




<b>Report for:</b>	<b>Staffing &amp; Remuneration Committee</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Children's Services Recruitment &amp; Retention Offer</b>		
<b>Report Authorised by:</b>	<b>Jon Abbey – Director of Children's Services</b> <b>Jacque McGeachie – Assistant Director Human Resources</b> 		
<b>Lead Officer:</b>	<b>Andy Briggs – Interim AD Business &amp; Resources</b> <b>Sunni Morzaria – Interim Recruitment Specialist</b>		
<b>Ward(s) affected:</b>	<b>N/A</b>	<b>Report for Key/Non Key Decisions:</b>	<b>Non Key</b>

**1. Describe the issue under consideration**

- 1.1 This paper seeks to outline the recruitment and retention challenges in relation to Children's Social Workers and seek approval for the Director of Children's Services to implement a monetary retention reward to attract new social workers managers and retain the existing social worker workforce.
- 1.2 It is the intention of Children's Services to return to Staffing and Remuneration Committee (S&R) in December 2015 seeking a decision on a more detailed Social Care recruitment and retention offer, which will include a number of additional elements. At this stage, we are looking to create a financial offer to bring us in line with other London Boroughs.

**2. Recommendation**

The Staffing & Remuneration Committee will:

- 2.1 Agree that the Director of Children's Services has Delegated Authority to implement option 3 as described at 3.35.3 of this report.

## **Background**

- 3.1 The recruitment and retention of staff within Children and Young Peoples' Services (CYPS) presents a growing challenge nationally, especially so in social care services. Continual demographic changes present even more pressures in trying to match the demand of social care services with the supply of social workers.
- 3.2 Haringey Children's Services in particular, is undergoing a period of significant and rapid change against the backdrop of reducing budgets and pending OFSTED inspections in 2016 with the aim of moving to GOOD. The Service needs to recruit and retain more quality, experienced permanent staff. These staff will not only exhibit the key skills and experience to undertake their roles effectively but also demonstrate the right attitudes and behaviours that the Council aspires to both now and in the future as it moves towards being judged a GOOD Service by OFSTED.

### **3.3 National Context**

- 3.4 There is a national shortage of experienced, qualified social workers employed in statutory children's social work. Since 2005, around 6,000 students a year are embarking on a social work qualification and there are more newly qualified social workers entering the job market encouraged by various Government initiatives and the expansion of post graduate places, so that the future provides some opportunities although the pressures are likely to remain acute and endure for some considerable time.
- 3.5 However, there is a significant discrepancy between the supply of newly qualified social workers and experienced practitioners, which is supported in a report published by the Policy Exchange in June 2013, 'Reforming Social Work'. This report found that the supply of social workers will not equal demand until 2022.
- 3.6 It remains difficult at a national and local level to recruit and retain qualified and experienced practitioners and children's social work continues to be recognised as a key area of shortage recruitment within local Government. The social work job market continues to be a highly competitive market place and the recruitment challenges are particularly difficult in London.
- 3.7 Local Authorities are recognising and acknowledging this issue and improving recruitment and retention packages to address the problem. Some London authorities offer a "golden hello" up to £2,500 (Barking & Dagenham) and/or a retention payment – up to £3,000 per annum (Newham). This can be in addition to other benefits such as yearly travel allowances, free parking or a discounted housing offer.

### **3.8 Haringey Analysis**

- 3.9 Haringey's Corporate Plan 2015-2018 outlines a clear ambition and high expectations, working within the challenge of the Medium Term Financial Strategy. Priority1 is clear that we will be "Enabling every child to have the best start in life with high quality education".
- 3.10 We are striving to improve our social care offering to CYPS through the development and retention of a skilled and capable workforce, seeking to provide an effective service by retaining and recruiting high calibre staff.

- 3.11 Analysis in June 2015 recognised that the CYPS Social care workforce had 215 established posts, of which 147 were filled with permanent staff. A further 62 posts were filled with agency workers (28.8%), the balance were vacant posts.
- 3.12 In addition, from the data below, we can determine that in the last 12 months, 75% of all leavers in CYPS were social workers or team leaders and the turnover for social workers alone was 17%.

<b>Established Posts</b>	<b>Established Post Count</b>
Child Protection Advisor	0
Independent Reviewing Officer	2
Practice Manager	4
Principal Social Worker	2
Reviewing Manager/Reviewing Officer	1
Senior Practitioner	21
Social Worker	152
Team Manager	33
<b>Totals</b>	<b>215</b>

<b>Leavers by reason</b>	
<b>Reason</b>	<b>Count</b>
Redundancy, Compulsory	3
Retirement, Voluntary (60-65)	1
Voluntary Resignation	37
<b>Totals</b>	<b>41</b>

<b>Leavers for Last 12 months</b>	
Independent Reviewing Officer	1
Practice Manager	2
Senior Practitioner	7
Social Worker	24
Team Manager	7
<b>Totals</b>	<b>41</b>

### 3.14 Agency Expenditure

- Based on the Hays staff, the average day rate for a social worker (that we pay Hays) is £307 and £383 for team managers.
- Based on a 48 week contract, the average on-cost we would pay an agency social worker from Hays would be £73,680 per year and £91,882 per year for agency team manager.

- 3.15 The highest on-cost for a permanent social worker would be SWC 44 at £54,681 per year and for a permanent team manager would be £66,481 per year at PO7 53.

### **3.16 Assumption of Analysis**

- 3.17 Currently we know of 18 Full Time Equivalent (FTE) in Assessed & Supported Year of Employment (AYSE), thus 116.66 FTE permanent post qualifying experienced social workers
- 3.18 42 FTE agency social workers and 7 agency team managers. If we presume we pay them for 48 weeks at the average rate, it would give us an on-cost of £3.73m per year.
- 3.19 If we were to replace the agency with permanent staff at the highest spinal point, the on-cost would be £2.76m per year.
- 3.20 In the scenario where we were to offer all our experienced social workers and team managers a retention package of £2k a year, it would cost us £332k per year, thus still saving approx £641k a year.

### **3.21 Recruitment & Retention payment considerations**

- 3.22 A review of pay for social workers has also been carried out to determine how competitive we are in the starting salary we offer compared to neighbouring local authorities as well as our statistical neighbours i.e. number of other LAs deemed to have similar characteristics. The data used for comparative pay purposes has been supplied by the London Councils – Pay & Benefits Survey 2015, together with information obtained from the Councils directly.
- 3.23 The data indicated that we already pay at the market median across London for social work posts; this demonstrates that there is little evidence we need to pay an additional market supplement, however, despite this, we are still unable to attract applications from suitable, qualified and experienced candidates and believe this is because we are competing in a shortage market with neighbouring councils offering a more attractive overall package (i.e. discounted housing).
- 3.24 At present, our entry level salary for social workers is in the middle range compared to neighbouring London authorities (see table below), with Lewisham offering the highest starting salary i.e. £38,151.
- 3.25 We have an accelerated pay progression scheme for newly qualified social workers. In view of the many expressions of interest we received from our rolling recruitment and recruitment targeted events, at this current juncture we do not need to offer further enticements for newly qualified social workers in their first Assessed and Supported Year in Employment.
- 3.26 As stated the challenge is to recruit suitably experienced Social Workers. The Professional Capabilities Framework for Social Workers (developed by the Social Work Reform Board & owned by the College of Social Work) describes experienced Social Workers as:

- 3.27 **Experienced social workers** are more autonomous in their role. They demonstrate expert and effective practice in complex situations demonstrated through;
- 3.27.1 Assessing and managing higher levels of risk, striking a balance between support and control, liaising with a wide range of professionals, including more senior levels.
- 3.27.2 Managing complex caseloads, and offer expert opinion within the organisation and to others.
- 3.27.3 Chairing a range of meetings, offer expert support to case conferences, and produce high quality assessments and reports for a range of functions.
- 3.27.4 They model good practice, setting expectations for others. They start to take responsibility and be accountable for the practice of others, mentoring newly qualified social workers and supervising the work of junior staff.
- 3.27.5 Undertake capacity-building with individuals, families, communities, user groups and voluntary organisations, and contribute their views on service provision to commissioners.
- 3.28 This level of experience may be gained 3 years post qualification and experienced candidates should be able to evidence this at application and interview stages.

### 3.29 Social Worker Salary

Rank	LA	Role	Salary range	
1	Lewisham	Social Workers	£38,151	£39,981
2	Greenwich	Social Workers	£36,669	
3	Camden	Social Workers	£34,515	£40,036
4	Barking and Dagenham	Social Workers	£32,784	£35,655
5	Tower Hamlets	Social Workers	£32,157	£41,811
6	Islington	Social Workers	£31,323	£39,069
7	Southwark	Social Workers	£31,323	£37,257
8	Kingston	Social Workers	£31,296	£35,655
9	Haringey	Social Workers	£30,727	£41,218
10	Tri-Borough	Social Workers	£30,648	£38,229
11	Richmond	Social Workers	£30,555	£35,655
12	Newham	Social Workers	£30,555	£40,218
13	Enfield	Social Workers	£30,555	£39,297
14	Barnet	Social Workers	£30,555	£35,655
15	Redbridge	Social Workers	£29,727	£34,590
16	Waltham Forest	Social Workers	£28,935	£37,476
17	Bexley	Social Workers	£27,716	£37,232
	<b>AVERAGE</b>	<b>Social Workers</b>	<b>£31,658</b>	<b>£37,937</b>

### 3.30 Team Manager Salary

Rank	LA	Role	Salary range	
1	Tri-Borough	Team Manager	£48,207	£51,045
2	Haringey	Team Manager	£47,781	£51,096
3	Waltham Forest	Team Manager	£46,608	£49,452
4	Greenwich	Team Manager	£45,690	£48,477
5	Barking and Dagenham	Team Manager	£44,766	£53,406
6	Bexley	Team Manager	£44,727	£52,227
7	Enfield	Team Manager	£44,088	£51,264
8	Tower Hamlets	Team Manager	£43,620	£46,359
	<b>AVERAGE</b>	<b>Team Manager</b>	<b>£45,686</b>	<b>£50,416</b>

### 3.31 Current Recruitment initiatives

- 3.32 From historical data obtained, the recruitment activity from September 2014 to May 2015 shows 41 adverts were placed across CYPS, of which 13 were for social workers and 1 for senior practitioner. There were no Team Manager adverts placed during this period. As a result of few permanent appointments, there was a heavy dependency on agency staff.
- 3.33 In May 2015, a draft Recruitment & Retention Plan for Social Working staff was created to address some of those issues and focus future recruitment activity in the right areas – developing a retention offer was one such area.
- 3.34 Some of the other initiatives already underway are improved brand and adverts, better placed advertising, rolling social working recruitment campaigns and recruitment open evening events. The last two recruitment evenings attracted approximately 130 people. The majority of these interested individuals were student social workers or newly qualified social workers looking for their first post. Whilst we can attract and appoint newly qualified social workers (NQSW), there is a limit to how many staff each team can support as NQSW require a higher level of support as they embed their theoretical learning, and apply their learning to 'learn on the job'. It is impractical, and irresponsible, to expect NQSWs to take on complicated and complex cases initially.

### 3.35 Proposed Options

### 3.35.1 Option 1 : Islington Model (Same Recruitmen and Retention Incentives)

Type of Benefit	Description
<b>Recruitment</b> £2k per year	£500 on appointment, £500 immediately after satisfactory completion of probation of 6 months, £1k immediately after the end of the first 12 months
<b>Retention</b> £2k per year	£1k every 6 months starting 12 months after the beginning of appointment

**Cost: £364k/year**

### 3.35.2 Option 2: Islington Model (Higher Recruitment, Lower Retention Incentives)

Type of Benefit	Description
<b>Recruitment</b> (£1.75k per year)	£500 on appointment, £500 immediately after satisfactory completion of probation of 6 months, £750 immediately after the end of the first 12 months
<b>Retention</b> (£1.5k per year)	£750 every 6 months starting 12 months after the beginning of appointment

**Cost: £175.5k (existing staff) + £85.8k (new appointments) = £261.3 k in the first year and £259k\* - £249k\*\* per year in subsequent years**

\*assumes a 39 FTE annual turnover rate in line with London average

\*\*assumes no turnover

### 3.35.3 Option 3 : Islington Model (Lower Recruitment, Higher Retention Incentives)

Type of Benefit	Description
<b>Recruitment</b> (£1.5k per year )	£500 on appointment, £500 immediately after satisfactory completion of probation of 6 months, £500 immediately after the end of the first 12 months
<b>Retention</b> (£2k per year)	£1000 every 6 months starting 12 months after the beginning of appointment

**Cost: £234k (existing staff) + £73.5k (new appointments) = £307.5k in the first year and £312.5k\* - £364k \*\* per year in subsequent years**

\*assumes a 39 FTE annual turnover rate in line with London average

\*\*assumes no turnover

### 3.35.4 Options Overview

	Option 1 (Equal)	Option 2 (More on Recruitment)	Option 3 (More on Retention)
Retention Cost / Year 1	£364,000	£261,200	£307,500
Current Assumed Agency Spend / Year	£3,610,000	£3,610,000	£3,610,000
Future Assumed Permanent Spend / Year	£2,680,000	£2,680,000	£2,680,000
Potential Savings / Year 1	(£566,000)	(£668,800)	(£622,500)

3.35.5 With any of the above offers, the assumption would be that repayment of the recruitment & retention offer would need to be made if the individual leaves within 3 years of joining Haringey.

3.35.6 The Reward Strategy Manager has been involved at every stage of this initiative and it has been agreed that any offer agreed would be reviewed within the next two years or as part of the roll out of the Modern Reward Strategy, whichever is the earlier.

## 4.0 Additional elements to offer

4.1 It should be noted that the Social Work offer is not just about monetary gain.



- 4.2 As part of the overall Haringey offer, we are establishing a Social Work Faculty specifically designed to nurture and support the growth and development of our qualified social workers throughout their career. It will drive our ambition to be a learning organisation. We are developing meaningful partnerships with Higher Education Institutions to maximise the exchange of knowledge and learning and the application of skills and experience.
- 4.3 In addition, we are working towards implementing Signs of Safety into social work practice across Haringey's child protection system by supporting social workers to be competent and confident practitioners and are committed to supervision, support and continuing professional learning and development.

## **5.0 Comments of the Chief Financial Officer and Financial Implications**

- 5.1 CYPS is moving at pace to reduce its agency costs. In 2014/15 this was £6 million and around 35% of social care workforce. The ambition is to move to reduced dependency on agency in the region of 15% or £2.5-3 million.
- 5.2 It is the intention of the service to fund the £307.5k and subsequent years £364k maximum annual cost from agency reductions going forward.
- 5.3 Across the whole of Children's Services the staffing budget is £24.1m and staffing is the largest single area of spend. Over recent years it has proved difficult to recruit and retain experienced social workers which has meant that the service relies heavily on agency staff, the costs of which are generally significantly higher than equivalent permanent Haringey employees (often as much as between fifteen and thirty percent higher.) In 2014/15 the total agency spend was £6m which contributed to an overall overspend on staffing of around £1m in CYPS.
- 5.4 In 2015-16 the Service is managing to reduce agency costs and aims to bring the spend down to around £3m as part of an overall reduction in spending. This should more than offset the additional costs of the recruitment and retention proposals. A new operating model is being created as part of the MTFs and the long term costs of the retention scheme must be met within the overall staffing budget for the service.

## **6 Comments of the Assistant Director of Corporate Governance and legal implications**

- 6.1 The proposed arrangements for the making of retention offers include the making of payments to the relevant employees which are linked to assessed performance during probation. The Equality Act 2010 requires men and women doing like work, work rated as equivalent under the Council's job evaluation scheme and work of equal value to be paid the same unless the difference in pay is because of a material factor. Performance –related pay is capable of being a material factor. However it will be important to ensure that the assessment by line managers of whether a member of staff has satisfactorily completed a probation period is not tainted by unconscious gender (or other unlawful) discrimination that might leave open the proposed payment to challenge under the Equality Act. Training and guidance for line managers on the assessment of performance during probation may reduce

the risk of such unconscious discrimination. It would also be advisable to compare on an ongoing basis the make up by protected characteristics such as age, disability and race as well as gender of those staff receiving the payment with the make up by those protected characteristics of those staff considered not to have satisfactorily completed probation and who therefore do not receive the payment. This will allow the detection of potential indirect discrimination against staff with particular protected characteristics.

6.2 The requirement for the repayment of the recruitment and retention payments if the individual who has received it leaves within 3 years of joining Haringey is potentially a restraint of trade and therefore potentially unenforceable, in that it will discourage the individual from seeking employment elsewhere. However such requirements are still enforceable if they are a proportionate way of protecting the employer's legitimate interests. Given the recruitment and retention problems mentioned in the report it is likely the requirement would be enforceable. It will be advisable to include in the contracts of any staff eligible to receive these payments a provision allowing the Council to deduct the payments in full from the individual's final salary if s/he leaves the Council within three years of joining.

6.3 It is intended that the making of these payments will be reviewed within the next two years and/or reviewed as part of the Reward Strategy, whichever is the earlier. Given this, it will be advisable to also include in the contracts of any staff eligible to receive these payments a provision allowing the Council to end or vary the entitlement the staff member would otherwise have to receive these payments in future.

## **7 Equalities and Community Cohesion Comment**

7.1 An initial EQIA has been conducted to assess the impact on staff affected. It is the intention that subject to Delegated Authority being given to the Director of Children's Services to implement a recruitment and Retention offer, further communication and consultation with affected staff will take place and will inform the EQIA that will accompany the fully Recruitment & Retention Offer in December's S&R Committee.

## **8 Head of Procurements Comments**

Not Applicable

## **9 Policy Implications**

9.1 The CYPS recruitment and retention elements will be incorporated into the Council's Pay Policy statement.

- 9.2 It is the intention to review the recruitment and retention offer within 2 years, which will fall in line with the Council's Workforce Plan Reward Strategy.

**10 Use of Appendices**

**11 Local Government (Access to Information ) Act 1985**