



Cabinet Member (Strategic Finance and Resources)

Time and Date

2.00 pm on Monday, 30th June, 2014

Place

Committee Room 2 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting**
 - (a) To agree the minutes of the meeting held on 28 April 2014 (Pages 3 - 4)
 - (b) Matters Arising
4. **Performance within the Revenues Service for the period April 2013 - March 2014** (Pages 5 - 10)
5. **Performance within the Benefits Service for the period April 2013 - March 2014** (Pages 11 - 18)
6. **Agency Workers and Interim Managers - Performance Management Report Quarter 4 (1 January to 31 March 2014) with a final summary of 2013/14 compared with 2012/13.** (Pages 19 - 32)
7. **Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved.**

Chris West, Executive Director, Resources, Council House Coventry

Friday, 20 June 2014

Note: The person to contact about the agenda and documents for this meeting is Hugh Peacocke Tel: 024 7683 3080

Membership: Councillor D Gannon (Cabinet Member)

By invitation Councillor T Sawdon (Shadow Cabinet Member)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Hugh Peacocke, Governance Services Manager

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Coventry City Council
Minutes of the Meeting of Cabinet Member (Strategic Finance and Resources)
held at 2.00 pm on Monday, 28 April 2014

Present:

Members: Councillor D Gannon (Cabinet Member)
 Councillor T Sawdon (Shadow Cabinet Member)

Employees:

J Crawley, Resources Directorate
S Lal, Resources Directorate
S Symonds, Resources Directorate

Public Business

59. **Declarations of Interest**

There were no declarations of interest.

60. **Minutes of Previous Meeting**

The minutes of the meeting held on 10 March 2014 were signed as a true record. There were no matters arising.

61. **Agency Workers and Interim Managers - Performance Management Report Quarter 3 (1 October to 31 December 2013)**

Cabinet Member received a report of the Executive Director, Resources, which contained performance information on the use of agency workers procured through the Master Vendor Contract for the Q3 period 1 October to 31 December 2013 and compared Q2 2013/14 with Q3 2013/14 expenditure. Also included was information on Interim Manager spends for the same periods, which were now procured through National Framework Agreement RM692.

The Master Vendor contract was a planned strategy to work towards reducing the level of agency spends and to better understand where and how the Council used agency workers. It required all agency workers to be ordered through Reed Recruitment (2 May 2011 to 1 December 2013) and through Pertemps, the newly appointed Master Vendor, from 2 December 2013.

It was acknowledged that current agency usage was still high because of the need to cover sickness absence, short-term cover, cover whilst fundamental service reviews were taking place and to cope with sudden surges of demand.

It was reported that overall spend had decreased, although there had been a rise in spend in the People Directorate, which reflected the increased requirement for experienced social workers to deal with higher workload being faced, particularly within the Referral and Assessment Service and in Children's Social Care, due to the unprecedented rates of contacts at this time. There was on-going recruitment to vacancies within Social Work with a view to reducing the need for agency workers in the longer term.

Agency spend on internally provided services had reduced, due in the main to managers successfully developing a relief pool of casual workers. Care workers, who had expressed an interest in early retirement or had volunteered for redundancy in the abc review, were also being asked if they would be interested in working on a casual/relief basis at some point in the future.

Interim manager spend related to cover for senior Hay-graded jobs over £50,000 using the national framework agreement RM692 for non-permanent staff. Prior to 1 December 2013 interim managers had been procured through the Council's preferred supplier list.

Officers were questioned about the use of former employees to fill the vacancies and the relationship with the use of agency workers in terms of volume and cost. Cabinet Member asked for the information to be included in the next quarter's report to this meeting.

RESOLVED that after due consideration of the report and matters raised at the meeting, the Cabinet Member (Strategic Finance and Resources):

- 1. Approve monitoring processes to continue for both Agency workers and Interim Managers**
 - 2. Endorse compliance with the corporate policy on the recruitment of Temporary Agency Workers through the Master Vendor, Reed Recruitment (for the period October to November and the new Master Vendor, Pertemps for the December period) and Interim managers.**
 - 3. Instruct officers to continue to work towards reducing expenditure on the use of agency workers.**
 - 4. Approve that future orders are not accepted if no reason is given for the need for the agency worker.**
 - 5. Instruct officers to include in the report to the next meeting of Cabinet Member (Strategic Finance and Resources) the numbers of leavers used to fill vacancies and how this compares to the use of agency workers.**
62. **Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at 2.20 pm)



Cabinet Member Strategic Finance and Resources

June 2014

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director of Resources

Ward(s) affected:

All

Title:

Performance within the Revenues Service for the period April 2013 – March 2014

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2013/14. The revenues service is responsible for the collection of more than £105 million of Council Tax from 136,000 domestic properties, more than £116 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income. The service has collected 95.6 per cent of Council Tax, 97.8 per cent of Business Rates and reduced Council Tax arrears by 37.8 per cent during 2013/14.

The service has also reduced the level of corporate debt outstanding for more than six months and maintained the level of housing benefit overpayment debt in 2013/14.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the revenues service for the period 1 April 2013 to 31 March 2014;
- 2) Agree to receive a further report at the meeting of 21 October 2014 to provide an update for the period April 2014 to September 2014.

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Performance within the revenues service for the period April 2013 – March 2014

1. Context (or background)

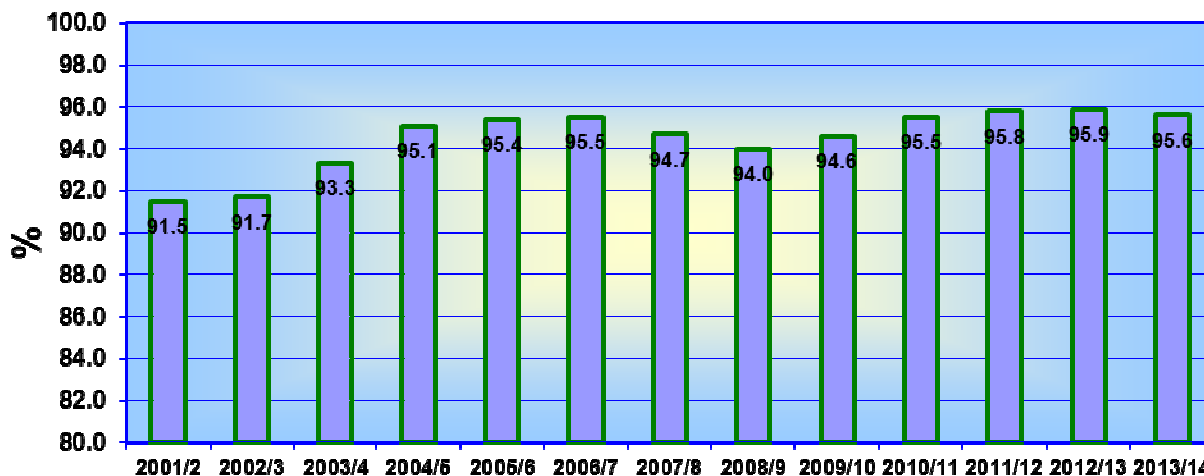
The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2013/14. The revenues service is responsible for the collection of more than £110 million of Council Tax from 136,000 domestic properties, more than £119 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income.

2. Options considered and recommended proposal

Performance

2.1 The revenues service collected 95.6 per cent of Council Tax for the period 2013/14 which is only (£350k) short of the 96.0 per cent operational target for the period. More than £105 million was collected which is a 4 per cent (£4 million) increase on the amount collected in 2012/13. Early indications are that nationally collection rates have reduced, due to the changes in Welfare Reform. The collection target for 2014/15 remains 96.0 per cent.

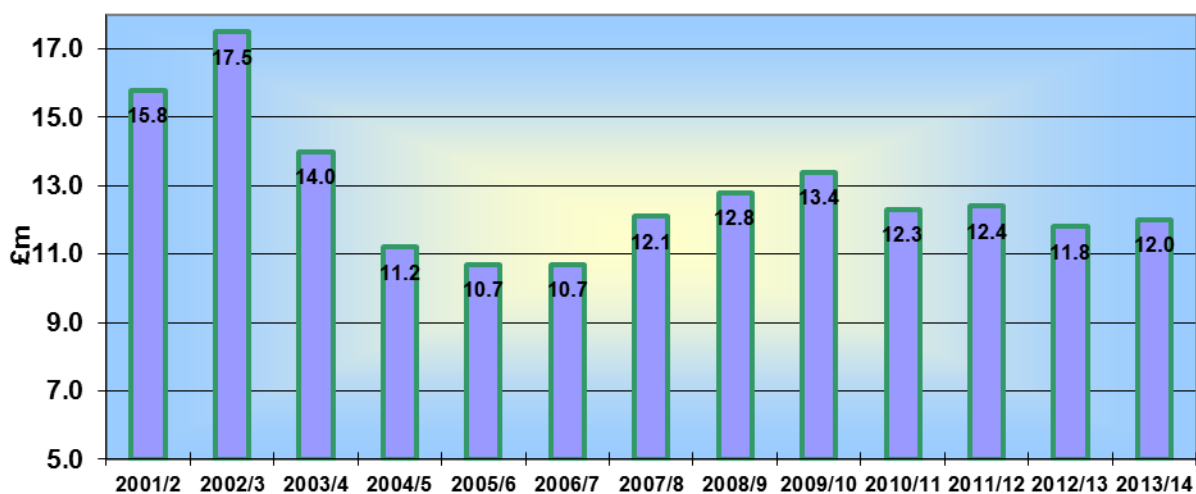
Figure 1 – Council Tax in-year collection rate by year



2.2 At 1 April 2013, £11.8 million of council tax was due for previous years (prior to 1 April 2013). By the end of March 2014 this balance had been reduced by 37.8 per cent to £7.3 million which is 2.2 per cent short of the operational target of a 40 per cent reduction in council tax arrears.

2.3 The arrears figure carried forward, which includes £4.7 million of 2013/14 charges uncollected at 31 March 2014, is £12 million. This is £0.2 million higher than the £11.8 million balance carried forward at the end of 2012/13. The target for 2014/15 remains at a 40 per cent reduction in the £12 million outstanding as at April 2014.

Figure 2 – Council Tax arrears outstanding by year



2.4 The revenues service collected 97.8 per cent of business rates in 2013/14 against an operational target of 98.5 per cent. The £116 million collected represents a 2.5 per cent (£3 million) increase on the amount collected in 2012/2013. This increase is of major importance as 50% of any increase is now retained by Coventry City Council. The operational target for 2014/15 remains at 98.5 per cent.

2.5 The revenues service is responsible for the collection of corporate income - the billing and collection of invoices raised for goods and services provided by all Council Directorates ranging from commercial rent income, to care charges and one off services.

2.6 During 2013/14 the revenues service reduced the level of corporate income owing to the Council for more than six months from £0.88 million in April 2013 to £0.81 million at the end of March 2014, whilst also converting to the Agresso system.

2.7 Housing benefit overpayment debt increased slightly from £9.9 million in April 2013 to £10.08 million in March 2014. The target was for the debt to remain at £9.9 million this is £180k over target.

2.8 The number of people opting to pay council tax by direct debit has reduced slightly by just over 1 per cent, as illustrated in the table below. Over 88 per cent of people who do not pay by direct debit now have a 1st of the month payment profile.

	April 2013	April 2014
Accounts for which payments are required (excludes maximum council tax support accounts)	105,615	105,085
No. of accounts paid by direct debit	66,093 (62.6%)	64,676 (61.5%)
No. of non-direct debit accounts with a 1 st of the month payment date	33,347 (84.4%)	35,649 (88.2%)

3. Results of consultation undertaken

3.1 No consultation has been undertaken.

4. Timetable for implementing this decision

4.1 Not applicable.

5. Comments from Executive Director Resources

5.1 Council tax is an important source of income for the city Council. Each Extra 1% of council tax collected amounts to approximately £1 million in revenue to the Authority.

5.2 There are no legal implications arising from this report.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The effective collection of Council Tax, Business Rates and other corporate revenue is crucial to maximising the use of Council resources.

6.2 How is risk being managed?

Monthly reporting to Resources Management Team, Cabinet Member and Shadow Cabinet Member.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

Report author(s):

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Name and job title:

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Resources

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Hugh Peacocke	Governance Services Manager	Resources Directorate		
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Public report Cabinet Member Report

Cabinet Member (Strategic Finance and Resources)

17 June 2014

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

All

Title:

Performance within the Benefits Service for the period April 2013 – March 2014

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the benefits service during the financial year 2013/14. The benefits service in Coventry administers more than £162 million to around 40,000 households. The service processed the average new claim for housing benefit and council tax support in 23 days and processed the average notification of a change in circumstances for Housing Benefit in 12.2 days.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the benefits service for the period 1 April 2013 to 31 March 2014.
- 2) Agree to receive a further report to provide an update for the period April 2014 to September 2014.

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Performance within the Benefits Service for the period April 2013 – March 2014.

1 Context (or background)

- 1.1 Coventry benefits service administers more than £134 million in housing benefit (HB) and £28 million for council tax support (CTS) payments each year to around 40,000 Coventry households.
- 1.2 2013/14 saw a year of unprecedented welfare reforms, with changes to Housing Benefit (Social Sector under-occupation and the Benefit Cap), Council Tax Benefit (abolished and replaced with Council Tax Support), and the localisation of elements of the social fund (Community Support Grants). The Benefit Service has implemented all the changes successfully, and at the same time shown improvement in its performance.

Summary of Performance

- 1.3 During the period 1 April 2013 to 31 March 2014 the benefits service has processed new HB/CTS claims in an average of 23 calendar days which meets the operational target and is an improvement of 1.6 days when compared to the previous year (see figure 1 below). This report will also describe the operational context for this performance and the improvements the Service has made to deal with the challenges of a constantly changing welfare reform agenda.
- 1.4 The operational target for processing new claims in 2013/14 is 23 days. The chart below shows the best recorded performance for new claims processing in Coventry.

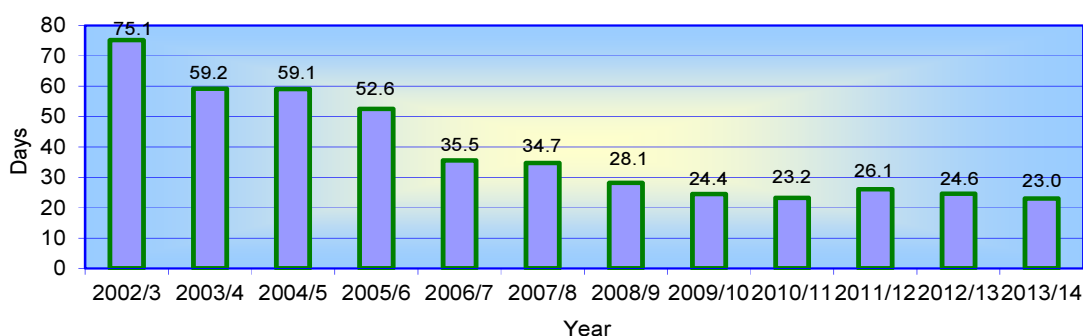


Fig 1 – Average number of days to process new HB/CTS claims

- 1.5 The Department for Work and Pensions (DWP) has published comparative data on benefit processing performance as National Statistics for the first three quarters of 2013/14. This shows the national average for new claims to be 23 days. Our own benchmarking with the other large benefit services (core cities) in England shows that Coventry performed second best out of 16 councils. The Service will update the Cabinet Member with benchmarking information in the report due for the half-year for 2014/15.
- 1.6 This performance has been achieved through the continued commitment to encourage customers to claim 'on-line'. All new claims have been made in this way since July 2013. This has enabled customers to receive the benefit more quickly and has 'freed-up' staff time to help others. Customers with difficulties using this approach are supported personally by our staff in person or over the telephone.

1.7 The move away from council tax benefit (CTB) to council tax support (CTS) since April 2013 has meant a slight change in the way performance information is reported. DWP now only report nationally on Housing Benefit (HB) performance. The average time to process a change in circumstance for HB was 12.2 days. This was within the operational target for the year of 12.5 days (as illustrated in figure 2 below). The Service continues to report on the speed of processing changes for CTS. Our IT system can only report a combined figure with HB included. The total combined figure for the year was 14.8 days which is an improvement of 2.2 days when compared to the 17 days recorded in 2013/14.

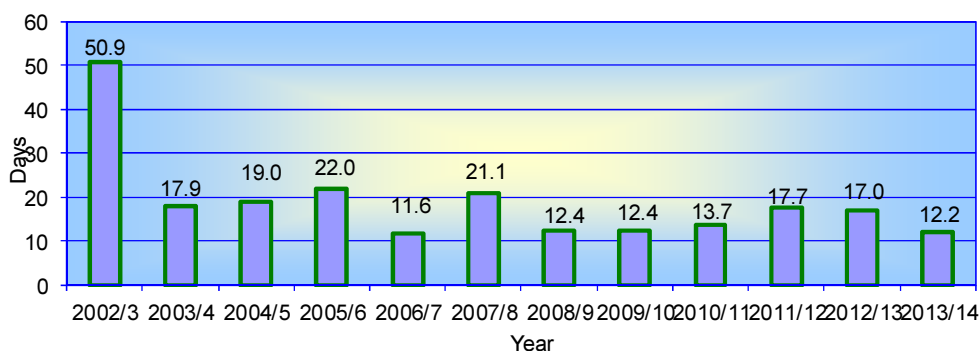


Fig 2 – Average days to process change in circumstances

1.8 The DWP reported national average in processing changes of circumstances is 11.3 days. This is the same as the average of our core cities benchmarking group. The software to allow more automation of some changes in circumstances is being installed in May 2014. This will help our other efforts to further improve performance in this area.

2 Background to performance

Welfare Reform

- 2.1 The significant changes to the welfare benefit in the City included:
- Council Tax Benefit abolished and replaced with Council Tax Support;
 - The introduction of the national benefit cap;
 - The introduction of an under-occupation charge for social sector tenants (otherwise known as the ‘bedroom tax’ or ‘Spare room subsidy’);
 - Setting up a Community Support Grant system to deal with the localisation of previous elements of the Social Fund (Community Care Grants and Crisis Loans); and
 - More money available to grant ‘Discretionary Housing Payments’
- 2.2 All of these major reforms were delivered on time. The Council worked very closely with other ‘partners’ in the City to help to limit the impact of the reforms. A specific ‘working together’ group (set-up through the Coventry Partnership) led a number of initiatives, including joint publicity, joint home visits, radio coverage and attending ‘pop-up shops’. This was supported by regular meetings to share information in order to ensure that our resources were maximised for the good of local people.
- 2.3 Council Tax Benefit was abolished from 1st April 2013 and replaced with Council Tax Support. Coventry was one of just under 60 (and just over 40 in 2014/15) councils which decided to keep the same rules as the previous CTB scheme. This continued to support people with the same level of benefit and thus relieving some pressure on people facing difficult financial circumstances.

- 2.4 The national benefit cap was phased in between July and September 2013. The number of people subject to the cap is lower than the original estimate provided by DWP (around 270). At any one time there are between 140 and 150 families affected in Coventry. The Council has worked closely with partners to raise awareness and provide support (eg money advice). As this change was fully implemented in the middle of the financial year, the overall impact of the change is not yet known.
- 2.5 The reduction in benefit due to under-occupation in the social housing sector was one of the more high profile reforms. In Coventry, the number of households affected was originally over 2840. This reduced to 2421 by the end of the financial year. There is no data available to analyse the reasons for the reduction but it is likely to be a combination of people 'downsizing', taking in lodgers and other changes in circumstances. Again, some very proactive partnership working took place to advise people of the impacts (one room, £13 per week and two or more rooms, around £22.50 per week) – and provide support, especially through discretionary housing payments (DHPs, see below).
- 2.6 Discretionary Housing Payments (DHP) are used to help people in difficult circumstances with their housing costs. The new DHP policy was approved by Cabinet in March 2013. The Welfare Reforms introduced from April 2013 meant that there were considerable demands on this area of our work.
- 2.7 The number of applications in 2013/14 increased from 727 to 2,999 (over 400% increase) compared to 2012/13. Over £811,000 of our DHP allocation of £798,000 was allocated. The balance was met from an underspend on Community Support Grants. This compares with £377,000 awarded in 2012/13 and £130,000 in 2011/12 (both years spending the full allocation).
- 2.8 Customers have a statutory right to appeal their housing benefit and council tax support decisions. The number of appeals increased significantly (nearly 21%) over the last 12 months – from 274 (in 2012/13) to 331 in 2013/14. The quality of our decision making remains strong with just five cases out of 48 found against the Council decision by the Tribunal Service. Whilst only about 10 appeals relate directly to welfare reform (bedroom tax and benefit cap), people do seem to be appealing on relatively small amounts of money

Customer service

The number of people making enquiries about their benefit continued to be very high. This is despite a slight drop in the caseload, from 39,960 to 39,518 over the last 12 months. Over the last two years, the total number of people visiting our offices in Spire House has increased by nearly 4,400 (per year). More customers have been seen and waiting times have reduced – both for personal callers and on the telephone.

	2011/12	2012/13	2013/14	Increase over 2 years
Visitors	45,093	47,445	49,555	+9.9%
Phone calls received	80,848	86,112	85,037	+5.2%
Phone calls answered	49,710	53,174	56,811	+14.3%

Fig 3: Numbers of visitors and phone calls (received and answered)

LA error overpayments

- 2.9 Work has been effectively prioritised to minimise Local Authority (LA) error overpayments. LA error overpayments totalled £479,000 compared to £671,000 for the previous year. This is below the threshold of around £618,000. Although the previous year included council tax benefit, a 'like for like' comparison still shows a significant reduction from £553,000 in housing benefit overpayments. The Council receives 100 per cent subsidy for LA error overpayments (on housing benefit payments) providing the overpaid amount does not exceed 0.48 per cent of normal benefit payments of over £134 million.

Community Support Grants

- 2.10 The Service has successfully managed its first year of Community Support Grants – which replaced the discretionary elements of the Social Fund (Community Care Grants and Crisis Loans) previously administered by DWP. The grants are designed to help vulnerable people living in Coventry who find themselves in a crisis situation or where, for example, they require support to remain in the community.
- 2.11 The work volumes were high – although much lower than the previous scheme, which largely focussed on cash awards:
- Over 8,600 phone calls;
 - Nearly 4,000 claims made; and
 - £350,500 awarded.

The team responded to all requests for assistance very promptly with the average telephone waiting time of just over 30 seconds (with only 5% of calls abandoned).

3 Results of consultation undertaken

- 3.1 No consultation has been undertaken.

4 Timetable for implementing this decision

- 4.1 Not applicable.

5 Comments from Executive Director, Resources

- 5.1 The Administration of HB/CTB is being delivered within the current budgetary provision. The achievement of 100% subsidy on LA error overpayments, referred to in paragraph 2.9 will continue to be monitored closely in 2014/15.
- 5.2 There are no legal implications arising from this report.

6 Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The effective administration of HB/CTS impacts on a range of agendas and supports the Council's vision and objectives for jobs and growth, supporting young people and protecting vulnerable residents.

6.2 How is risk being managed?

Risks relating to fraud/corruption and the HB subsidy threshold's impact on the general fund revenue account are managed through the corporate risk register. The challenges of the significant welfare reforms are also included on the register.

6.3 What is the impact on the organisation?

Welfare reform is having a significant impact on the organisation (as outlined in section 6.4 of the report) as additional staff, agency staff and acting up arrangements are required to deal with the increasing volume and complexity of enquiries to the service.

6.4 Equalities / EIA

No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

The effective administration of HB/CTB is in the interests of a number of partner organisations, including local social landlords, and the benefits service works closely with those organisations.

Report author(s):

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Directorate:

Resources

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Cabinet Member (Strategic Finance and Resources)

30th June 2014

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director, Resources

Ward(s) affected:

All

Title:

Agency Workers and Interim Managers – Performance Management Report Quarter 4 (1 January to 31 March 2014) with a final summary of 2013/14 compared with 2012/13.

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

To provide the Cabinet Member with performance information on the use of agency workers procured through the Master Vendor Contract for the Q4 period 1 January to 31 March 2014; to compare Q3 2013/14 with Q4 2013/14 expenditure. To also compare the final figures on agency workers for 2013/14 with the previous year 2012/13. Finally to consider Interim Manager spends for the same periods which are now procured through National Framework Agreement RM692.

Recommendations:

The Cabinet Member is asked to:

1. Approve monitoring processes to continue for both Agency workers and Interim Managers
2. Endorse compliance with the corporate policy on the recruitment of Temporary Agency Workers through the Master Vendor, Pertemps for the Q4 period and Interim managers
3. Review the yearly spends on agency workers for the period April 2013 to March 2014
4. Instruct officers to continue to work towards reducing expenditure on the use of agency workers.
5. Approve that future orders are not accepted if no reason is given for the need for the agency worker

List of Appendices included:

The information attached in Appendix I shows the total expenditure on agency workers by Directorates for Q4 2013/14 for spends with the Master Vendor supplier, Pertemps.

The information attached in Appendix II show the justification of new orders placed by Directorates for agency workers during Q4 2013/14 for spends with Pertemps.

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Agency Workers and Interim Managers – Performance Mgt Report Q4 (1 January to 31 March) and Interim Managers spends.

1. Context (or background)

The Master Vendor contract required all agency workers to be ordered through Reed Recruitment and came into force on the 2 May 2011 and ended on the 1 December 2013 and then through Pertemps, the newly appointed Master Vendor, from the 2 December 2013. The Master Vendor supplies all suitable agency workers through their own agency or through a 2nd tier arrangement with other agencies on behalf of the Council using rates of pay based on an agreed pay policy and a negotiated mark-up rate with the Master Vendor. The information supplied by the Master Vendor on the agency spends gives detailed information on agency worker usage and spends.

Options considered and recommended proposal

The table in 2.1 below shows a comparison for Q3 for 2013/14 with Q4 2013/14 and indicates if there has been an increase or a decrease in spend. The Master Vendor Contract covers all agency workers with the exception of interim managers for HAY Graded posts and agency workers in schools.

2.1 Table for comparison with Q3 2013/14 and Q4 2013/14 Agency Spend.

Directorate	Spend Q3 2013/14	Spend Q4 2013/14	Increase/decrease
People Directorate	£837,297*	£1,340,047	Increased
Places Directorate	£134,302*	£102,738	Decreased
Resources Directorate	£233,047	£280,068*	Increased
Chief Executives	£0	£0	
TOTAL	£1,204,646	£1,722,853*	Increased

**please note the spend shown in the appendices will differ due to the off contract spends being added in the table above*

Directorate Commentary on increased Agency worker Spend for Q3 2013/14**People Directorate**

Expenditure on Agency Workers increased by £503K in quarter 4 compared to quarter 3. This increase reflects the on-going need for experienced social workers to deal with higher workload being experienced, particularly within the Referral and Assessment Service and in Children's Social Care, due to the unprecedented rates of contacts at the moment. There is on-going recruitment to vacancies within Social Work with a view to reducing the need for agency workers in the longer term.

Agency spend in internally provided services has reduced. This is due in the main to managers successfully developing a relief pool of casual workers. Care workers, who have expressed an interest in Early Retirement or have volunteered for redundancy in the abc review are also being asked if they would be interested in working on a casual/relief basis at some point in the future.

Resources Directorate

The increase in agency worker spends of £47K is a result of the increased levels of benefit claims in the Revenue and Benefits area needing more staff to process claims in a timely manner. A recruitment exercise is underway to appoint and train permanent staff to reduce the need for agency workers going forward.

In ICT additional specialist resources were needed to deal with the Sharepoint project and this was completed in March 2014.

Finally there has been an on-going need to appoint agency workers in Legal Services to cover vacancies whilst the team is being restructured and to deal with the increase of work resulting from Children's Services.

Unauthorised Off-Contract spends Q4

There has been no unauthorised off contract spends for Quarter 4 identified.

2.2 Table of Comparison of spends for agency workers between 2012/13 and 2013/2014

Directorate	Spends 2012/13	Spends 2013/14	Increase/Decrease
People	£1,932,427	£3,217,385	Increased
Places	£723,217	£681,650	Decreased
Resources	£1,691,131	£1,341,443	Decreased
Chief Executives	£89	£7,067	Increased
TOTAL	£4,346,864	£5,247,545	Increased

Overall there has been an increase in agency spends for 2013/14 of £900K. The main reasons for this are set out in the paragraph entitled "People Directorate" in section 2.1 above.

Interim Management Spend for Q3 2013/14 and Q4 2013/14

Table 2.3 shows a summary of spend for Interim Management in Q3 2013/14 and Q4 2013/14. This relates to cover for Senior Hay graded jobs over £50,000 pa. The procurement of Interim Managers is through the national framework agreement RM692 for non-permanent staff started on the 1 December 2013. Prior to this date interim managers were procured through our preferred supplier list.

Directorate	Number of Managers in Q3	Total Spend Q3	Number of Managers in Q4	Total Spends in Q4
People Directorate	1	£28,200	1	£13,600
Resources Directorate	1	£18,700	1	£29,425
Place Directorate	0	£0		
TOTAL	2	£46,900	2	£43,025

People Directorate

An interim manager has been retained in People Directorate on a part time basis for a period of up to 18 months in order to ensure there is sufficient capacity to lead and deliver “The Better Care” programme of integration and transformation across Health and Social Care.

Resources Directorate

An Interim manager is required to cover the vacancy of Head of Customer Services. This post is leading on the “Customer Journey Transformation” as part of the Kickstart Programme. The post has been advertised already but no appointment was made due to the lack of skills and experience in the area of transformation. Due to the critical nature of the Kickstart Programme a decision was made to continue with the existing arrangement of an Interim Manager for the time being.

Table 2.4 shows a comparison on spend on Interim Managers for 2012/13 compared with 2013/14

Directorate	Total Spends on Interim Managers 2012/13	Total Spends on Interim Managers 2013/14	Increase/Decrease
People Directorate	£209,010	£48,804	Decrease
Resources Directorate	£6,672	£49,392	Increase
Place Directorate	£0	£18,700	Increase
TOTAL	£215,682	£116,896	Decrease

Rebate

The cost of agency workers is made up of the pay rate for the work plus working time directive payments, national insurance payments and a margin or mark up to the agency. As part of the Master Vendor contract, fixed pay rates have been set corporately for each job category. Given that national insurance payments and the working time directive are fixed legislative requirements, Pertemp's procurement of agency workers is based on reducing agency mark ups in order to generate cashable savings.

The Management rebate income forecast for 2013/14 is forecast to be £525k. This forecast was based on a slightly reduced level compared to last year's rebate to take into account the uncertainty around rebate income following the award of the contract to Pertemps. For Q4 we received a rebate of £233,266 from Pertemps. To date we have received a total of £767,402 in rebate for the year 2013/14.

Strategic Management Board Comment

The Master Vendor contract was a planned strategy to work towards reducing the level of agency spends and to better understand where and how we use agency workers.

There will always be the need to use agency workers. However, it is acknowledged that current usage is still too high because of the need to cover sickness absence, short-term cover, cover whilst Organisational restructures and Fundamental Service Reviews are taking place and for areas where there is difficulty in recruiting such as Social Workers and also to cope with sudden surges of demand. This will result in the need for agency workers to provide capacity and scarce skills.

In terms of the cost of using agency workers, it is important to note that not all of the cost is in addition to normal staffing spend. Although agency cover associated with sickness absence in front line services is often an additional cost, in the case of agency cover for vacant posts the cost will be funded in part by the relevant staffing budget. Please also note that the figures shown in the main body of the report will differ to those shown in the appendices. This reflects that there is some additional off contract spends added into the total spends from the Master Vendor contract. This occurs generally where the Master Vendor has been unable to supply an agency worker so we are forced to go to a supplier not on the Master Vendor contract. However we keep this to a minimum and try to ensure that this is only for short term cover whilst the Master Vendor tries to source other agency workers.

Where opportunities exist for bulk recruitment campaigns to front line essential services, the Human Resources Recruitment Team will continue to work with service managers to establish registers of workers, who are available for casual, temporary or permanent work in order to reduce the use of agency workers. The Recruitment Team has successfully worked with Managers from Cleaning to undertake a recruitment exercise to build up a bank of cleaners and some catering staff available for temporary/ casual or permanent work. The team is working with Job Centre Plus; Remploy and the Council's Job Shop, as well as managers in the authority, to initially create opportunities for unemployed candidates to apply by holding 'open days' at the Job Shop and Remploy and giving them access to opportunities. This is with a view to trying to source our own workers for short term work therefore reducing the need for agency workers and giving opportunity to the unemployed to find employment with the City Council. Temporary and casual work may lead to permanent work in the future for candidates and this will be a way of recruiting workers to a bank rather than advertising individual vacancies, as we currently do, or using agency workers to fill short term cover during periods of review etc.

The new contract with Pertemps came into effect on the 2 December 2013. The contract, is a joint contract with Warwickshire and Solihull following an extensive tendering process, and has now been fully implemented. The new contract is a hybrid Master Vendor arrangement which will provide the Council with additional advantages to the existing Master Vendor contract.

3. Results of consultation undertaken

- 3.1 The report sets out the steps the Council is taking to reduce expenditure on agency workers, particularly in those areas where they are used most intensively.
- 3.2 The report is able to accurately identify spend on agency workers and the reasons for spend.
- 3.3 Officers will continue to bring the monitoring information to the Cabinet Member and steps will continue to be taken to endeavour to reduce the level of expenditure.
- 3.4 Management Information has given the opportunity for the Recruitment Team to target large areas with high usage of agency workers to try and reduce the need for agency workers.

4. Timetable for implementing this decision

Not applicable

5. Comments from Executive Director, Resources

5.1 Financial implications

Quarterly monitoring of expenditure on agency workers will continue throughout the contract. The cost of agency workers for the current reporting period from the Pertemps system is £1,722,853 which equates to 4.26% of the overall wage bill for this quarter (excluding schools).

Reed and Pertemps operate a live management accounts system which places the cost of agency workers in the period the work took place rather than the period of time in which the Council was billed for or paid the related invoices. The system shows the volume of agency activity/usage in a particular quarter irrespective of when invoices are paid. Therefore this information will be different from that which has gone through the Council's financial systems during Q4.

Reed's and Pertemps system only incorporates timesheets authorised by managers and therefore the costs for a particular quarter will increase throughout the year as more timesheets are authorised. We actively work with the master vendor to keep outstanding timesheets to a minimum.

5.2 Legal implications

There are no specific legal implications associated with this report.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The Agency Worker Contract arrangement provides good value for money in relation to the procurement of agency workers. It also provides firmer controls on the use of agency workers and has in place sound management reporting to see where spend is taking place to target recruitment, maximise resources, and reduce spend on agency workers.

6.2 How is risk being managed?

No risks identified

6.3 What is the impact on the organisation?

Through the rigorous monitoring of the use of agency workers and alternative strategies for resourcing short-term work requirements, the dependency on agency workers should be reduced. The Council's Policy on the use of agency workers states that Agency Workers should only be used when:

- Proper recruitment processes have failed to secure an appointment and staff cover has become crucial to the delivery of services;
- Short-term temporary cover is required until proper recruitment processes have been completed and an appointment is made;
- Unplanned absences require immediate cover to ensure continuity of services;
- Unplanned, short-term or peak workloads occur.

Human Resources are proactively supporting managers to reduce agency spend.

6.4 Equalities / EIA

We have removed the equalities data for the next 2 quarters due to the incomplete equalities data the master vendor is able to provide at this time. We will be working with our master vendor to survey all our agency workers to make it mandatory for them to complete an equalities monitoring form which will incorporate a category of “prefer not to say” to try and increase the accuracy and the value of the data. No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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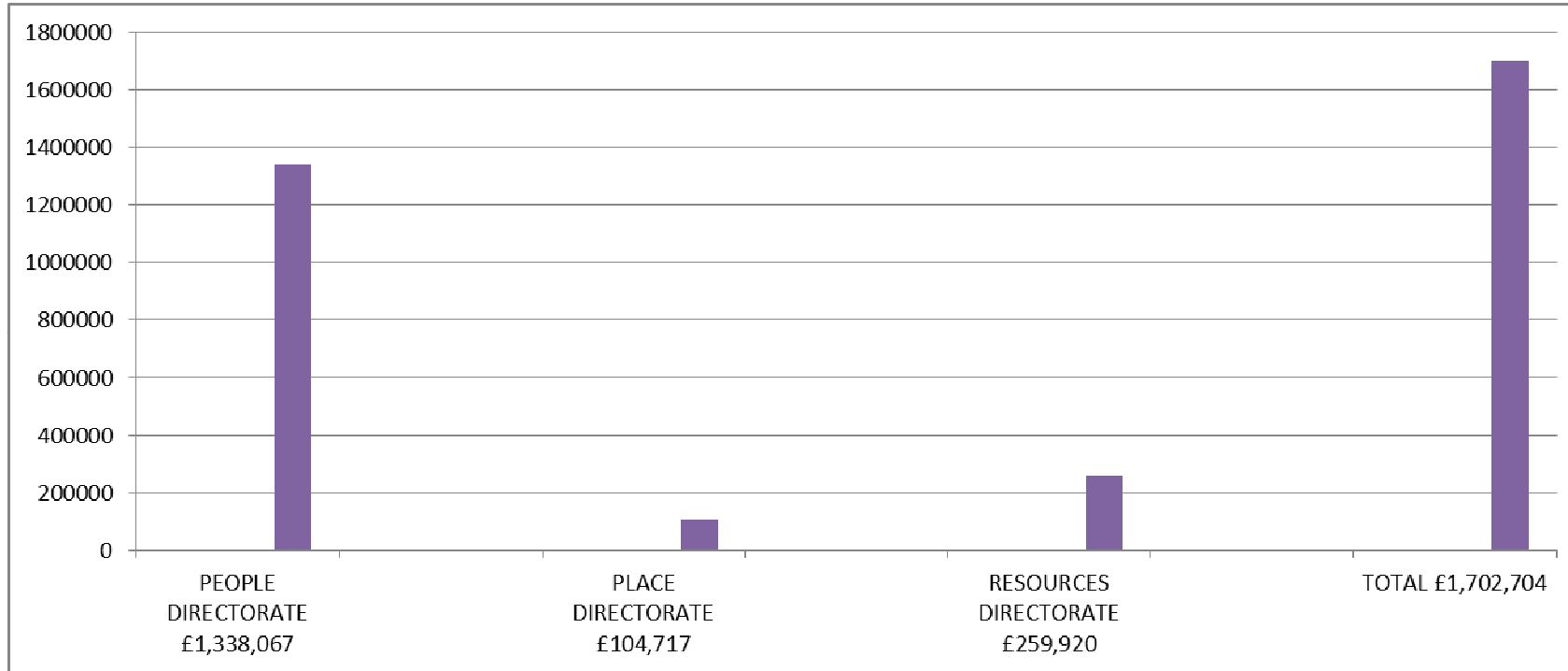
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Director: Chris West	Executive Director	Resources	4 th June 2014	10 th June 2014
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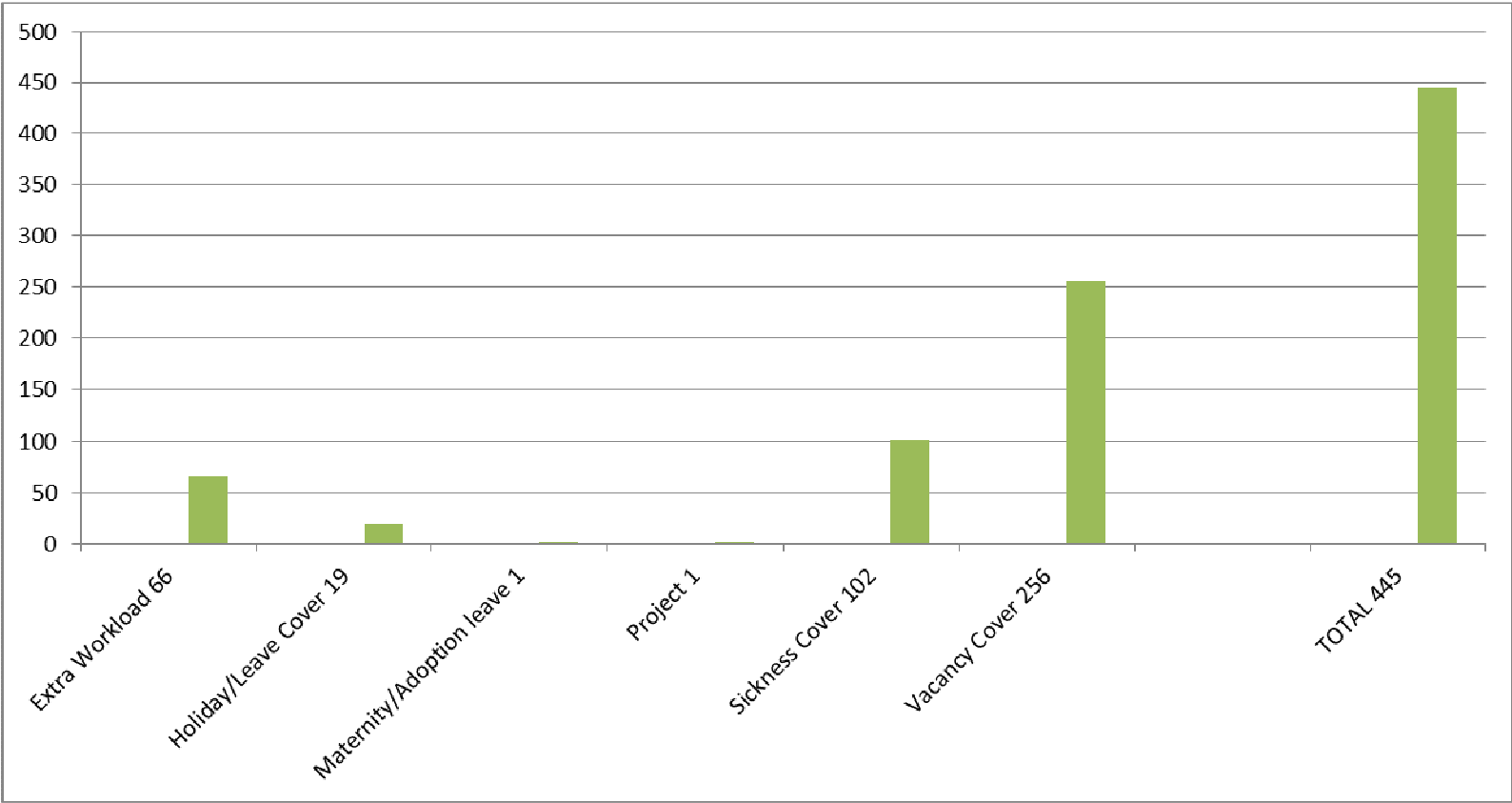
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APPENDIX I - AGENCY SPEND BY DIRECTORATE - JANUARY TO MARCH 2014



APPENDIX II - ORDER JUSTIFICATION QUARTER 4: JANUARY TO MARCH 2014



APPENDIX III SUMMARY OF USE OF AGENCY WORKERS BY DIRECTORATE AND STRATEGIES IN PLACE FOR REDUCING DEPENDENCY ON AGENCY WORKERS
Q4 January to March 2014

Directorate	Q3 Oct to Dec 2013 Expenditure by Service Area	Q4 Jan to March 2014 Expenditure by Service Area	State Usage of Agency Workers in Q4	What Strategies are in place for Reducing Dependency on Agency Workers
People Directorate	Total Expenditure for People Directorate Q3 £828,632	Total Expenditure for People Directorate Q4 <u>£1,340,047</u>	Expenditure on Agency workers increased by £509,435 in Quarter 4 compared to Quarter 3. This increase reflects the on-going increased requirement for experienced social workers to deal with the higher workload being experienced, particularly within the Referral and Assessment Service and Children's Social Care, due to the continuing and unprecedented rates of contacts.	There is on-going recruitment to vacancies within Social Work, with a view to reducing the need for agency workers in the longer term.
Place Directorate	Total Expenditure Q3 <u>£124,858</u>	Total Expenditure Q4 <u>£102,738</u>	Reduction in Agency spend from Q3	
Resources Directorate	Total Expenditure Q3 £233,047	Total Expenditure Q4 <u>£259,920</u>	<u>Legal Services:</u> The increase in the use of agency workers is as a result of an increase in workloads within the Social Care team. In addition, locums have been appointed to cover for vacancies within the Team. <u>Revs & Benefits:</u> Due to the high volume of benefit applications and a high level of vacancies within the Benefits Service the service has needed to increase its use of agency staff. <u>ICT:</u> Additional resources were needed to deliver Sharepoint	Once the Legal Services review has been completed and implemented, this will reduce the need for agency workers within the service. The management team have initiated a recruitment campaign and it is hoped that the new permanent appointments will reduce the overall reliance of agency staff within the service This work was completed at the end of March and the agency workers ended
OVERALL TOTALS	Q2 £1,186,537	Q3 £1,702,704		

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