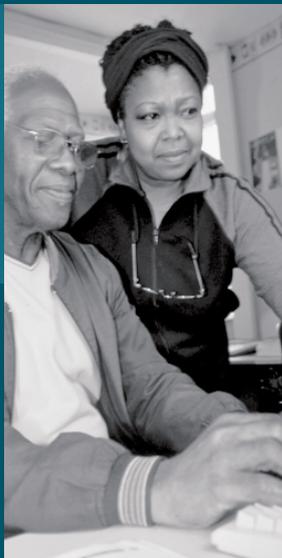


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# Costs of Establishing a Competent Workforce





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# COSTS OF ESTABLISHING A COMPETENT WORKFORCE

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# Nature of workforce and entry routes

The role and responsibilities of staff in adult social care vary widely; there is no national pay and conditions arrangement and no fixed understanding of job titles.

There are approximately 1.2 million staff and 30,000 employer organisations in adult social care. The way in which services are provided is changing, particularly in situations in which organisations are commissioning and providing their own support systems, and this affects the nature of employment. In addition, a growing number of non-social care organisations are employing staff with social care skills and are entering into partnership arrangements that require an understanding of social care.

There are various routes into work in social care.

- **Entry to work programmes** such as apprenticeships and advanced apprenticeships; further options such as young apprenticeships and specialised diplomas are due to be introduced in 2008.
- **Direct employment into work** is the most common route into social care work, with employers taking responsibility for ensuring that staff are competent, using a variety of work-based and other training systems. Employers need considerable support to help them to improve management systems and to deal with high staff turnover. A proportion of staff coming into the sector – and of those already in the sector – need training in essential skills as well as vocational skills and these costs are included in our estimates.
- **Social work degree** is a combination of higher education and practice in work settings. There is a target of about 5,000 completing graduates in each year, but this number includes those who will be employed in services for children and families. There is a post-qualification system for specialist and advanced responsibilities.

# Setting the scene – assumptions and definitions

In assessing the costs of establishing a competent workforce the term ‘competent workforce’ means the range of skills, knowledge and understanding needed by the workforce in order to be able to provide a safe and effective service as required by the people who are using the service and/or their carers.

The process for efficient workforce development is based on the employer understanding the purpose of the service, ideally defined by the person(s) who require the service (there are costs of supporting service users and carers so that they can take part in this work and this should be included in service development budgets), a service design that provides that service, and a managed resource plan to provide it. The resource plan will include information on the quantity and competence of the staff required and will allow the employer to define the nature of competence required of each member of that care team.

National Occupational Standards provide a well-understood tool to define competence and can be used to match a job role to a particular qualification. New staff can be judged against the requirements for their role, and the qualification assessment system used to confirm existing competence and to judge areas of developing competence. Training or learning support can then be targeted.

The information in this section applies four levels of qualification to job roles, using the National Vocational Qualification (NVQ) levels 2, 3, and 4 and the social work degree. All direct care and management tasks in the sector fit roughly into these categories; however, the individuals undertaking those roles may not currently have the qualification or may require professional development in specific areas.

A small number of employers have a pre-employment training programme that they use as part of a staff selection system or as a means to use government-funded entry to work/back to work programmes to support the training of their staff. Point of employment is not considered for this purpose, only the costs.

The government estimates that at least 1.5 million employed staff in England require help with essential skills. However, there are currently no means of accessing those people through their employers. Government funding for essential skills is primarily delivered through courses at further education colleges. Although figures from an Ofsted and Adult Learning Inspectorate report (Ofsted 2003) suggest that 862,000 people achieved at least one literacy, numeracy or English for Speakers of Other Languages (ESOL) qualification through these courses, employers can have little or no access to this resource other than by negotiation with colleges. Ideally, employers and educators would work in partnership to provide integrated packages of learning through which essential skills and vocational competence can be learned together. The use of common induction standards in the social

care sector helps with this as it provides an early point for the assessment of new workers' essential skills.

Staff with additional languages are an important resource in providing services that are relevant and well communicated to the community. Note that, although in this paper the costs of training in ESOL and essential skills are separated for estimating purposes, we believe that these are best delivered alongside vocational programmes.

# Assessing costs

The task in this paper is to identify true costs – not what is paid for or charged. The social care sector is currently heavily reliant on ‘supplementary’ funding from external agencies such as the Learning and Skills Councils for staff training. As a result, consideration of the costs of establishing a competent workforce often focuses on available funding rather than on actual cost. Skills for Care, as part of a sector skills council (see our website for more information) is developing Sector Skills Agreements that will identify the skills employers need their workforce to have and how those skills will be developed; they can be used to bring appropriate funding and support for workforce development to employers.

To work at its most efficient, such a system is reliant on an employer’s human resource and operational management capacity. Therefore the costs of establishing and maintaining a competent workforce for management functions also have to be considered. The Skills for Care leadership and management strategy provides a planned approach to this.

Learning offered to staff can be adapted to the needs of the individual and the workplace and can include open learning, e-learning, in-house systems or spells away from work at a training or educational establishment. The provision of supervision and appraisal to staff can be estimated at 10 per cent of workforce costs and overall human resource costs at 5 per cent of workforce costs.

The social care sector generally does not get sufficient funding for the establishment of a competent workforce through the fees received for the services commissioned from them. There is, therefore, considerable cost to the sector in the acquisition of supplementary funding to support staff training. The sources of supplementary funding are many and varied but require a level of technical knowledge and brokerage to access. Skills for Care uses the Learning Resource Network to bring employers together to access funding and to commission training collectively. We estimate that the cost of this is an additional 20 per cent on the training costs.

Employees are beneficiaries of training and qualifications. It is suggested in *Modernising the Social Care Workforce* (Topss England 2000) that employees should expect to contribute in kind about 15 per cent of the costs. The same document recommended that employers should aim to spend 3 per cent of their workforce budget on training-related activity.

Recent work by the Strategic Learning and Research group identified a lack of capacity in the education supply-side workforce. This lack of capacity could be addressed by supporting people who use services – and carers – to take on education and training roles. Skills for Care has been piloting such work with organisations of people who use services and carers. The estimated costs are £1,500 per person for a five-day programme.

Cost of recruitment is quoted as being between £5,000 and £7,000, the variation being the cost of national/regional media advertising. The executive summary of the 16th Annual Social Services workforce survey stated that £19.7 million had been spent on advertising costs between 1 April and 30 September 2004, equating to 0.8 per cent of payroll costs (note that this is local authorities only).

Modern and effective employment practice focuses on equality, access and diversity and this entails costs – for example, childminding costs to release part-time staff for training, support costs for people with disabilities – readers for people with visual impairment, signers for hearing impaired employees and so on. Good practice will also include provision of pro-active occupational health to respond to the management of stress – for example, access to counselling and external supervision.

Employment strategies aimed at retaining staff will include flexible working – for example, offices being open longer, more reception staff hours and home working with mobile technology, and so on.

In the social care sector, staff complements often do not provide cover for staff on training courses, so there are additional staff costs associated with releasing staff for training. For example, a member of staff undertaking an entire NVQ at level 2 may need to attend one day release per unit and attend a one-day NVQ induction, resulting in seven days away from their role over the course of the training. There may be further costs to allow sufficient preparation time between an assessor and the NVQ candidate as well as contact with an internal verifier; on average this might equate to a further three days over the life of the qualification.

The total of 10 days' cover required at current minimum rates of £4.25 an hour for 18–21 year olds and at £5.05 an hour for those aged 22 and over and based on a 7½-hour day would add £308.80–£353.50 (plus associated on-costs such as National Insurance).

### ***English language***

A basic level of English is required to enable staff to embark on the NVQ qualification, with higher levels of language capacity needed for higher levels of vocational competence. Anecdotal reports suggest that 40 per cent of recruits to social care, for level 2 and 3 jobs in particular, need assistance with English language. The estimated costs of providing this help would be: £2,000 for NVQ2, £2,500 for NVQ3 and £3,000 for NVQ4.

### ***Essential skills***

This refers to work-related ability to read and comprehend, to write records and to undertake numerical work on dosage, time sheets, and so on. The levels of competence in essential skills is linked to the related vocational skill. Anecdotal reports suggest that 50 per cent of recruits require assistance with essential skills. The estimated costs of providing this help would be: £1,000 for NVQ2, £2,000 for NVQ3 and £3,000 for NVQ4.

### ***Common induction standards***

Managers are expected to ensure that staff new into post are able to show understanding appropriate for their role. Learning costs to meet these standards, incorporated into supervision and appraisal, are estimated to be £200.

**TABLE 1: ESTIMATED COST TO ORGANISATION OF NVQ ASSESSMENT AND TRAINING PER INDIVIDUAL**

Level of competence	Costs of training unit (£)		
	Learning	Assessment/registration	Total
NVQ 2	600	600	1,200
NVQ 3	800	770	1,570
NVQ 4	800	770	1,570

### ***Mandatory training***

Mandatory training is often required by the Health and Safety Executive for matters including food handling, moving and handling, and use of specialist equipment such as hoists.

### ***National Vocational Qualifications***

Estimates of costs for NVQ training (see Table 1) are based on £100 for each unit of learning; certification of learning when well managed adds 50 per cent to costs but should reduce expenditure on the quality assurance of commissions training and the £75 for NVQ assessment of each unit.

### ***Social work degree***

Definitive figures on the costs of the social work degree are not available, but the figure appears to be between £54,000 and about £60,000. Employers do not normally fund the qualification of social workers but do contribute through practice learning.

### ***Post-qualification costs***

JM Consulting, which is working on a revised funding system for the Department of Health, is estimating a cost of £3,500 per candidate per year, full-time equivalent, for the new post-qualification framework.

### ***Continuing professional development costs***

Costs of continuing professional development vary according to individual and workplace requirements. However, the General Social Care Council has set 15 days per year as the training expected of registered social workers; the recommendation for others is not yet defined.

Cost would vary according to level of responsibility but 15 days at an average 8-hour day and £15 per hour including on-costs is £1,575 for the 15 days plus costs of any staff cover.

# Conclusions

The costs of training a member of staff to gain a National Vocational Qualification can be calculated against a checklist:

- English as an additional language?
- essential skills ?
- induction
- Health and Safety training depending on responsibilities
- National Vocational Qualification
- cost of release of staff for training
- supervision, human resource management, locating funding and organising programmes adds 35 per cent
- cost of recruitment.

## Examples at NVQ2

- A new member of staff to NVQ level 2 – £2,366
- English speaker but requires essential skills learning – £3716
- Requiring English as an additional language as well as essential skills – £6416

So, as an estimate based on the information detailed above, if 100 staff were required and using the reports of need for essential skills and English the cost would be £412,060 or an average of £4,120. This would break down as:

- 50 will cost £118,300 as they can go straight into NVQ learning and assessment
- 40 will cost £256,600 as they need English and essential skills
- 10 will cost £37,160 as they need essential skills

All the above figures are estimates but would give employers some guidance.

# References

Office for Standards in Education (2003). *Literacy, Numeracy and English for Speakers of Other Languages: A survey of current practice in post-16 and adult provision*. London: Ofsted.

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