

Report template for DLT/CLT/Leadership/Executive Panel

Meeting	Tick if Applicable	Date Scheduled
DLT	✓	3.5.22
CLT	✓	17.5.22
Leadership	✓	Update 21.4.22 Secondary update – TBC
Executive Panel		

Please note: If the report is already drafted in an Executive Board format, this can be submitted rather than using the template below.

Item Name: Recruitment and Retention Issues – Policy Revision options for application in Children’s Integrated Services
Corporate Director and Lead Officer: Catherine Underwood, Ailsa Barr (People’s)
 Richard Henderson, Rachael Morris (HR & EDI)
Lead Portfolio Holder: Cllr Cheryl Barnard
Required Length of Time for Discussion: 30m

1 Purpose

- 1.1 This report seeks agreement to progress solutions in relation to the acute Recruitment & Retention challenges in Children’s Integrated Services.
- 1.2 To highlight the interdependencies to this work as reflected in the report brought forward to CLT on ‘Recruitment and Retention Issues – Policy Revision options’, also on 17 May 2022.
- 1.3 To highlight that whilst Children’s is facing significantly acute challenges, many other services are also citing challenges with recruitment & retention. Solutions to those challenges will have to be considered similarly to the issues in Children’s Integrated Services.
- 1.4 To provide CLT with the broad feedback from PLT on the solutions brought forward in this paper.

2 Recommendations

- 2.1 To note and discuss the contents of this report and further understand the acute picture for Children’s Social Work.
- 2.2 To consider the options (section 5) to introduce payments in Children’s Integrated Service to address the acute recruitment and retention challenges, and agreement to progress on the chosen option.
- 2.3 To support the work linked to the development of a workforce strategy to properly address the future vision of the council’s employment package, linking directly to pay, progression, recruitment and retention.

3 Governance Interdependencies

- 3.1 Due to the cost of this proposal, appropriate decision-making governance would need to be followed as per the council’s constitution.
- 3.2 If an solution is agreed, the effectiveness of the solution would be reviewed frequently on an ongoing operational basis at People’s and Children’s Performance Boards and escalated to Children’s Improvement Board and Pay Governance Board on a six-monthly or annual basis.

4 Proposal or Issue

- 4.1 People's Leadership Team received an iteration of this report on 4/5/22. CLT may wish to note the key comments from PLT, which included:
- how the council measures which areas of the organisation are more critical for shorter-term solutions
 - whether there is a need to develop principles of how we'd test the need to create shorter-term solutions to acute recruitment & retention challenges
 - whether the evidence base and argument for children's to implement a solution is the right thing for the council at this time
 - how we generally address fair pay across the organisation.

4.2 **Strategic Actions**

There are significant organisational issues with pay and progression with impacts on recruitment & retention. There are a number of factors to consider - some are within the council's control, some are not. The impacts of Brexit are starting to be felt across the UK labour market, even with the settlement scheme in place, and 2021 saw the year of the Great Resignation with declines in available workforce in the working population with people choosing employment options valuing health & safety, reward, recognition and flexibility.

The council has offered a successful total rewards package, with additional public sector benefits all of which have been lucrative over time. The council has recognised that the package of employment in the public sector is no longer attractive and we need a review of our future employment package options.

The council is scoping work to review the wider pay and grading structure and in turn, this will focus on addressing the recruitment & retention challenges that are being experienced across the organisation, and acutely in children's services. This review will take shape as part of a comprehensive workforce strategy, currently being scoped. This work will be developed over four priority themes:

- Pay Review
- Employer Branding
- Approach to recruitment
- Job Families.

4.3 **Shorter-term actions**

In addition to the short-term actions outlined as part of the coupled CLT report 'Recruitment and Retention Issues – Policy Revision options', HR has developed a model to provide additional Talent Acquisition and Recruitment resource for 5 services across the council to address the recruitment and retention challenges in these services. This work will shape the resourcing elements as part of the workforce strategy.

- 4.4 To further ascertain the size and scale of the organisational issues beyond children's integrated services, we are currently gathering intelligence and this may impact on the future options developed for other parts of the workforce.

- 4.5 In response to PLT's comments around how the council measures solutions to address recruitment & retention challenges, we would propose that the early consideration of the issues in Children's provides us with a framework against which to consider other requests that may arise from other parts of the council. This would also help maintain governance and control of such requests, the framework is as follows:

- those services with significant recruitment challenges to fill vacancies, **AND**
- those services with significant retention challenges leaving vacancies, **AND**
- those services that are in high risk areas **OR** those services that are statutory in provision.

4.6 **The Evidence to support our argument**

The rest of this report will discuss the acute issues in Children's Integrated Services and present an evidence-based argument on recruitment and retention, linked back to the Ofsted improvement work. The framework of governance and control outlined in 4.5 is tested through this paper.

- 4.7 There is a national and regional shortage of Children's Social Workers (CSW) and this is further evidenced by the council's inability to attract suitable applicants for experienced social workers in the recruitment market and experienced agency workers. Numbers of uncovered vacancies and turnover of experienced social workers among the permanent staffing compliment are high, and a significant amount of management and HR resource is required to support continuous efforts to recruit due to the retention challenges.
- 4.8 In November 2018, the Statutory functions in Children's services were inspected by Ofsted and were judged to require improvement to be good. In February 2020, Ofsted undertook another focused visit. There was specific mention despite efforts to increase recruitment, there had been significant shortfalls in capacity, with insufficient numbers of workers to cope with the volume of work. In addition, systemic weaknesses in social work practice had led to risks not being understood or responded to. Ofsted identified two areas for priority action:
1. Address the systemic failures in social work practice to ensure that planning and intervention for children improve their experiences, and that new and emerging risks are identified and responded to.
 2. Stabilise the workforce and address the significant shortfall in capacity to enable social workers and first line managers to respond effectively to children in need of help and protection.

Ofsted also undertook a focused visit in June 2021. Inspectors found evidence of improvement in the two priority areas, albeit from a very low starting point. It was noted that there is a large scale of change still required in order to embed workforce stability. The priority actions remained the same from the previous focused visit and full inspection in 2018.

The Children's Improvement Board have received an update in February and April 2022 of the acute recruitment & retention challenges in children's services. Board members supported the spotlight on recruitment & retention data and have supported priority actions since February to address challenges and improve the marketing, recruitment and retention in this division.

4.9 **Children's Pay Model**

In a direct response from the 2018 inspection, a new pay model was introduced in April 2020 at a cost of £1.3m as a means to address Nottingham's ranking with regional comparators. This created an Advanced Practitioner role (Grade I), and introduced market supplements for Senior Practitioners and Team Managers. The model doesn't apply to the Fostering social work teams at present but this will be mirrored for implementation over the next few months.

Whilst our pay model has increased our ranking in the region, other organisations have progressed with their pay and incentives, which has taken the council behind the market. Pay comparison data can be found in Appendix 1.

4.10 **Recruitment & Retention Challenges**

Recruitment and retention of L3 CSW's and Advanced Practitioners to CIS for Duty (front door and Emergency Duty Team), Neighbourhood Fieldwork, Children in Care and Fostering services presents on-going challenges. At time of writing this report we currently have 26.5 permanent vacancies, 18.5 temporary vacancies and 11 sickness gaps in the structure and 12 unallocated cases (10 South Team and 2 Children in Care) and 120 children unallocated in the 'front door' awaiting assessment. There are currently 30 agency workers in the structure. This picture changes on a weekly basis. **Even with agency workers in place, 35% of the roles are uncovered.** Three weeks ago this figure was 45%.

- 4.11 Over the last year, recruiting agency workers has been increasingly difficult for Nottingham. Our feedback from the Directors for Children's Services (DCS) group is that other authorities are also experiencing the same challenges with agency social workers. We have considered the use of agency teams, one team is currently in place (although not fully recruited to) and we are landing another team in the next week. A lack of recruiting to experienced SWs and the lack of agency workers covering the vacancies and gaps impacts on our current workforce. The impacts can be felt with resignations and in turn, further reallocation of cases which would increase stress and pressure on existing colleagues. Un-manageable workload is one of the common reasons given at exit interviews for our temporary or permanent staff.
- 4.12 Rolling Recruitment activity is planned a year in advance and adverts are placed on a rolling monthly basis for experienced CSW's. We receive very little to no suitable applications. Between January 2022 and at the time of writing this report, we have not received any applications for our experienced social worker roles.
- 4.13 Recruitment of Newly Qualified Social Workers (NQSWs) is on the contrary, a positive picture. NCC engage with a range of supply initiatives which successfully bring NQSW into the workforce, including hosting trainees on national schemes, providing placements and job opportunities for students of local universities and our Grow our Own and Frontline scheme. Our ASYE programme is particularly well regarded and remains a strong draw for NQSWs. This year, we have 17 NQSWs starting with us over the next 5-months.
- 4.14 The Children's Fieldwork service has the bulk of the social worker roles nested within, but doesn't include all social worker roles. The attrition figure for this service area is 16.7%. The DfE report for the Social Work Workforce reported an increase from 13.5% attrition in 2020 to 15.4% attrition in 2021. Our attrition challenges are most acute at L3 CSW and Advanced Practitioner level. Exit intelligence suggests that our NQSWs on completion of their ASYE programme will leave to relocate to their 'home towns' or other employers that have more incentive offers for them and more experienced social workers are leaving to convert to agency workers, or leaving for reasons due to career development, morale, increased work/life balance, other areas of social work, or leaving the profession entirely.
- 4.15 It is to be noted that although pay is a major factor with recruitment and retention challenges with social workers, it is not in isolation and there are other progressive ideas in place and in development to help stabilise the workforce in Children's.
- Continual review and development of non-pay related attraction practices including improvements to recruitment campaigns and better marketing of NCC and CSW roles such as reviewing the recruitment microsite, revising the recruitment process so it is candidate-friendly and revising the employment packages so our offer is clear.
 - Social Worker Introductory Scheme - providing colleagues currently employed by Nottingham City Council the opportunity to introduce other experienced SWs to us. If this results in an appointment, an incentive payment could be made to the current NCC employee making the introduction.
 - Regional partnership work is underway aiming to better understand and control CSW agency market. A review of rates is underway and is anticipated to result in a new agreement for capped rates across the East Midlands and a robust collaborative strategy to avoid rate escalation via a refreshed East Midlands Memorandum of Cooperation.
 - A range of supply initiatives focussed on internal and external SW training programmes are embedded within our workforce strategy, and work continues to identify further opportunities to bringing Newly Qualified Social Workers (NQSW) into the profession, including Social Work Apprenticeships.

- Culture and behaviours have a direct impact on reward and retention. How it feels to work somewhere and how valued an employee feels is equally as important as the pay package, if not more so for some. Through DfE funding, the service will start to shape the future vision through leadership sessions, and this will transpire in learning sets for middle managers to undertake their leadership responsibilities differently whilst bringing the teams, together changing the behaviours and culture.
- Further work is also underway as part of an improvement programme to review induction, training / development and succession planning, and continue to improve wellbeing and resilience, and management capability – this is addressed in the Children’s Delivery Plan.

4.16 **Recruitment/Retention and Regional Comparators – Appendix 1**

Benchmarking data demonstrates the differences between NCC and neighbouring Authorities – in terms of both basic salary offers and incentivised total pay packages. Nottingham is a core city and rates highly in National indices of deprivation. The complex case environment of NCC contrasts to the perceptions of less complex cases in LAs with more rural populations: Nottingham is a challenging environment in which to practice as a CSW, numbers and complexity of cases are increasing when compared with neighbouring employers.

- 4.17 Current pay allows for rapid progression from NQSW L1 to Level 3 (£8k increase for one year on the ASYE) and helps provide some mitigation against our key regional competitors with bringing in entry-level talent. However, two of our regional comparators offer retention payments for experienced CSW, and Derby City Council has significantly higher basic salary at all levels. Further afield, we have market evidence to demonstrate more local authorities paying welcome, retention and commitment payments including paying professional Social Work England registration for social workers required to register for their role.

5 **Proposal and Operational Considerations**

5. Where there is a legitimate case for any payment that can be substantiated by market evidence
1 linked to pay, and recruitment and retention evidence, the use of market supplements is considered. The payments proposed would be under the guise of market supplements in the form of a **welcome payment, a commitment payment and a retention payment.**

It is proposed that payments will be enacted from 1st April 2022 and we propose this is for an initial a two-year trial period.

5. The proposals for the payments would only apply to the teams with the most acute recruitment &
2 retention challenges in children’s services. This is common in other organisations and due to the evidence available in the market, there would be reduced equal pay challenges with this evidence and research across the children’s sector.

It is proposed that payments will be applied to the Front Door, Emergency Duty Team, Children in Care, Fieldwork and Fostering teams as these are the teams with the most significant recruitment and retention challenges.

The payments would not apply to Safeguarding/QA service, CAMHS teams, Multi-Systemic Team, Edge of Care, and Youth Justice Service.

5. **The Welcome, Commitment and Retention Model – solutions / options**

3

Welcome & retention Payment (£3,000)

- £3k (gross) welcome payment to New Employees on starting with NCC as an experienced CSW in the relevant field up to Service Manager level with a minimum of 2 years' service as a social worker with an active SWE registration
- Payment applies for agency worker conversions
- Payment to be made on completion of the probationary period
- Clawback in place over a two-year period

Commitment Payment (£2,000)

- £2k (gross) retention payment to existing Level 3 CSW's, Advanced Practitioners, Senior Practitioners, Team Managers and Service Managers with in recognition of existing service to NCC
- Employees can commit to a further two years at the point of receiving this commitment payment, totaling a maximum £5k lump sum

Retention Payment (£3,000)

- At an employee's two-year service date as an experienced £3k (gross) commitment payment to Level 3 CSW's, Advanced Practitioners, Senior Practitioners, Team Managers and Service Managers to commit to NCC for committing to an additional 2 years of service
- Clawback in place over a two-year period

It should be noted that all options below have a justifiable market factor defence through evidence that can be governed through the framework as outlined in 4.5 above.

OPTION 1 – OFFER ALL THREE ELEMENTS

Benefits:

- Provides a solution to attract more experienced social workers and be competitive in the market place with other incentive payments
- Provides a reward to the workforce that have stayed with the service for two years and haven't left for higher pay/incentives or agency
- Gives the current workforce the option of committing to the service for a further 2 years, allowing us time to create and develop more entry routes through the use of apprenticeships in order to stabilise the workforce in the longer-term
- May reduce agency costs if we can recruit and retain experienced workers.

Risks:

- Highest cost option
- General perception of the unfairness across the workforce when services are also struggling to attract, recruit and retain
- Rewarding and recognising the workforce for 2 years' service could be perceived as unfair for the wider workforce and also perceived as a 'covid' retention / reward.

OPTION 2 – OFFER THE WELCOME AND RETENTION ELEMENTS

Benefits:

- Provides a solution to attract more experienced social workers and be competitive in the market place with other incentive payments
- Gives the current workforce the option of committing to the service for a further 2 years, allowing us time to create and develop more entry routes through the use of apprenticeships in order to stabilise the workforce in the longer-term
- More affordable and decreases the risk of perceived unfairness
- May reduce agency costs if we can recruit and retain experienced workers.

Risks:

- General perception of the unfairness across the workforce when other services are also struggling to attract, recruit and retain.

OPTION 3 – OFFER A RETENTION (INTERNAL STAFF) ELEMENT ONLY

Benefits:

- Gives the current workforce the option of committing to the service for a further 2 years, allowing us time to create and develop more entry routes through the use of apprenticeships in order to stabilise the workforce in the longer-term
- The most affordable option

Risks:

- Doesn't provide a solution to attract more experienced social workers and be competitive in the market place. This will inhibit us to attract the more experienced workers and fresh perspectives from outside into the service, therefore continuing our recruitment challenges as per the current issues known through our rolling recruitment programme
- May increase agency costs if we can't recruit new experienced workers.
- General perception of the unfairness across the workforce when services are also struggling to retain their workforce

5. Any agreed proposal would be reviewed at the two-year mark with options brought forward to the
4 appropriate decision-making forum on the efficiency and future solutions.

5. Any of the above solutions will not change the current Market Supplement in place for Senior
5 Practitioners and Team Managers across the Fostering, CAMHS, Duty, Children in Care and Fieldwork teams.

5. **Repayment proposed terms – if we adopt a welcome payment**

6 A proportion of the welcome payment will be required to be repaid should a colleague leave Nottingham City Council's employment within a two-year period (from their start date) on the following sliding scale:

- Up to 18 months after the payment is made 100% will be reclaimed
- After 18 months (to 24 months) after the payment is made 50% will be reclaimed

A new starter would not receive their payment until their probation period is passed.

Repayment proposed terms – retention payment

A proportion of the retention payment will be required to be repaid should a colleague leave Nottingham City Council's employment within the two-year commitment period on the following sliding scale:

- Up to 18 months after the payment is made 100% will be reclaimed
- After 18 months (to 24 months) after the payment is made 50% will be reclaimed

No payment will be reclaimed after the second anniversary on which the payment was first made, the commitment period for that payment will have expired.

The payback clause will apply for any colleague who leaves the Children's Integrated Workforce Division to work in another area of the council.

This payback clause **will not** apply to colleagues who leave their role by means of promotion, sideways move or demotion to another role within Children's Integrated Services. If the commitment payment is also approved (option 1), there will be no repayment required for the commitment payment as this recognises 2-years' service already worked with Nottingham City Council.

6 Financial Implications:

The total budgeted establishment for services and posts in scope is 202.50fte. The financial observations assume the headcount numbers provided by HR are aligned to the budgeted establishment.

The following HR Data is used to determine the financial impact of the proposal:

- Number of Existing Colleagues = 203
- Number of Colleagues that qualify for Commitment & Retention = 167
- Number of Colleagues that are due to qualify in Yr2+ = 36
- Permanent Vacancies (FTE) = 20
- Temporary Vacancies (FTE) = 31
- Current Turnover = 16.7%

Vacancy information is based on FTE, not headcount. Appointments of all vacancies to full time contracts is unlikely; therefore, for the purposes of this report, the headcount for new starters is 37, assuming 16 full time (37hrs) and 21 part time (18.5hrs). Any changes to this assumption will impact on the financial analysis.

Other Payment Assumptions:

- Welcome Payment = £3,000
- Commitment Payment = £2,000
- Retention Payment = £3,000

The table below summaries the financial impact:

Market Supplement	Programme Year			
	Year 1		Year 2	
	No:	£m	No:	£m
Welcome & Retention Payment	20	0.060		
Commitment Payment	167	0.334	36	0.072
Retention Payment	167	0.501	36	0.108
Total		0.895		0.180
Total Programme Costs				1.075

The above summary highlights most of the cost is incurred in year 1 due to the phasing of payments. The report is requesting approval for a two-year pilot; therefore, the analysis **excludes** new starters and existing Newly Qualified Social Workers (NQSW) eligible for the retention and commitment payments after this period.

The table below summaries the financial impact for all three options.

Market Supplement: Options Analysis: Upfront Payments	Year 1	Year 2	Total
	£m	£m	£m
Option 1 – All Incentives	0.895	0.180	1.075
Option 2 – Welcome & Retention	0.561	0.108	0.669
Option 3 – Retention Only	0.501	0.108	0.609

The recommended option is the **Welcome and Retention** incentives, paid in advance based on affordability.

The benchmarking provided highlights various pay packages and incentives for each authority, although the phasing of payments is not clarified by all Local Authorities. The service considered the option to profile the payments over the two-year period; however, this is not their preferred option for fear of diluting the impact of the offer.

Costs in relation to turnover are **excluded**. The current turnover rate, based on HR data is 16.7%, equal to £0.117m per annum for welcome incentive payments only. The introduction of the pilot aims to reduce this. Assuming the turnover reduces to 8%, the cost reduces to £0.053m.

Criteria for cohorts and benefits requires communication to the wider teams and organisation. This should be supported by key performance monitoring throughout the period to demonstrate value and validate recommendations for any permanent strategy.

Management should consider the wider implications across Peoples, and NCC in terms of the the potential to create a precedent for the wider council review.

The service highlights several risks if social worker capacity is not addressed, including:

- Without appropriate recruitment and retention of skilled experienced workers, the reliance on less experienced social workers will increase. NQSWs have limited case holding, increasing the number of social workers required to manage caseloads safely.
- NQSWs are unable to oversee Child protection cases.
- Failure to address the priority actions - the outcome of an impending Ofsted judgement has significant financial implications if found inadequate.

The appendix highlights Deby City offer no pay incentives over and above basic pay which is significantly higher than other regional comparators. It is unclear what, if any pressure the service is facing in terms of recruitment and retention; however, their Ofsted rating for children’s services is ‘Outstanding’ following an inspection in March 2022.

The benchmarking highlights the national challenges for most authorities despite the introduction of incentives. There is a risk that current challenges remain as authorities continue to compete for the most experienced workforce.

The incentives proposed are applicable to staff on leave due to maternity and sickness. Where appropriate robust performance management is required to maximise the impact of the programme.

The proposed clawback for staff leaving within the first 18 months will provide 100% mitigation reducing to 50% in the last 6 months.

Once incentives are introduced, it is very difficult to withdraw and may adversely impact the recruitment and retention challenges. If approved, further analysis is required to assess affordability in future years supported by robust financial analysis and HR support.

Funding Options

Market Supplement: Options Analysis: Upfront Payments	Year 1	Year 2	Total
	£m	£m	£m
Option 2 – Welcome & Retention	0.561	0.108	0.669

Based on the recommended option.

The initial cost of £0.561m in year one will be met from the service through the following:

- £0.326m - One off utilisation of the 2020/21 accruals provision carried for potential placement costs; however, this is a medium risk which will reduce as we progress through 2022/23.
- £0.190m – One off holding non-essential spend across the Childrens Service. This has potential to be captured in the zero based budget review and risk double counting.
- £0.030m – One off residual balance of the Ofsted Improvement held on the balance sheet.

The cost of £0.108m in year 2 will be met from either:

- the underspends in the agency budgets. This is not available in year 1 as this is funding the agency team.

- Extending the holding of non-essential spend.

Both of the above have the potential to be captured in the zero based budget review and risk double counting

Other potential funding opportunities considered are excluded to mitigate any known emerging pressures.

The above is predominately a combination of one off solutions. Further analysis is required to assess affordability of a sustainable strategy.

This is a two-year proposal to respond to recruitment and retention challenges. Immediately upon commencement there will need to be work developed to consider sustainability should this approach work to stabilise the workforce and retain experience within it. Clear baselines with regard to staff levels and experience have been captured and new analysis and insight reporting (already developed) will allow the service to track the difference made with the implementation of this proposal. As our transformation work commences we will track the differences made by the implementation of this proposal and include this within the design phase which will be delivered within the first 3-4 months of the transformation programme. Should this proposal work positively to contribute to stabilising and increasing the experience in the workforce a sustainable model of delivery will be developed within ongoing service improvement and transformation opportunities.

7 Legal Comments

- 7.1 Discretionary payments, Market supplements and other MFD payments are non-contractual and are subject to review in order to ensure they continue to be relevant and do not cause the Council any risk. Employees should be made aware of the fact that they have no contractual entitlement to the payment and that receipt of the payment in one year does not entitle them to receive the payment in a subsequent year.
- 7.2 The legal view on introducing Welcome, Retention/Commitment payments is; An agreement can be created for signing by a new employee at pre-employment stage whereby they agree with the set terms of receiving the Welcome payment at the start of their employment with NCC. The wording of the agreement would need to include a 'clawback' clause where the employee chooses to leave within the set period and the Welcome payment can be deducted from final salary/as a sundry debt on a staggered basis.
- 7.3 As these payments are only to be applied to specific teams that struggle with Recruitment and Retention issues which can be backed up by recruitment data there is minimal to no risk of equal pay claims as there is no discrimination from a gender or race perspective.

8 Risk Management Considerations

- 8.1 There are potential unintended consequences with the introduction of these market supplement payments.
- These payments are only to be awarded to children's employees who have a minimum 2-year service recorded with NCC and external experienced (minimum of 2 years) workers who join NCC. We may lose NQSWs undertaking their ASYE programme who would be required to serve a further 12 months before they are in-scope for a retention/commitment payment.
 - The pay model implementation across the social worker workforce between Adults and Children's will create equal pay parity by definition through law, but there is no doubt that the market supplements in certain teams in children's will create ill feeling within the social care workforce.
 - The PLT concerns and considerations (4.5.22) highlighted the subject of fair pay across the organisation, not just the social worker workforce. There are acute pressures in the social care services that provide residential and home care to elderly or vulnerable adults. The

government recognised this by introducing a Recruitment & Retention scheme, of which this council chose not to pay to our own workforce as part of the fair pay risk.

- Ofsted will be expecting updates on our two priority actions, which will closely scrutinise the actions we have undertaken to address the issues outlined in previous inspections. The risk of the challenges in recruitment & retention could play out in the inspection report and overall Ofsted rating.

8.2 Mitigation against risk

- To mitigate any equal pay claims across the social care workforce, the market supplement business case should be developed following CLT's decision. Market Supplements are possible for the council to pay through the pay policy but they have to have substantial market evidence demonstrating the need for them.
- As highlighted earlier in this paper, the council is positively undertaking wider organisational work as part of the workforce strategy which will look at the pay issues across the sector and within the council.
- The additional talent acquisition/recruitment team should help the vacancy gaps and retention pressures in the front-line services that are struggling to recruit/attract, and this success will be measured over the initial 6-month period with options for CLT to develop future options with talent acquisition/recruitment, if appropriate.
- Pay issues across the organisation are beginning to compound. Leadership across PLT and CLT need to work together to manage organisational messages about pay and inform colleagues of the developing workforce strategy.

9 HR and EDI Considerations

- 9.1 The recommended option that will provide the council with a stronger employment package in the recruitment of experienced social workers and retain the current experienced workforce (and based on affordability) is option 2 (welcome and retention payment).
- 9.2 Payments of this type fall under the definition of salary, wages, fees and other payments. Any payment should be subject to tax, national insurance and pension under the employer's PAYE scheme. Implementation plans will need to address specific case-by-case challenges with colleagues, such as those undergoing live employee processes.
- 9.3 Fair pay challenge could be presented from the not-in-scope teams across the social care workforce. Leaders across the People's team will need to ensure the rationale surrounding the market supplement is understood and communicated with colleagues. Market Supplements in the form of welcome, retention, commitment and professional registration should apply to those teams experiencing the most acute recruitment and retention challenges in order to keep the equal pay claims mitigated again. Pay related grievances will be addressed through the council's resolution and grievance procedure at Stage-1 in the first instance.
- 9.4 As the proposal is time-limited to two-years in the first instance. Payments should not be pro rata to contracted hours worked to avoid these being classed as a permanent part of contracted salary/remuneration, and therefore increasing the risk of equal pay claims. Ensuring separation of these 'ad-hoc' payments to address current recruitment and retention issues will provide some degree of protection to the authority.
- 9.5 Clear clawback agreements must be developed. Clawback agreements must be signed before any of the welcome, retention, commitment are made to employees.
- 9.6 Leadership should consider working through the challenges as part of the culture and behaviours of the division and focus on creating the right climate for colleagues and leaders to work effectively in.

Pay and incentivised payments are one part of making up the employment offer but a significant focus and emphasis should be continually reviewed, scrutinised and developed to ensure the right culture exists within the Division and services. Trade Union engagement can be particularly helpful in developing this work.

- 9.7 If approved, consultation will need to commence with trade union colleagues and colleagues impacted by this change will need to be engaged with in a clear, transparent way in order for them to fully understand the scheme. An EIA may need to be considered as part of this process so we understand the impacts of the proposal within the workforce that are benefiting and the workforce that are not.

10 Carbon Reduction and Sustainability Considerations

Not Applicable

11 Next Steps

- If approved by CLT, make reflections as part of developing the market supplement business case and work up final detail and timelines for engagement
- Trade Union consultation scheduled for late May 2022
- Workforce engagement and communication late May 2022
- Update to Leadership as requested in May 2022 (to be scheduled)
- Formal decision to be made as per the council's constitution (May/June)
- Implementation in June (backdated to 01.04.2022)