

Recruitment and retention challenges – the right people at the right time?

Merthyr Tydfil County Borough Council

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Contents

Audit snapshot	4
Our findings	6
Recommendations	12
Appendices	13
1 About our work	14

Audit snapshot

What we looked at

- 1 We looked at the recruitment and retention challenges Merthyr Tydfil County Borough Council is facing. This included how well the Council understands its challenges, what it is doing in response, and how it reviews the value for money of its approaches.
- 2 Our main audit question was, “Does the Council have proper arrangements to address its recruitment and retention challenges?”

Why this is important

- 3 Having the right workforce in place is essential for a Council to deliver the services its communities need and to meet its legal duties. To do this, the Council needs to employ the right number of employees, with the right skills, at the right time.
- 4 The majority of the Council’s day-to-day spending is used to pay for its workforce.
- 5 However, it is facing a number of challenges to recruit and retain people to deliver its services.

What we have found

- 6 The Council is taking steps to address its known recruitment and retention challenges, but it has a limited understanding of them. The Council does not routinely analyse the information it holds. This makes it difficult for the Council to determine if it is providing value for money.
- 7 The Council also does not usually identify learning from its recruitment and retention approach to improve how it addresses challenges in the future.

What we recommend

8 We make two recommendations to the Council. These focus on:

- improving its understanding of its recruitment and retention challenges, and if its response to them provides value for money; and
- reviewing its application and onboarding processes.

Our findings

Understanding the challenges

The Council does not have a comprehensive understanding of its recruitment and retention challenges

- 9 The Council recognises where it has key recruitment and retention challenges. For example, officers know which roles are hard-to-fill in their services. These include persistent hard-to-fill roles in specialist areas such as engineering, surveying, and social work. However, the Council does not always have a full understanding of the reasons behind these. The Council uses manager insight to identify general reasons, which includes market competition, salary constraints, and career progression challenges. But this insight is not gathered together or analysed across the Council.
- 10 By strengthening its understanding of why these posts are hard to fill, the Council can reduce the risk that it targets its resources in the wrong place.
- 11 The Council uses a range of workforce management approaches to tackle recruitment and retention pressures. However, the Council does not fully understand how these approaches are being used to support a sustainable workforce. These include recruitment freezes, use of agency staff and fixed-term contracts. For example, the Council holds detailed information on how much it spends on its agency staffing, £2.16 million in 2023. But it has not fully evaluated the cost and impact of this approach to determine if it provides value for money.
- 12 By not understanding the rationale for using different workforce management approaches, the Council increases the risk of negative impacts on the culture and morale of the organisation.

- 13 The Council has a fragmented approach to collating and assessing recruitment and retention data. Although the Council collects and reports on a range of wider workforce information, including some recruitment and retention data, this data is manually compiled and not routinely analysed at a corporate level. The Council is piloting workforce dashboards to help improve access to information, but they are not in place across all departments.
- 14 By not routinely collecting and analysing recruitment and retention data, the Council does not have a comprehensive understanding of its workforce challenges, which makes it difficult to take targeted action to improve recruitment and retention.
- 15 The Council does not use data to forecast future recruitment and retention trends. The Council has developed a form to collate this information but is not routinely using the form. By not having this information available, the Council is less likely to spot recruitment and retention problems early and may design short-term solutions that are not as effective over the longer term.

Addressing the challenges

The Council is taking action to address recruitment and retention challenges but does not always act to address challenges in a timely way

- 16 The Council has a range of actions to attract candidates. These include:
 - upgrading the Council's website jobs page to make it easier to apply for jobs;
 - sharing vacancies with the Job Centre to reach a wider pool of candidates;
 - offering apprenticeships to help develop existing staff and improve succession planning;
 - attending job fairs to promote working for the Council; and

- aiming to make recruitment more inclusive through its guaranteed interview scheme.
- 17 By using a wide range of ways to recruit people, the Council increases the likelihood of attracting the talent it needs.
 - 18 The Council has processes in place to onboard successful applicants, but it takes a long time for applicants to start their new role. The Council holds a monthly corporate induction for new starters, gathers recruiting manager feedback on the onboarding process and tracks recruitment timelines. However, the Council's data shows it takes 78 days on average to onboard successful candidates. Sometimes this is because recruitment is planned in advance, for example, when recruiting teachers throughout the year to start in September. However, there are still opportunities to improve timeliness. The Council relies heavily on manual recruitment processes, and will continue to do so, following delays procuring a digital recruitment solution.
 - 19 If the Council does not reduce the time it takes to onboard new starters, it risks losing staff, which could lead to increased costs if it must re-advertise roles.
 - 20 The Council has taken steps to make working for the Council more attractive. For example, the Council offers flexible working options, childcare, cycle-to-work schemes, support for staff wellbeing and an Employee Assistance Programme. Offering different wellbeing and reward options, can improve staff wellbeing, productivity and engagement, making it easier to hire and keep staff.
 - 21 The Council also provides a range of learning and development opportunities. For example, the Council has a training platform that is generally well used by staff and offers apprenticeship placements in some service areas. However, the Council recognises it is not always able to offer the learning and career development opportunities that staff request. This can have an impact on career progression and staff retention.
 - 22 By ensuring all staff have access to learning and development opportunities, the Council could help staff to be both more productive and motivated, and improve staff retention.

- 23 The Council has increased engagement with staff to identify areas to improve its approach to recruitment and retention. The Council obtains feedback through forums, Council-wide surveys and specific onboarding and exit surveys. Through this feedback, the Council has identified some potential improvements. For example, it is planning to introduce a digital form to escalate recruitment requests directly to senior management.
- 24 However, the Council does not always act on staff feedback in a timely way. For example, despite candidates and Council managers raising repeated concerns regarding the Council's onboarding process the Council is still in the process of addressing them. By not always acting on the information it gathers, the Council increases the risk of missing new ideas and not implementing solutions successfully.
- 25 Senior leaders provide regular oversight of the Council's recruitment and retention challenges and actions to address it. The Council holds 12-weekly workforce planning meetings with Heads of Service and Corporate Management Team (CMT). Councillors also receive workforce-related information via Cabinet information reports, scrutiny committees, and portfolio member attendance at Service Management Boards (SMB). By ensuring senior leaders have timely oversight of recruitment and retention challenges the Council reduces the risk that they are not identified and addressed.
- 26 The Council has also recently established regular workforce planning meetings between Heads of service and HR business partners to help strengthen information sharing and corporate oversight of recruitment and retention issues. Topics discussed include succession planning risks, long-term vacancies and agency use. However, the Council does not have a clear process to monitor actions or escalate issues arising from these discussions, which potentially limits their effectiveness.

- 27 The Council does not always explore collaboration to address recruitment and retention issues. The Council has worked with partners to address some challenges, including working with other councils in its region to procure agency workers. However, by not always exploring opportunities for collaboration, the Council may miss opportunities to share resources, expertise, and good practice to resolve its recruitment and retention challenges.
- 28 The Council is making use of technology in some areas to overcome recruitment challenges. For example, the Council has piloted dashboards to improve the accessibility of recruitment and retention data for service managers. However, the Council is at an early stage of developing its use of technology in other areas. For example, there have been delays in the implementation of the Council's digital job application process.
- 29 By not making effective use of technology, the Council may miss opportunities to reduce costs and improve both the efficiency and effectiveness of its recruitment processes.

Reviewing value for money

The Council does not assess the value for money of its approach to recruitment and retention

- 30 The Council does not assess or monitor the value for money of its approach to recruitment and retention. For example, although the Council views its 'grow your own' initiatives as cost-effective, it does not assess how well they help them to recruit new staff or retain existing staff. The Council has also not assessed the value for money of its approaches to workforce management.
- 31 By not evaluating the cost and effectiveness of these approaches, the Council does not know if it is providing value for money.
- 32 The Council does not have arrangements in place to ensure that it routinely learns from its approaches to recruitment and retention.

- 33 As a result, the Council is potentially missing opportunities to improve its approach to recruitment and retention and secure better value for money.

Recommendations

- R1** The Council should strengthen its corporate approach to recruitment and retention by:
- 1.1** Ensuring it has the information it needs to routinely analyse current and future recruitment and retention trends (**paragraphs 9, 13, 15**).
 - 1.2** Ensuring there is a clear mechanism to monitor actions arising from workforce planning meetings (**paragraph 26**).
 - 1.3** Monitoring and evaluating the value for money of its approach to recruitment and retention (**paragraph 30**).
 - 1.4** Ensuring that it draws on the views of staff to help it identify recruitment and retention challenges and potential solutions. This should include a process for communicating how the Council has taken account of their views (**paragraph 24**).
- R2** The Council should review its application and onboarding process to identify and implement potential efficiencies and opportunities to improve its timeliness (**paragraphs 18, 19**).

Appendices

1 About our work

Scope of the audit

We looked at the challenges the Council faces in recruiting and retaining staff. This included how well the Council understands the challenges, the steps it is taking to respond to these challenges, and the how it reviews the value for money of its approaches.

We did not look at the wider topic of workforce planning.

Audit questions and criteria

Questions

We set out to answer the following questions:

- Does the Council understand its recruitment and retention challenges?
- Is the Council taking action to its address recruitment and retention challenges?
- Does the Council review the value for money of its approaches to address recruitment and retention challenges?

Criteria

We have assessed the Council's arrangements by answering the above audit questions. To help us do that, we have created a set of audit criteria which explains 'what good looks like'. We have used the audit criteria to help us analyse the evidence we collected from our review of documentary evidence and the interviews we conducted.

Our audit criteria were informed by a combination of our knowledge and experience and research into this topic. They were also informed by our conversations with national stakeholders.

Methods

We interviewed senior officers and the cabinet member responsible for developing and delivering the Council's strategic approach to meeting its recruitment and retention challenges.

We also interviewed senior officers from three Council services that have faced acute recruitment and retention challenges.

We also reviewed a range of documents relevant to the audit questions we were seeking to answer.

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