

London Borough of Bromley

PART 1 - PUBLIC

**Briefing for Education, Children and Families Budget and Performance
Monitoring Sub-Committee
Tuesday 26 September 2017**

RECRUITMENT AND RETENTION FUND UPDATE

Contact Officer: David Bradshaw, Head of ECHS Finance
Tel: 020 8313 4807 E-mail: David.Bradshaw@bromley.gov.uk

Chief Officer: Deputy Chief Executive & Director of Education, Care and Health Services

1. Summary

- 1.1. The Education, Children and Families Budget and Performance Monitoring Sub Committee requested information regarding the costs of recruitment and retention in Children's Social Care, its use and the benefits of such a fund.

2. **THE BRIEFING**

Background

- 2.1 The Recruitment and Retention (R&R) reserve was set up in 2010/11. Since then over £1.5m has been spent on various R & R initiatives. Appendix one gives the detailed breakdown of the use of the fund.
- 2.2 The fund has, in the majority of the financial years, not been used as there has been sufficient funding within the Children's Social Care divisions staffing budget, due to in year underspends which have offset the costs. Only in 2010/11 and in the most recent financial year (2016/17) has there been a call on the reserve.
- 2.3 During the closedown of the accounts in 2016/17, Executive agreed to transfer £495k to this reserve from other existing reserves, leaving a current balance of just over £855k.
- 2.4 As mentioned in paragraph 2.1, over £1.5m has been spent on R & R. The main areas of expenditure are for annual retention payments and market premiums which accounts for over 77% of the overall expenditure. The table below shows the amounts spent in these areas together with the number of staff receiving the payments. This analysis is for 2016/17 only.

	<u>Golden Hellos</u>	<u>Annual Retention Payments</u>	<u>Market Premium</u>
	£	£	£
Cost	18,750	172,071	37,706
Number of staff	17	94	10
Average payment	1,103	1,831	3,771

Permanent staff costs compared to Agency Staff costs

2.5 The table below compares permanent and agency staff across four different social worker grades:-

PERMANENT		AGENCY			Difference
Annual salary with on-costs		Bromley rates through the Memorandum of Cooperation with the majority of the London Boroughs There is no formal distinction between pay rates for the different teams			
Job title	Top of scale	Role	Maximum Hourly Rate per hour	48 week year	
	£		£	£	£
Social Worker	45,373	Experienced Social Worker	32	55,296	9,923
Senior Practitioner	49,250	Senior Social Worker (Senior Practitioner)	35	60,480	11,230
Deputy Manager	52,932	Assistant Team Manager (Practice Manager)	38	65,664	12,732
Team Manager	52,932	Team Manager	42	72,576	19,644

2.6 From the table above it can be seen that there is a significant difference in the total costs of agency staff compared to permanent staff, with the differential ranging from £9k to £19k per worker. Not all of the R & R payments go to all workers. However it can be seen that even if one worker received all three payments the agency costs would still be higher than the permanent costs plus the R & R package.

Savings

2.7 Staffing budgets in Children's Social Care are not assumed at the higher agency rates, but are calculated on a permanent basis. Therefore the R & R fund is a cost avoidance mechanism rather than a savings mechanism as such. The budgets need to be tightly managed and controlled as employing a lot of temporary staff in place of permanent staff can lead to significant overspends. To this end the Department have undertaken recruitment drives which have seen significant decreases in the use of agency staff and therefore the costs. The Department are also managing the use of agency staff in a better way in order to keep costs

with the budget envelope for each individual post wherever possible.

Non financial benefits

- 2.8 There are obvious non financial benefits of this fund. A steady and stable workforce, with a lower churn of staff should lead to a more effective service.