

COMMITTEE	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
DATE	<b>30 NOVEMBER 2020</b>
TITLE	<b>REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP</b>
PURPOSE OF THE REPORT	<b>TO REPORT ON THE MEETING HELD ON 10 NOVEMBER 2020</b>
AUTHOR	<b>COUNCILLOR JOHN BRYNMOR HUGHES</b>
ACTION	<b>TO ACCEPT THE REPORT</b>

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## **1. INTRODUCTION**

- 1.1 A virtual meeting of the Working Group was held on 10 November 2020 with the Chair of the Audit and Governance Committee, Councillor John Brynmor Hughes and Councillors John Pughe Roberts, Angela Russell, Medwyn Hues, Paul Rowlinson, Dewi Roberts, Sharon Warnes (Lay Member), Steffan Jones (Head of Highways and Municipal), Eurig Williams (Human Resources Advisory Services Manager) and Luned Fôn Jones (Audit Manager) present.
- 1.2 It was decided at the Audit and Governance Committee held on 30 July 2020 to further discuss the **“Overtime”** audit at a meeting of the Controls Improvement Working Group. The audit received a “Limited” level of assurance, **“Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.”**

## **2. MAIN FINDINGS**

- 2.1 The main findings of the audit were as follows:

*Payments for voluntary overtime were seen in all services within the department and any new regulations or legislations would have implications meaning that it is unsustainable to continue paying overtime at the same rates. The department has already identified this and are in the process of identifying opportunities to modify staff structures and operating procedures.*

*There are a number of services where overtime payments are unavoidable, maintenance work on busy roads is carried out at night to minimise the effect on traffic as well as for the workers’ safety and well-being. Responding to accidents on highways as well as gritting overnight are duties carried out outside of normal working hours which cannot be planned for and overtime is therefore the most effective way to pay the workforce. Tasks such as road resurfacing need to be completed on the same day, and in many instances, the length of a normal shift is not sufficient.*

*It is more efficient to continue working on overtime rates rather than attempt to set up and continue on the following day, the characteristics of materials like 'tarmac' and the need to avoid waste is also relevant in the decision making.*

*Expenditure on overtime is very high in municipal services such as recycling and refuse collections. Overtime is paid in order to cope with time lost through vehicle breakdowns, failure to complete tasks within a shift and for missed collections. It is impractical to argue with residents over missed collections and overtime is paid to workers to return to collect them. The nature of the 12.33-hour shifts is such that the staff vary the routes they work on and do not necessarily collect recycling/refuse from the same properties. The department hopes that returning to weekly shifts will ensure more consistency concerning collection times for the residents and an improvement in the workers' familiarity of the routes and 'back door' collections.*

*The procedure to return to a normal working day of 7.5/7 hours has already started in Dwyfor since July and in Arfon since November with Meirionnydd to follow in 2020. Additionally, the department have negotiated with the unions in order to discard the 'task and finish' practice. The aim is to reduce the unproductive hours among the workforce, reduce overtime payments for work in addition to a normal shift and reduce the motivation to rush the work, which leads to injury and sickness absences. A direct correlation could be seen between sickness leave and the services where overtime payments were most prevalent namely refuse collection and recycling, Street Cleaning and waste sites. A large proportion of the overtime is in order to cope with lack of staff availability and to ensure service continuity.*

*The Working time Directive (1998) is a law that prevents employers from forcing workers to work beyond an average of 48 hours per week over a period of 17 weeks. Voluntary work such as voluntary overtime is not included in this total and employers are required to keep evidence when an employee signs a declaration to opt out of this regulation. Numerous staff work in numerous roles across different departments. The total hours recorded each week are high and in excess of 48 hours and therefore it should be checked whether there are any workers who need to opt out of the regulation.*

*The overtime rate varies across services and areas. Overtime in some areas was predominantly on a basic rate while other areas pay the majority on a 'time and a half' rate. It appears that work beyond a normal shift is paid at a 'time and a half' rate while a basic rate is paid for additional shifts, which cover staff absences. According to the relevant policies, officers on or above a pay grade of 23 are not entitled to receive overtime payments at a rate of 'time and a half' but a number of examples of this was seen.*

*Guidelines within the Highways and Municipal department state that planned overtime is to be paid at 'time and a half' while unplanned overtime should be paid at basic rate. This has been the subject of many discussions, but a definitive conclusion has not been reached and no definitive guidance has been provided due to differences in the nature of the work and different circumstances within different departments. The Human Resources service is in the process of reviewing the policy in order to publish a revised version, which is more suitable and appropriate.*

*In addition to changing the working procedures within the recycling and refuse work areas, the department are undergoing a process of restructuring since the appointment of a new head of service with the aim of the Highways, Municipal and Commissioning units operating within a more consistent and similar approach. The department also intend to review the procedural and staff structures of services within the department with the objective of reducing overtime expenditure. Successful trials have already been held in some services such as a waste site in Meirionnydd where the weekend has been incorporated into the normal working week. The department is progressing carefully due to the need to consider the nature of the work in different areas of Gwynedd before deciding on a practical and feasible structure.*

- 2.2 The Head of Highways and Municipal and the Human Resources Advisory Services Manager were welcomed to the meeting.
- 2.3 The Audit Manager provided some background to the audit highlighting her concern regarding overtime payments to employees on salary point 23 or above. It was explained that Human Resources had stated that as a rule, staff employed on salary points 23 and above would normally receive basic pay rate for overtime work but that Heads of Departments are entitled to authorise payments at a rate of time and a half for staff who are paid on salary point 23 and above provided that the work is planned in advance. The Audit Manager stated that this can lead to inconsistencies across services/departments as an officer in one service/department may receive overtime pay on a time and a half basis while an officer in another service will only be paid at the basic pay rate.
- 2.4 The Human Resources Advisory Services Manager stated that there was a lack of consistency in claiming overtime but that the policy stated that overtime is paid for planned work.
- 2.5 The Head of Highways and Municipal provided an update on the Department's situation and expressed the need for control on the workforce of the Highways and refuse collection (Municipal) workforce. He explained that due to Covid-19 and the need to respond to the needs of Gwynedd residents as a matter of priority, all the actions in the agreed action plan have not been addressed.

- 2.6 The Head of Highways and Municipal explained that the shift pattern of working was not fit for purpose and that was the reason for the introduction of working 37 hours over five days. He stated that the arrangements for migrating to the new system of working had slipped in the Meirionnydd area and that the new arrangements would come into effect in March 2021.
- 2.7 A member inquired whether the Department was properly funded and if there were sufficient staff. In response, the Head of Highways and Municipal explained that, of course additional funding would be appreciated and that significant savings had already been made and reflected in the Waste Services' budget. He added that a project is currently underway reviewing job descriptions and working conditions but discussion with the relevant unions would be required before the introduction of any new arrangements.
- 2.8 A Member stated that sickness absence was a factor for the Department and perhaps the solution would be to have more staff rather than pay overtime. The Audit Manager stated that the current policy was not sensible in terms of paying overtime – she stated that overtime can be paid for planned work but not for unplanned work. It was further stated that if Managers were aware of any planned work, then there was no logic as to why this could not be scheduled into normal work schedules and overtime payments paid for emergencies only, e.g. when there has been significant disruption to services due to the lack of IT systems. Members agreed with this comment.
- 2.9 In response to the above the Human Resources Advisory Services Manager stated that the policy had been established some time ago and that the overtime policy and arrangements require revisiting on a corporate level. He further stated that a project to address the matter was already underway.
- 2.10 A Member asked if technology could be used and utilised to facilitate processes. The Head of Highways and Municipal responded by stating that they already use technology for some aspects of the work such as using a spread rate for gritting roads during inclement weather.
- 2.11 In conclusion, The Head of Highway and Municipal stated that he would revisit the action plan and update it in terms of implementation dates. In light of the current circumstances, the Audit Manager had no objection to reviewing the timetable for implementation.
- 2.12 The Officers were thanked for attending the meeting and several Members expressed their gratitude to the Head of Highways and Municipal for the manner the Refuse Collection and Recycling Services had maintained and continued to deliver and provide services to the residents of Gwynedd during the Covid-19 pandemic.