



Report of the Director of Corporate Services

Governance and Audit Committee – 27 September 2022

Employment of Agency Staff Audit Report 2019/20 - 2022 Update

Purpose:	To report on actions arising from the Employment of Agency Staff Audit report.
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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” which was provided to the Committee meeting on 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

- 2.1 Emails were issued in Spring 2021 and 2022 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 been implemented 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 2023.
- 2.5 A further audit was undertaken in Quarter 1 in 2022/23. As a result, an Assurance Level of 'Substantial' has been given. This indicates that there is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk.

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;

Directorate	Service Area	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Place	Corporate Building Services	0	0	0	0	0	0	2	2	5	7	7
	Cultural Services	0	2	2	2	2	2	2	1	2	2	2
	Highways & Transportation	12	19	17	17	15	19	18	16	16	17	18
	Housing & Public Health	1	1	0	0	0	0	0	0	0	0	0
	Planning & City Regeneration	2	2	2	2	2	2	3	3	3	3	3
	Property Services	0	0	0	0	0	0	0	0	0	0	0
	Waste Parks & Cleansing	157	149	143	138	136	134	134	117	130	134	145
	Place Total	172	173	164	159	155	157	159	139	156	163	175
Social Services	Adult Services	8	7	5	4	14	10	17	22	28	34	39
	Child & Family	1	1	0	0	19	4	4	3	2	5	5
	Social Services Total	9	8	5	4	19	14	21	25	30	39	44
Corporate Services/ Finance	Occ. Health (within Comms & Marketing)	0	1	1	1	1	1	1	1	1	1	1
	Digital and Transformation	1	1	1	1	1	1	1	2	0	0	0
	Financial Services and Service Centre	0	0	0	0	0	0	0	0	0	0	0
	Legal, Democratic Services & Procurement	0	0	0	0	0	0	0	6	6	0	0
	Corporate Services/ Finance Total	1	2	2	2	2	2	2	9	7	1	0
GRAND TOTAL	182	183	171	165	176	173	182	173	193	203	219	

Numbers have remained steady in the Place Directorate and have reduced overall in Waste Parks and Cleansing. There has been an increase in numbers in Adult Services to help meet the resource challenges facing this service area. It should be noted that these are primarily part-time workers and some working in multiple roles.

4. Agency Worker Cost

Total spend/cost of Agency Workers for 2021/22 was £5,879,140.

The monthly spend for 2022/23 so far, is as follows;

	Apr	May	Jun	Jul	Aug	Grand Total
Aled Simons				£1,080.00		£1,080.00
Wellell UK Ltd		£3,974.00		£3,585.00		£7,559.00
Beverly Goold	£2,958.00	£1,465.00	£1,513.00	£1,513.00		£7,449.00
Manpower UK Ltd	£1,960.00	£2,598.00	£1,960.00	£2,503.00	£543.00	£9,564.00
Steddy Ltd	£5,653.00	£5,588.00	£5,162.00	£4,968.00		£21,371.00
Ace Social Work Ltd	£2,275.00	£450.00	£1,913.00	£2,475.00	£3,788.00	£10,901.00
Hays Specialist Recruitment Ltd	£30,674.00	£33,429.00	£35,537.00	£26,040.00	£39,396.00	£165,076.00
RSD Technology Ltd	£36,047.00	£43,496.00	£107,749.00	£47,129.00	£12,417.00	£246,838.00
RSD Social Care	£139,295.00	£8,195.00	£77,413.00	£81,358.00	£67,279.00	£373,540.00
Prospero Group Ltd	£2,635.00					£2,635.00
Staffline Group Plc T/A Select Appointments Ltd	£278,817.00	£291,425.00	£378,951.00	£310,861.00	£103,554.00	£1,363,608.00
Grand Total	£500,314.00	£390,620.00	£610,198.00	£481,512.00	£226,977.00	£2,209,621.00

The largest total spend this year is with Staffline (c£1.36 million) and RSD Social Care (c£373 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 May, and less than 1 FTE for provision of cover in Domiciliary Services to ensure continuity of service in those key areas .

The engagement of non-corporate contracted agencies has been addressed. Firstly, these agencies are no longer being used, and in addition and all Managers via a briefing note have been reminded of the appropriate use of agency workers and that approved suppliers only must be used, unless there are exceptional or emergency circumstances/situations which is authorised by Procurement.

5. 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.

6. Social Services Directorate Feedback:

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

Agency worker use has increased across Residential Care due to the impact of COVID on workforce stability and this is reflected in the Agency numbers contained in the table in Section 3.

7. Place Directorate Feedback;

7.1 Corporate Building Services

The increase in numbers in Corporate Services are to provide temporary cover for administrative assistance whilst permanent appointments are made, and to provide seasonal and sickness cover in Cave Street.

7.2 Waste, Parks and Cleansing

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

Agency staff are engaged for one of the following reasons:

- i. To cover temporary absences of employed staff, such as sickness, leave, and to cover staff released for Traineeship activities, where there is a need to maintain the level of resource
- ii. To cover temporary positions where the use of agency is considered to most appropriate method, often where the length of need is unknown, or temporary/seasonal recruitment has been unsuccessful.
- iii. To cover permanent positions pending recruitment
- iv. To cover peaks in workload on different waste collection rounds on isolated days of the week

It is intended that Agency staff will continue to be used, where most appropriate, until either recruitment into permanent positions has taken place, or permanent/seasonal/temporary recruitment becomes the most appropriate way to fill a role.

Alternative options to minimise use of agency staff continue to be explored and used, and is demonstrated as follows:

- i. We have recruited 104 new starters and Trainees over the last 5 years in Waste, Parks, & Cleansing, including 30 new Trainees in Waste Management who started in September 2022
- ii. We have trained and given Relief Driver roles to 15 Waste Operatives as cover for Driver absences to avoid the need for agency drivers
- iii. We are using contractors to supplement toilet and beach cleaning following an unsuccessful seasonal recruitment, to avoid the use of agency.
- iv. More roles previously considered temporary are being replaced with permanent roles to allow the transition from agency workers to permanently employed staff.

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.

7.3 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.

There has been an increase in numbers to 18. This is largely due to additional Economy Recovery Fund monies to support temporary project roles to March 2023.

Work continues with the Head of Service to identify opportunities to reduce the dependency on Agency workers in this area.

7.4 Cultural Services

There are 2 agency workers providing temporary cover in respect of resourcing and sickness issues in this area.

7.5 Planning and City Regeneration

Numbers in this Service area remain constant in the provision of temporary cover for City centre services. More permanent solutions are currently being progressed in these areas.

8. Education Directorate; Agency / Supply Workers in Schools

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.

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.

The Education Directorate has invested in a Management of Absence post on a permanent basis to address the scale of pressures facing the catering and cleaning services and further mitigate sickness absence levels in the Directorate.

Monthly meetings are held with relevant HOS/Senior Managers. Advice and guidance is provided 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.

9. Other Service areas

Compliant in all areas.

10. 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.

11. Integrated Assessment Implications

11.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

11.2. The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

11.3. Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

11.4 There are no direct implications associated with this report.

12 Financial Implications

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

13. Legal Implications

13.1 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.

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

Background Papers: None.

Appendices:

Appendix A. Integrated Impact Assessment Form