including Team Managers but excluding Newly Qualified Social Workers) within the previous Care Management service. The aim of the market supplement was in direct response to a challenging situation faced by the Trust regarding the recruitment and retention of social workers in this service which focused on children in need of support, children in need of protection and children subject to court proceedings. The market supplement was set at £2,500. This amounts to £150k per annum, which continues to be included within the Trust's Medium-Term Financial Plan (MTFP) which is agreed by the Council.
- 4.2 Over the past 12 months and in line with the Trust's improvement plan (endorsed by SMBC) there has been a sharper focus on reviewing and gaining a deeper understanding on how the overall system impacts on the demand for statutory children's services and how we can better deliver more efficient and effective services which drive better outcomes through timely interventions. Key areas of activity here include:
- A greater focus on prevention at every level
  - Strengthening the approach to threshold application
  - Working with partners to ensure children receive the right support at the right time by building more effective early support and intervention
  - Better alignment of services which support children and families at the onset of interventions.

This is set against a backdrop of a transformation programme aimed at improving practice and outcomes for children across the entire system, ultimately reducing the need for children entering care and remaining with their families.

- 4.3 As a result of these principles and in recognition of the breadth of care management responsibilities, the Trust undertook a realignment of social care teams to create:



- a service which brought together both the assessment services and care management services;
- newly aligned Assessment and Intervention teams
- newly aligned Child Protection and Court teams
- a locality model, whereby each locality consists of both types of teams across 3 distinct localities, with each locality being managed by a separate Head of Service.

4.4 Although the locality model is still new, feedback from Trust staff and partners strongly indicates it is best for our staff and the families we work with. However, it does not address the fact that regionally Sandwell needs to be financially attractive in a way that's both realistic and sustainable. There needs to be parity across the workforce and it needs to be addressed within existing pay structures.

4.5 It is important that parity is achieved, irrespective of any practice model or structural arrangement. This needs to be considered in a wider context of a volatile social work market nationally and recent approaches across the region has meant that the Trust and Director of Children and Education (DCS) have had to reassess the overall position on social work pay.

### **Key Workforce Challenges- regional and national**

4.6 The Trust are operating in a difficult labour market where there is a shortage of children social workers. The 2020 Government Statistics for Children's Social Work Workforce confirmed that there were 6,113 children social worker vacancies with an agency workforce rate of 15.4%. In December 2021, The Trust's Agency Provider confirmed across the 14 West Midlands Local Authorities there were over 300 children social worker vacancies. Additionally, during 2021 as a result of the pandemic and further children social worker shortages there has been an increase in agency social worker recruitment driving up agency salaries and the attraction of permanent workers into agency working e.g. the creation of project teams, social workers being paid senior



practitioner (or Team Manager) rates and flexible working practices making neighbouring regions more accessible with higher hourly rates not subject to the West Midlands Memorandum of Understanding (MoU).

- 4.7 There has been a significant impact of the pandemic on the Trust and its staffing levels. The Trust's business continuity arrangements are in place and staffing levels across the organisation are assessed. This oversight has extended to the Council with regular liaison taking place with the Director of Children and Education (DCS) throughout the pandemic.

### **Approach to Recruitment and Retention**

- 4.8 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. This principle underpins the whole approach regarding The Trust's workforce which is set out in the "**12 Reasons to work for Sandwell**" (please see appendix 1).
- 4.9 This is a comprehensive plan of people commitments and was developed to set out the Trust's recruitment and retention activity. These 12 reasons publicly commit to areas such as 'inspirational and visible leadership, a learning organisation, manageable workloads, career progression, a stable and permanent workforce and a work-life balance'. Salary makes up one part of a total reward package, which also includes benefits such as pension, annual leave allowances, flexible working, and learning and development. An attractive and affordable total reward package plays a significant role in the Trust's drive to attract and retain staff. Organisations can employ a variety of options to entice and reward their staff, each with their own opportunities and risks.
- 4.10 The 12 Reasons commitments cover both the total reward elements but also identify factors such as a clear vision and purpose, our leadership and great management, on-going development of our people and manageable work-loads, thereby creating a culture where staff want to work for the Trust and where social work practice can flourish. Other



factors that impact individual decision making include; location, brand (e.g. Ofsted rating, reputation).

4.11 As well as the 12 Reasons, the Trust has focused on taking a whole systems approach to recruitment and retention of staff. This means focusing heavily on early help and prevention. Alongside council colleagues and the voluntary sector, the Trust has been working closely with our partners to make sure they fully understand their responsibilities and the need to identify and respond to needs and intervening as early as possible, rather than families being supported by intrusive statutory services via the Trust. The impact of this is twofold: less children require statutory services because they are helped via a robust early help strategy; and, over time, if only those children who require statutory services by the Trust, then it means more families being supported in a more effective and efficient way. The partnership's Early Help strategy was launched on 17 March 2022.

## 5 Market Analysis

5.1 In February 2021, a comprehensive benchmarking of salaries within and outside the region was undertaken and presented to the Trust's remuneration committee. In March 2022, an updated benchmarking exercise was undertaken for the 14 West Midlands Local Authorities.

5.2 The key points identified in the benchmarking exercise are as follows:

- The Trust's Newly Qualified Social Worker salary is competitive
- The Trust's Team Manager salary is competitive
- Since February 2021, a number of West Midlands Local Authorities have introduced additional financial incentives to attract social workers (ranging from £2,000 to £10,000)

5.3 When comparing the Trust's Social Worker pay to the 14 West Midlands local authorities, **excluding** any incentives:

- The top of the Social Worker band is lower than 8 of the 14 LAs
- The top of the Senior Social Worker band is lower than 6 LAs



- 5.4 When comparing the Trust's Social Worker pay to the 14 West Midlands local authorities, including any incentives (excluding golden hellos):
- The top of the Social Worker band is lower than 8 of the 14
  - The top of the Trust's Senior Social Worker band is lower than 7
- 5.5 If the Trust were to **remove** its market supplement and the other 14 West Midlands local authorities **retain** their current incentives (excluding golden hellos), it would mean:
- The top of the Social Worker pay band is joint lowest
  - The top of the Senior Social Worker band is lower than 9

## 6. Options Appraisal

- 6.1. An options appraisal has been conducted and included an assessment against key criteria:
- Achieving pay parity
  - Affordability/ financial implications
  - Alignment with the new operating model
  - Market competitiveness
  - Likelihood of recruiting and retaining permanent social workers and/or stemming the flow of permanent social workers leaving the Trust
- 6.2 When considering financial implications the following assumptions have been made:
- The market supplement will apply to circa 168 permanent social workers (excluding newly qualified social workers)
  - The market supplement is a pensionable payment and is subject to National Insurance
  - The market supplement is paid monthly in 12 equal payments and reviewed annually.
- 6.3 A number of options have been considered as follows:



- i. **Maintain the current position for those Social Workers who are currently in receipt of the market supplement** – The risk here is that this would not achieve pay parity across the social worker workforce with some employees being paid more than others within the same teams. This would create a significant risk of challenge. Given the market analysis and regional pay rates this would impact on the Trust’s ability to recruit and retain permanent social workers.
- ii. **Remove the market supplement from all Social Workers that are currently in receipt of the market supplement** – Whilst this would achieve pay parity, the significant risk is that the Trust would be one of the lowest paid for Social worker roles in the region. It is highly likely that those in receipt of the supplement would choose to leave the Trust to higher paid roles elsewhere. Consequently, workloads would increase with an impact on the ability to do effective work with children, young people and families. This in turn would create more financial pressure to manage demand and child protection duties safely as the Trust would need to secure additional higher cost agency staff.
- iii. **Re-align the existing £150k budget to all ‘case holding’ social workers across the operational service** – whilst this would achieve pay parity, the risk here is that it means the social worker pay would not be as attractive for potential permanent staff.





iv. **Introduce a market supplement of £2,500** – this would achieve pay parity across the social worker establishment and whilst social workers would still not be the highest paid across the region, it does mean the Trust is more attractive, when considering pay alongside all the other benefits of working in Sandwell (please see 5.4). The risk with this option is the increased financial burden to the council which would need to be absorbed alongside other competing pressures. However, in line with other areas, the financial risks of not taking this approach are greater in that it would cost more to continue paying inflated agency worker costs.

### **Recommended Option, including Finances**

6.4 It is recommended to introduce a £2,500 per annum Market Supplement for all 168 case holding social workers. The total annual and recurring cost of this equates to £582k (plus inflation), of which £150k is within the Contract Sum, resulting in a potential maximum additional cost of £432K per annum recurring. This is the maximum cost, assuming all 168 social workers are permanently employed, with 0% agency staff. If achieved, this would create a saving that could in the main offset the additional cost of £432k.

6.5 The Council and the Trust have agreed the Medium-Term Financial Plan (MTFP) that enables the Council to set an annual Contract Sum. The Medium-Term Financial Plan details the main areas of expenditure (staffing and care costs) and the savings plan that the Trust is committed to achieve. The Trust, along with the Council, have considered the extent to which the Trust can accommodate this additional cost without undermining the deliverability of the commitments already set out in the MTFP. The Trust has already made significant savings and has committed to achieve further savings over the medium term with clear plans in place as agreed with the council. Over the last 4 years the Trust has made efficiencies by reconfiguring Directorates, reducing headcount with services becoming more integrated.



The council, along with the Trust, has reviewed alternative options to mitigate the request for additional funding without it impacting on the wider system and how the Trust effectively supports children, young people and families and delivers the commitments already set out within the MTFP.

- 6.6 As expected the key cost area is the cost of caring for children who are in care. With oversight from the council, the Trust remains committed to continue driving forward strategies to make significant savings in this area. The Council will continue to work with the Trust through the arrangement to monitor activity and spend.
- 6.7 The Council is required to negotiate and agree the Contract Sum payable to the Trust each year as part of the budget setting process. This process was largely complete by December 2021 and at that point the costs in this report were not included as work was still ongoing to identify the potential risks and costs relating to social worker pay.
- 6.8 As part of the Local Government Finance Settlement the Council received additional Social Care grant compared to the 2021/22 allocation, and this was contributed to an earmarked reserve in anticipation of additional spend pressures likely to emerge in 2022/23 due to demand and inflationary pressures. It is proposed that this reserve is used to fund the increase in the Contract Sum of up to £432k. The actual cost may be less than this if the Trust are able to recruit more permanent social workers and reduce reliance on agency staffing, and the additional payments will be made quarterly on an open book accounting basis. The Finance Team will agree a process with the Trust for claiming this funding. 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.



6.9 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 MTFP. 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.

## 7. Implications

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| <b>Resources:</b>            | <p>Introducing the Market Supplement of £2,500 would equate to £582k per annum on the assumption that all 168 social workers are permanent.</p> <p>The Council has agreed the Trust's Medium Financial Plan and Contract Sum for 2022/23. Included within this is a £150k allocated to the Market Supplement. The additional cost would equate to £432k and will be paid based on an open book accounting basis to ensure additional payments are accurate. The costs will be funded from the Council's Social Care earmarked reserve.</p> |
| <b>Legal and Governance:</b> | Potential equal pay challenge  |
| <b>Risk:</b>                 | <p>The risk is the impact associated with any social worker potentially losing pay and the Trust not being financially competitive within the region.</p> <p>The risk of a not achieving a competitive social worker salary is fewer permanent workers joining the Trust and potentially further staff leaving the Trust for higher salaries leading to an increase in agency costs and compromising the quality of support for vulnerable children, young people and families.</p>  |



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| <b>Equality:</b>             | An equality impact assessment has been undertaken and ensuring that case holding social workers pay is equitable is a key aspect of this Report.   |
| <b>Health and Wellbeing:</b> | The Trust continues to support children and families in Sandwell, having the right number of experienced permanent social workers will ensure the quality of service improves so does the impact they have on improving the health and wellbeing of children and families.   |
| <b>Social Value</b>          | The Trust supports children to achieve, feel safe, be supported and access opportunities. The Trust supports care leavers to access education, employment and training. Having strong governance and oversight supports the Trust to achieve service improvement and better support children and families in Sandwell. |

## 8. Appendices

None

## 9. Background Papers

None



# 12 reasons to work in Sandwell Children's Trust

## 1 A new Trust, a new beginning

- Small enough to be a tight knit unit
- Large enough to offer fantastic opportunities



## 2 Clear vision and purpose

- Our purpose of 'improving the lives of children and young people' is at the heart of everything we do



## 3 Inspirational, visible leadership and great management

- Connected leadership that truly knows the workforce, and listens, acts and cares



## 4 Learning Organisation

- 15 days per year professional development
- Learning placements to expand your knowledge
- Effective supervision
- High quality induction



## 5 Manageable case loads

- Committed to lowering cases to an average of 15-18 per worker
- Reduced caseloads for ASYEs and Advanced Practitioners



## 6 Excellent career progression

- Clear and supported career progression
- Grown your own scheme
- Frontline & Firstline
- Recognised ASYE and Aspire Management programmes



## 7 Stable and permanent workforce

- A stable, dedicated and committed workforce
- Flexible workforce with 20% agency staff



## 8 Competitive rewards

- Competitive salary with excellent benefits package
- Up to £6,500 relocation package
- Market force supplements considered in hard to recruit areas
- Refer a friend scheme
- Your SWE Registration paid for

## 9 User-friendly IT systems

- Class leading social care system
- Each social worker gets laptop and smartphone
- Committed to enhancing and improving your IT



## 10 Great accommodation

- Great working environment in refurbished buildings
- Committed to agile working



## 11 Good work-life balance

- Flexible and family friendly policies
- Opportunity for working patterns that suit you



## 12 Well looked after

- Range of wellbeing offers and initiatives
- Compliment and cake sessions
- A personal thankyou goes a long way



ONE COUNCIL  
ONE TEAM