



## Report of the Director of Corporate Services

Governance and Audit Committee - 10 April 2024

# Absence Management & Employment of Agency Workers Audits - Update Report

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| <b>Purpose:</b>                    | To provide an update on the Absence Management and Employment of Agency Workers audit reports since October 2023 |
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| <b>Access to Services Officer:</b> | N/A  |
| <b>For Information</b>             |  |

### 1. Introduction

- 1.1 The Internal Audit Service (IAS) reviewed the Council's Absence Management arrangements in 2020, giving a moderate assurance level. An action plan was developed to address the issues identified in the 2020 report and all the recommendations have been implemented. A further audit is currently being undertaken, but the outcome will not be known until after the April Governance and Audit Committee meeting.
- 1.2 In 2021-22 the IAS reviewed the Council's arrangements for the employment of agency workers and gave an assurance level of substantial.
- 1.3 The Governance and Audit Committee has requested an update on the Council's sickness absence arrangements and employment of agency workers and this report fulfils that request. In addition, the Committee asked for information on:
  - Time lost due to accidents at work (paragraph 2.1 and Table 1)
  - The shortages of Occupational Health staff nationally (paragraph 5.1)
  - Provision of details of agency workers employed for more than 12 months (para 7.3 and Table 3)

- The cost of employing agency workers in previous years (para 6.1)

## 2. Time Lost to Industrial Injury

- 2.1 Table 1 shows that so far in this financial year the Council has lost 3,239 days due to industrial injury, which is 0.2% of the total number of days available to work across the Council's workforce.

**Table 1: 2023-24 Days Lost to Industrial Injury as at 29 February 2024**

| Service Area                      | Days lost    |
|-----------------------------------|--------------|
| Revenues and Benefits             | 142          |
| Building Services                 | 251          |
| Highways and Transportation       | 467.5        |
| Housing and Public Health         | 198          |
| Planning and Regeneration         | 32           |
| Property Services                 | 48           |
| Waste, Parks, and Cleansing       | 1,218        |
| Education Resources & Planning    | 142          |
| Education Vulnerable Learners     | 171          |
| Adult Services & Tackling Poverty | 372.5        |
| Child and Family Services         | 197          |
| <b>Total</b>                      | <b>3,239</b> |

## 3. Sickness data

- 3.1 The historical trend in terms of the Key Performance Indicator (KPI) for sickness absence was included in the October 2023 update to the Committee. The outturn for 2023-24 will not be known until after the end of the financial year but is anticipated to be in the same region as the 2022-23 outturn of 12.28 days per Full Time Equivalent (FTE).
- 3.2 The 2023-24 KPI figure is for the organisation to have an average of no more than 10 days of sickness absence per FTE. As at the end of February that figure stood at 11.49 days as shown in Table 2 below.

**Table 2: Sickness Days lost by Directorate as at 29 February 2024**

| Directorate        | Days lost per FTE |
|--------------------|-------------------|
| Corporate Services | 4.98              |
| Finance            | 7.4               |
| Education          | 14.42             |
| Place              | 9.46              |
| Social Services    | 15.12             |
| <b>Total</b>       | <b>11.49</b>      |

- 3.3 The directorates with higher levels of absence have a greater proportion of employees who carry out job roles with working environments that are more likely to incur sickness absence. In the Education Directorate the days lost figure is predominantly caused by the catering and cleaning workforce, whilst in Social Services higher levels of absence are incurred from the residential care workforce. Similarly, those employees in Waste, Parks and Cleansing are more likely to be absent from work than colleagues in other service areas in the Place directorate. Where the physical demands or working conditions of job roles are different from office based job roles, it is foreseeable that sickness absence is likely to be experienced to a greater degree.
- 3.4 At this point in the year sickness is following the same trend as in 2022-23 (i.e., the majority of sickness is long term (more than 28 calendar days) and stress, musculoskeletal and Covid are the top three reasons for absence).

#### **4. Review of Sickness Absence Management**

- 4.1 During 2023-24, the Corporate Management Team (CMT) commissioned an internal review into the effectiveness and value for money of the Council's sickness absence management and occupational health arrangements, and to make recommendations for improvement.
- 4.2 The review focused on the policy approach, impact of short-term trigger breaches (where disciplinary sanctions are applied on the basis of attendance levels), long term absence interventions and the existing occupational health service. The effectiveness of the Management of Absence Advisors, in supporting directorates to improve levels of attendance, was also considered.
- 4.3 The review concluded in October 2023 and the findings were presented to CMT before a discussion at Leadership Group in November 2023. Following these sessions discussion was held with the Trade Unions on the review to gain their insight into potential improvements.
- 4.4 Alternatives to the current policy approach were discussed with all stakeholder groups. These alternatives include focusing on wellness in work and retaining staff in work before they need to take sickness absence, identifying the need to address stress as the top strategic priority, and refocusing the work that Management of Attendance Advisors provide to encourage greater cultural change in supporting wellness.
- 4.5 Leadership Group met again in March 2024 to consider suggested principles for change with the policy approach and consensus was apparent with a new way forward. Taking action to review and revise the trigger process, considering annual sickness reviews, reshaping the occupational health referral process, and giving clear parameters for managing long term absence are some of the likely areas for change as we go through the co-production process with trade union representatives.

4.6 Next steps will be to:

- Start co-production of a revised policy in social partnership with the trade unions
- Consult Occupational Health colleagues on proposed new management of the referral process
- Consider training and development needs of managers
- Engage Cabinet in any new approach to managing absence prior to implementation
- Implement new arrangements during 2024-25

4.7 It is anticipated that a revised approach to managing absence will result in a reduction of overall absence levels for the Council, enabling the 2024-25 KPI of 10 days sickness per FTE to be reduced in future years.

## **5. Review of Occupational Health Service**

5.1 Occupational Health (OH) Services are delivered by both in-house and external practitioners and demand continues to be high for both medical opinions and stress management and counselling service. There is a recognised shortage of OH practitioners across the UK, but we do not have any recruitment or retention issues at this time.

5.2 The service offers a range of proactive interventions such as stress risk assessment training, supporting employee wellbeing training, mental health first aid, health fairs, suicide awareness training sessions, therapy garden, health promotion newsletters, the LGBTQ+ café, menopause café, and a bereavement support group.

5.3 As per the absence management review, the Occupational Health Service review has generated new proposals for improvement to shorten wait times and improve the impact that OH services can have on long term sickness absence.

5.4 The recommendations for consideration include the potential for removing automatic referrals at 28 days absence and promoting earlier intervention, along with more specific guidance and support for managers in helping them to better understand when occupational health services are appropriate.

## **6. Agency Worker Cost**

6.1 In 2023-24 the spend to date on agency suppliers has been £6.8 million. In 2021-22 the total spend on agency suppliers was £5.7 million. In 2022-23 this increased to £6.3 million, increasing to £6.8 million in 2023-24.

6.2 Agency suppliers provide the Council with human resources, and we apply pay increases to these contracts in the same way that our contracted staff would receive pay uplift. As such when the inflationary pay award increase of 7% is applied in 2023-24 year, the spend to date figure is comparable to the spend in 2022-23. This indicates that there has been no significant

change overall in the usage of agency workers in 2023-24 compared to recent years.

## **7. Agency Worker Usage**

7.1 The biggest users of agency workers are the Social Services and Place Directorates.

### **Adult Services Agency Usage**

7.2 Agency worker use remains high in 2023-24 across Residential Care due to the impact of workforce instability. The service area remains compliant in all areas and the Social Services Workforce Lead has oversight and governance over the engagement of Agency Workers.

### **Child and Family Services Agency Usage**

7.3 During 2023-24 Child and Family Services has engaged 12 agency social workers with an average placement length of four months. The service currently has three agency social workers, two of whom have been recent placements and one of whom is long standing since 2022.

7.4 During this year, the Council has signed up to the All-Wales Pledge to work cooperatively and transparently to manage the agency supply chain, to improve the quality of agency staff, and to regulate pay rates within Children's Social Work.

7.5 The All Wales-Pledge is a commitment by Children's Services leaders across Wales, to adopt and implement the agreed principles within the pledge when engaging recruitment agencies in the supply of social workers, enhanced social workers (senior practitioners, deputy team managers, senior social workers) and team managers.

7.6 The service area remains compliant in all areas and the Social Services Workforce Lead has oversight and governance over the engagement of Agency Workers.

### **Waste, Parks, and Cleansing Agency Usage**

7.7 During 2022-23 there were an average of 100 agency workers across each month. In 2023-24 work has been done to reduce this and the average has come down to an average of 65 workers a month, as shown in Table 3.

**Table 3: 2023-24 Agency Worker Usage in Waste, Parks, and Cleansing**

|  | <b>Waste Collections</b> | <b>Waste Operations (Baling Plant + HWRCs)</b> |
|--|--------------------------|--|
| Number of agency workers covering specific roles for 12 months+  | 1                        | 18   |
| Number of agency workers who cover ad hoc absences, on an “as and when needed” basis and have done so for 12 months+ | 21                       | 2  |
| Average daily number of agency workers including those <12 months  | 32                       | 33   |

- 7.8 The reduction in agency workers in Waste Collections is the result of directly employing 28 successful trainee agency workers into permanent vacant posts. A similar exercise is now underway in the Waste Operations area, so the number of agency workers employed over 12 months in that area is also expected to fall in the coming months.
- 7.9 However, the nature of the service delivered means that some agency workers will always be required. In the Collection team, with one exception, all substantive roles have now been recruited into and still an average of 32 agency workers are needed each month to cover staff absence, annual leave and vacancies that arise.
- 7.10 Confirmation has been received that the service continues to remain compliant in all areas and there is base budget provision in Waste Management to cover an agency requirement to maintain the staffing structures required to provide the service every day.
- 7.11 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.

## **8. Use of Agency Workers Compliance Requirements**

- 8.1 Heads of Service (HoS) are expected to comply with the following requirements when engaging agency workers:
- 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

## **9. Future Agency Contract Arrangements**

- 9.1 An exercise has been carried out in 2023-24 to procure a new 5-year Agency contract. Tenders have been received, the evaluations have been completed and the award is expected to be made shortly. A range of criteria were included in the assessment process including value for money and the new contract will be in place from Summer 2024.
- 9.2 This will mean the Council has assessed the most appropriate agency provision for the next 5 years and an opportunity to again remind managers of the correct use of agency workers will be cascaded in advance of the new contract being in place.

## **10. Financial Implications**

- 10.1 There are no financial implications arising from this report which is for information only.

## **11. Legal Implications**

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

**Appendices:** None.

**Background papers:** None.