



Report of the Director of Resources

Governance and Audit Committee – 12 October 2021

Employment of Agency Staff Audit Report 2019/20 - 2021 Update

Purpose:	To report on actions arising from the Employment of Agency Staff Audit report.
Report Author:	Adrian Chard, Strategic HR&OD Manager
Finance Officer:	Janet Morgan
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

- 1.1 As a result of an internal audit on the Employment of Agency Staff carried out in 2019/20, an assurance level of “Moderate” was given.
- 1.2 Actions have been taken to address the issues identified and appropriate implementation steps put in place.
- 1.3 At the June 2021 Governance and Audit Committee Meeting it was “resolved that the Strategic Human Resources and Organisational Development Manager provide an update report to the Committee meeting scheduled for 12 October 2021 which addresses the issues raised by the Committee as follows;
 - *The increase in the number of agency workers being used and how the figures provided were a snapshot in time;*
 - *The overall aim being to reduce agency worker costs through offering traineeships;*
 - *Reduction in contract spend with companies providing agency workers;*
 - *Providing details of full-time equivalent posts in order to establish the total spend / average hourly rates which will highlight the number of full-time equivalent staff required;*

- *Frontline services offering full-time positions as opposed to hiring agency workers and providing a breakdown of costs involving agency workers;*
- *Why permanent cover was being provided in the Central Transport Unit by agency workers, not employed staff and how similar pockets had been identified across the Council which were being addressed;*
- *The Agency Worker Policy being a strategic policy, whereby any operational matters would have to be addressed by specific service areas / departments;*
- *The fact that school workers were not included in the figures provided and in future including those details in figures provided;*
- *Internal Audit undertaking detailed work around service areas who have a high usage of agency workers and to focus upon sickness / absence rates in those areas;*
- *The possibility of Scrutiny investigating the topic further, particularly the Workforce Working Group in order to provide additional assurance;*
- *The Agency Workers Policy being robustly complied with throughout the Authority in order to drive down sickness absence, costs and to provide assurance.*

2. Recent Actions Undertaken Since June 2020

- 2.1 An email was issued in Spring 2021 to members of the Corporate Management Team reminding Managers to ensure that they comply with the Agency Worker Policy.
- 2.2 Following due consultation, a revised Agency Worker Policy has now been agreed at JCC and will act as a platform for further engagement with Managers on the engagement of Agency Workers in their respective areas.
- 2.3 HR&OD continue to send regular reminders to Managers to review the engagement of agency workers who have been engaged for over 12 months and Managers are required to confirm that it is still appropriate for the Council to engage an agency worker rather than employ someone in the post.
- 2.4 In relation to “*contract spend with companies providing agency workers*”, a competitive re-tender exercise for the provision of Agency Services is underway and has been advertised openly on Sell2Wales. This is currently at evaluation stage. Value for money considerations such as rates offered forms part of the assessment criteria in tender evaluation and award. Officers are progressing with the evaluation and are working towards a new contract award and commencement by 1st April 2022.

3. Agency Worker Numbers

Total number of Agency Workers engaged through the corporate contracted agencies (Staffline and RSD Social Care), and reflecting the Governance and Audit Committee request are now detailed monthly as follows;

		Mar -20	Mar -21	Apr -21	May -21	Jun -21	Jul -21	Aug -21
Place	Corporate Building Services	0	1	7	6	6	6	0
	Cultural Services	0	1	0	0	0	0	0
	Highways & Transportation	18	10	10	11	11	11	10
	Housing & Public Health	1	1	1	1	1	1	1
	Planning and City Regen	0	1	1	1	1	2	2
	Property Services	0	0	0	0	0	0	0
	Waste, Parks & Cleansing	138	149	154	159	159	165	168
	Place Total	157	163	173	178	178	185	181
Social Services	Adult Services	4	2	2	2	2	13	15
	Child & Family Services	0	0	0	0	0	0	1
Resources	Digital and Transformation	0	1	1	2	2	1	1
	GRAND TOTAL	161	166	176	182	182	199	198

3.2 Agency Worker Cost

Total spend/cost of Agency Workers for 2020/21 was £4,300,381.

The monthly spend for 2021/22 so far, is as follows;

	Apr	May	Jun	Jul	Aug	Grand Total
Ace Social Work Ltd		£ 840.00		£ 6,925.00		£ 7,765.00
Aled Simons				£ 960.00		£ 960.00
Beverly Goold	£ 2,766.73	£ 1,314.13	£ 1,357.93	£ 1,357.93	£ 1,314.13	£ 8,110.85
Hays Specialist Recruitment Ltd	£ 15,085.70	£ 17,387.28	£ 7,698.65	£ 9,466.54	£ 7,129.46	£ 56,767.63
Manpower UK Ltd	£ 1,898.37	£ 2,524.05	£ 1,791.72	£ 1,997.91	£ 2,630.70	£ 10,842.75
Prospero Group Ltd		£ 6,051.22				£ 6,051.22
RSD Technology Ltd	£ 5,590.16	£ 4,132.56	£ 6,780.01	£ 72,521.25	£ 8,837.36	£ 97,861.34
Staffline Group Plc T/A Select Appointments Ltd	£ 292,499.06	£ 303,722.22	£ 375,886.10	£ 299,779.26	£ 299,077.44	£ 1,570,964.08
Steddy Ltd				£ 801.35	£ 4,331.46	£ 5,132.81
Grand Total	£ 317,840.02	£ 335,971.46	£ 393,514.41	£ 393,809.24	£ 323,320.55	£ 1,764,455.68

The largest total spend this year is with Staffline (c£1.57 million) and RSD (c£98 thousand). The above figures also include provision for consultancy work,

primarily in Social Services and the provision of the Welsh Government Social Care Bonus.

Further analysis of these costs have identified small numbers of agency workers engaged via non- corporate contracted agencies. There is 1 FTE in the Baling Plant (via Manpower UK Ltd), where consideration will be given to an alternative employment model. In addition, in Social Services, there was less than 1 FTE (via Prospero Group) that was used for support staff cover for emergency placements in Rhossili in May, and less than 1 FTE for provision of cover in Domiciliary Services to ensure continuity of service in those key areas during July and August.

4. Compliance

Heads of Service were contacted to feedback on the compliance measures indicated in the Audit Report as follows:

- Confirmation of budget provision should be obtained and retained for all agency staff appointments.
- HoS approval should be obtained and retained for all appointments of agency workers by line managers.
- Confirmation of appropriate pre-employment checks should be obtained from the Agency and retained by the line manager.
- Confirmation of further budgetary provision should be obtained and retained when agency workers contracts are extended
- Written requests should be submitted to HoS for re-approval when agency workers contracts are extended. This should be in advance of the contract being extended.
- Agency workers engaged by the Council for more than 12 weeks should be made aware that they are entitled to equal treatment on basic working and employment conditions.

5. Social Services Directorate Feedback:

The Directorate is compliant in all areas. A Senior Manager has also been identified to lead on all workforce planning activities including the engagement of Agency Workers.

There has been an increase in Agency Worker numbers engaged via RSD in July and August, twelve of which have been engaged to cover for sickness due to Covid in key areas that required continuity of care. However, this only equates to 81.75 hrs during the month of August.

A Sickness Absence Officer has now been appointed on a permanent basis to support the management of sickness in the Directorate, including the areas identified above where sickness has been an issue in the engagement of Agency workers.

6. Place Directorate Feedback;

6.1 Waste, Parks and Cleansing:

Confirmation has been received that this Service area continues to remain compliant in all areas.

The reasons for use of Agency Workers in this service area are as detailed in the following table;

Reason for use of Agency Resource	Average daily agency FTE (August 2021)	Average Daily agency FTE (May 2021)
Additional garden waste collections where use of seasonal contracts has proved unsuccessful – runs until Oct/Nov	9 (Collections)	9
Additional temporary cleansing operatives employed at short notice through additional temporary funding	4 (cover for Seasonal Beach Cleaner pull outs)	4
Cover for sickness and holiday absences where full complement of staff is essential	30.5 (Collections, Baling Plant, Cleansing)	24
Working on temporary sorting line – due to end Nov	9 (Baling Plant)	9
Working on other temporary roles where temporary contracts are not suitable eg unknown duration of funding	6 (Hedgerow Team, Ward Operatives, TU cover)	6
Covering positions considered temporary until service reviews determine otherwise eg recovery of recyclables	8 (Baling Plant, KRO)	8
Covering permanent positions yet to be filled	31 (Collections, Baling Plant, Cleansing)	31
Covering temporary positions due to Covid	3 (Collections, Baling Plant)	20
Total Number	100.5	111

From the above information, there are 31 current permanent vacancies in Waste, Parks, & Cleansing being covered by agency staff. This will reduce to circa 11 by this time next year, and then to virtually zero through the 2023 Traineeship.

To address areas where Agency workers have previously been engaged to cover permanent roles, 64 new permanent roles have been recruited into since 2017, including 41 through traineeships.

An additional 10 Trainees have recently been recruited, and it is intended that a further 10 trainees will be recruited early in 2022.

Confirmation of budget provision is obtained and retained for fixed term placements. There is an allocated budget in Waste Management to cover an agency requirement to maintain the staffing structures required to provide the service every day. Budget allocation is gradually moving from the Agency line into the Staffing line year on year as we reduce reliance on agency through traineeships.

HoS approval is obtained and retained for fixed term placements. There is ongoing approval to request agency resources on a daily basis to ensure that the staffing levels meet the requirements to deliver the service on a daily basis. Some of these requirements are not known until 6am on the day, due to last minute 'no shows'. The new draft of the Agency Policy reflects this.

Confirmation of appropriate pre-employment checks is obtained from the Agency and retained by the line manager for fixed term placements. This is not achievable where there is an agency requirement to maintain the staffing structures required to provide the service every day. The new draft of the Agency Policy reflects this.

Confirmation of further budgetary provision is obtained and retained when agency workers contracts are extended for fixed term placements. Agency worker placements are not fixed term where there is an agency requirement to maintain the staffing structures required to provide the service every day.

Written requests are submitted to HoS for re-approval when fixed term placement contracts are extended. Agency worker placements are not fixed term where there is an agency requirement to maintain the staffing structures required to provide the service every day.

Agency workers engaged by the Council for more than 12 weeks are made aware by their Agency that they are entitled to equal treatment on basic working and employment conditions.

6.2 Highways & Transportation

Confirmation has been received that this Service area is compliant in all areas. None of the agency worker roles are related to sickness Cover in this service area.

The Head of Service has advised that there is currently a full-time agency worker for a nine month period in the Highway Maintenance team. Consideration will be given to consider whether a different employment model would be appropriate in this case.

There are two full-time agency workers currently in the Integrated Transport Unit. These posts are being advertised to replace current agency staff and one other vacant.

There are two full-time agency workers in Traffic/Car Parking. One post has now been identified as a Council position and is out to advertisement. Approval is also now being sought to convert another agency worker role as a Council position.

In traffic and car parking, there are two full-time agency workers, and further consideration will be given to the appropriate employment model for these roles. There are also an additional two Quantity Surveyors equivalent to 1 FTE. These are employed as Agency Workers due to market conditions. Attempts have been made previously to appoint into a Council position and further consideration will be given to recruiting into this role.

6.3 Management of Absence in Place Directorate

A Management of Absence post has recently been appointed into to make further inroads to reduce sickness absence levels in the Directorate and this will include supporting in areas where Agency workers have been engaged to cover for sickness absence.

Monthly meetings are held with relevant SMTs/Senior Managers. Advice and guidance is given on each case including application of policy, Fit Notes, welfare/keeping in touch meetings, referrals to OH/SMAC, OH reports, return to work, phased returns/adjusted duties and referral to Final Absence Review Meetings if appropriate.

7. Education Directorate; Agency / Supply Workers in Schools

7.1 Background

The use of agency workers is very limited within the Education Directorate outside of schools, as would be expected in view of the high proportion of the Directorate budget that is directly delegated (more than 81% currently). The most significant area of cost by far (more than 84%) is in relation to Maes Derw (Pupil Referral Unit) which is effectively a school, albeit without a delegated budget. Other areas of cost are very small as apparent from the following table:

Where the short term exceptional use of agency workers is required, the compliance measures indicated in the Audit Report are followed in respect of ensuring appropriate budget provision and approvals as well as confirmation of appropriate pre-employment checks. Such measures are of course part of a wider robust assurance and internal control framework within the Directorate.

A Management of Absence post has recently been appointed to address the scale of pressures facing the catering and cleaning services and further mitigate sickness absence levels in the Directorate. Early signs are encouraging and it is hoped that it will be possible to extend this support.

7.2 Agency and Supply Workers in Schools

The Governance and Audit Committee requested further information on the governance of Agency and Supply Workers in Schools, specifically:

- Numbers and cost of agency/ supply workers across schools for 2020/21 and 2021/22 to date.
- Areas of compliance/ non-compliance against the WG Framework for Agency Workers
- Any other information that you believe would be relevant to present to the Governance and Audit Committee.

Arrangements in Schools:

As recognised in the WG Framework, schools are free to engage qualified supply teachers from wherever they feel appropriate to meet the needs of their school (under local management of schools framework as outlined in the Staffing of Maintained Schools (Wales) Regulations 2006).

This might be through direct employment; LA supply lists; employing a supernumerary/floating teacher (as an individual school or collaborating with other schools); or using a commercial supply agency.

The Supply Agency Framework came into effect on 1 August 2019 and there are 19 local providers for Swansea. Under the framework, there is no need for schools to undertake procurement checks and there is a minimum pay of the bottom of the teacher pay scale for workers.

Schools have, and continue to be advised about the advantages of using a framework agency, including (as recognised in the WG Framework):

- Assurances that all qualification, suitability and DBS checks have been undertaken.
- All framework agencies must be a member of a relevant professional recruitment body.
- The Code of Practice for Ethical Employment in Supply Chains and Welsh Government Fair Work principles are supported.
- A minimum daily pay rate for supply teachers; in line with the current School Teacher's Pay and Conditions Document (STPCD) and the role being undertaken.
- Agency daily fees made available to schools and local authorities providing schools with clarity in terms of how much goes to the teacher and how much to the agency supporting delegated budget decisions.
- Temporary to permanent fees are transparent and are on a sliding scale depending on how long the teacher has been placed at the school.
- Agency supply teachers will receive free and relevant professional learning and all newly qualified teachers will have the relevant support to meet induction.

Scale and Compliance:

Schools in Swansea have their own bank accounts and powers for appointment. Supply staff can either be appointed via an agency, who will be paid on receipt of an invoice or schools can appoint cover directly where the member of staff is then paid via our payroll system. The schools use a separate financial system (FMS) to

the remainder of the authority who use Oracle. Schools financial information is interfaced monthly into Oracle and it is not possible to determine the number of staff employed for cover either through supply agencies or those paid on our payroll system. The inclusion of schools in any future developments in relation to corporate Oracle systems would clearly assist in this, besides improving resilience and enhancing the efficiency of financial processes.

As explained above, it is not practical nor meaningful to provide staff numbers (this would need to come directly from each school by collating the detail from each invoice) as schools are seeking to cover specific sessions and days when required rather than on a full time or consistent basis.

The work involved in obtaining and collating the cost information from each school is significant but it has been possible, with the support of officers within Finance, to capture the details that are set out in the table below:

Most agencies used by schools (and costs incurred) are under the Framework and as such, should be compliant. A small number of agencies have been engaged that are not on the Framework. We cannot direct schools to only use particular agencies although the schools concerned would not then benefit from the advantages of using an agency on the Framework. Nevertheless, the fact that 93.3% of payments have been made to agencies on the Framework should provide significant assurance. In respect of the remaining 6.3% of payments to agencies not on the supply framework, the schools may well have performed all relevant checks themselves.

Schools will also be bringing in supply that they pay via payroll, or increasing the hours of their part time staff to cover absences. We have no way of identifying these costs without going to individual schools to request the information.

Consideration will be given to resurrecting the central supply register. This has not previously been considered appropriate but the issue has been raised again recently by head teachers.

8. Other Service areas

Compliant in all areas.

9. Role of Staffline

Staffline provide the following support to work in partnership with the Council to ensure compliance;

- Provision of a policy booklet to all Agency Workers which provides details on Agency Workers Regulations and their rights.
- Maintaining a record of all start dates of all Agency Workers.
- After 12 weeks, move workers to the enhanced pay rate and enhanced rights.

10. Integrated Assessment Implications

10.1 There are no direct implications associated with this report.

11 Financial Implications

11.1 There are no financial implications other than those set out in the body of the report.

12. Legal Implications

12.1 The Agency Workers Regulations Act 2010 provide important rights for agency workers, concerning their basic working and employment conditions, from day one and after a 12-week qualifying period. These rights are reflected in our Policy.

12.2 There are no other legal implications other than those set out in the body of the report.

Background Papers: None.

Appendices: None.