Request for funding to cover Salary Pressures incurred in Slough Children First of £1,423k for 2022/23

Executive Summary

To seek additional funding from SBC to cover increasing costs in the Company's salary spend. Rising demands have partly arisen from the cost of living crisis leading to an overall increase in caseloads requiring the retention of Innovate teams throughout 22/23. Market demands from a national shortage of social workers has also increased rates for agency social workers.

The total additional costs claim is **£1,432k** for 22/23 made up **from £1,278k** from salary cost pressures and **£154k** from recruitment for international social workers. Total overspend on staffing in 22/23 was £2,479k as below, less £1,201k funding through other claims (UASC, inflation, Early Help IYR, Transformation claim):

Cost Variance	Total £000's
Perm	(1,064)
Agency	1,651
Innovate	1,298
Transformation Salaries	594
Total	**2,479**
Less already Claimed	(1,201)
Total	**1,278**

18 International social workers have been recruited since 21/22 at a cost of **£154k** spent on visas, recruitment fees and relocation costs.

Row Labels	Sum of Amount
Relocation	89,960
Visa	41,587
Recruitment	22,740
Grand Total	**154,287**

The additional burden on the Company from rising demand

Assumptions on demand, caseloads, unit costs and levels of funding from other sources were built up in detail within workings, to give a balanced budget for both years. Following further unanticipated lockdowns, nationally on the 5th November 2020, and further school closures between January 2021 and March 2021, caseloads and demands on services again started to rise over and above those planned for in the budget.

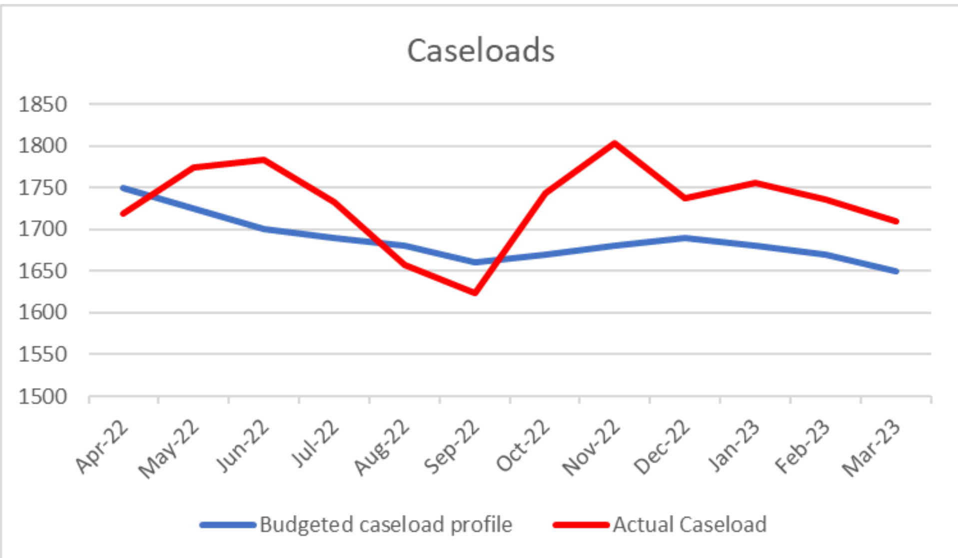
Cost pressures arose in staff costs to meet the demand, including the need to extend Innovate teams to help meet caseloads; the number of children in proceedings; on Child Protection plans and an intake of additional Unaccompanied Asylum Seeking Children.

Budgets assumed a steady state of caseload capacity The graph below shows a comparison of budgeted v actual total caseloads over the year to March 2023.

The graph shows the average caseloads by month over the past year, showing the impact of seasonality, with the impacts most extreme following schools returning in September.

Average caseloads for the year were 1,728 per month v budget caseloads of 1,687, with a high of 1,795 in November. Due to market conditions, shortage of social workers and rate rises, the retention of Innovate teams to secure stability within the workforce, reduce changes of social workers for children and families and ensure resource to manage caseloads seemed the most prudent way to ensure all the above happened. This has come at a cost premium but has enabled the Company to focus on the remaining workforce. A drive to recruit more experienced permanent workers through international recruitment has been very successful, and along with the induction of more cohorts of ASYE's and social work apprenticeships, the company is growing the future permanent workforce from within.

On this basis the organisation has been able to retain both permanent and experienced interim staff and have seen permanent social worker turnover rates fall from 56% for social workers in March 2022 to 22% by March 2023.



The extent of the increase in the demand for services

The request is to cover the impact from demand related, increased spend on staffing.

Total caseloads were projected to fall for 2022/23 as part of the budget setting post Covid pandemic. With the significant rise in inflation and the impacts on food and fuel, the cost of living is no doubt having a bearing on the volume of activity and referrals in children's services, with caseloads remaining higher than projected.

Innovate teams have been brought in since 21/22 to help manage the increase in caseloads. As caseloads did not fall as expected during 22/23, 2 of the original 3 teams have been retained to help with the demand. The Social workers in each team work on capped caseloads of 20.

As part of the long term plan to grow our own social workers and recruit from within, a number of ASYEs, student social workers and social work apprenticeships have joined the organisation. They are also on capped caseloads.

A number of international social workers have been recruited to and as part of their induction work on protected caseloads for a time limited period of settling in over a number of months.

The total impact of social workers on capped caseloads is in the table below, and if assume the average caseload is 20, accounts for between approximately 4-11 social workers each month over the year.

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
No. of ASYE	11	11	11	10	10	6	10	5	4	4	4	4
No of Internationals	9	11	11	11	13	11	10	8	8	8	6	0
Average capped caseloa	260	270	294	277	323	204	262	173	172	200	172	52
Average caseloads at full capacity	440	480	480	460	500	380	440	300	280	280	240	120
Difference in caseloads	180	210	186	183	177	176	178	127	108	80	68	68

The Trust recognise the difficulties to permanently recruit to established social worker posts. There are many factors at play in this respect including a reputational issue, high caseloads, weak management supervision, uncertainty of the future (transformation, financial sustainability, becoming a wholly owned subsidiary of the council) along with other factors such as office move, car parking and adding in an increased level of anxiety for social workers from the impact of Covid.

Permanent recruitment to a 5th Safeguarding and family support team established in 2021/22 through the growth bid as part of budget setting has been unrealistic given the difficulties in recruiting to existing vacant posts. Therefore, retention of the Innovate team was seen as the only viable option to retain caseloads at manageable levels and avoid permanent staff turnover.

The Innovate team costs £19k per month additional to having a permanently established team. An alternative to recruiting to the newly established team on a permanent basis, would be to recruit on an agency basis. This option would again prove more cost effective to the Innovate model reducing the monthly outlay by circa £9k per month, however the risks around retention and turnover with agency staff would still remain.

The Innovate teams have brought a level of stability, being established teams with a track record in the main, of having worked together for some time. This has led to greater stability, allowing breathing space for existing teams to work on existing casework without having to take new cases, picked up by the introduction of the Innovate teams. This in turn has led to the conclusion and closing of some old historic plans, creating greater capacity in the system.

Locally and nationally, due to a shortage of social workers, agency rates have had to have been raised to avoid interims moving to neighbouring boroughs for higher rates, and leaving unfilled vacancies in Slough. It is currently a workers market and Slough have had no choice but to increase rates to remain competitive.

The total overspend on staffing is seen in the table below (including Transformational staff).

Type	Budget			Actual			Variance		
	Rate	Volume	Total	Rate	Volume	Total	Rate	Volume	Total
Perm	£ 51,535	276.10	£ 14,228,794	£ 49,429	271.77	£ 13,433,458	-£ 2,106	- 4.33	-£ 795,336
Agency	£ 85,030	25.09	£ 2,133,693	£ 90,175	45.58	£ 4,110,495	£ 5,146	20.49	£ 1,976,802
Innovate	£ 162,864	3.75	£ 610,740	£ 135,501	14.08	£ 1,908,308	-£ 27,363	10.33	£ 1,297,568
Total	£ 55,660	304.94	£ 16,973,227	£ 58,691	331.44	£ 19,452,261	£ 3,030	26.49	£ 2,479,034

Information and Supporting evidence on steps the Company is taking to manage the said circumstances/ events within the initial Contract Sum

SCF are undertaking a number of activities to drive cost efficiencies and incremental income to assist with the pressures.

- SCF have **changed the Innovate model** reducing the number of teams from 3 to 2, but only reducing the numbers of Social Workers by 1. The impact being savings on management and support, reducing the weekly costs by **£6,144** an annual saving on costs of **£319k**.
- SCF continue to operate **vacancy management**, ensuring all roles recruited to are essential to the delivery of services.

- **International Recruitment** has brought in a number of permanent skilled social workers driving down turnover of staff and reducing costs on agency staff. Since 2021, 18 number of international social workers have been brought in over the last 2 years.
- Going into 23/24 it is proposed to release Innovate earlier than original planned in this financial year to help further reduce costs.
- **Permanent : Agency ratios** in front line case holding staff is expected to improve from 57:43 at the beginning of 22/23 and is currently around 69:31 in April 2023.

Reasons why the additional budgetary pressure cannot reasonably be managed until the next Contract Sum Negotiation Period

The losses from 2021/22, with further losses forecast in 2022/23, raises a significant concern around the company as a going concern. The business plan for SCF shows the company are unable to manage these risks in the coming years, with losses accumulating over the years. The company therefore requires the funding in year to remain a going concern.

Cash balances are forecast to be depleted during 2024/25, were the new business plan to be accepted. The company has no reserves to draw upon. If the company were to cut controllable costs, largely staffing, this would put children at far greater risk and the company would not be delivering against its contractual obligations for discharging the council's statutory obligations.

Any other information the Company and/or Council reasonably consider to be helpful for the Council to consider

The recent Mutual Ventures report on the business plan highlights that SCF and costs for children in social care are in the bottom quartile for cost per capita, suggesting costs of services are not excessive.

However, SCF accept there is other benchmark data which does not paint SCF in as good a light, largely around the high referrals but this must be seen in the context of Slough and the immature Early Help system. It is expected that with the investment in early help services this will result in fewer referrals to care and an improvement in the benchmark analysis.

It is commonly reported in the national press that children's services up and down the country are also overspending on their budgets with the rising demands for service.[1]

[1] For example: LGA: Eight in 10 councils forced to overspend on children's social care budgets amid soaring demand | Local Government Association And Safeguarding Pressures | ADCS